GAO

Report to the Chairman, Subcommittee on the Civil Service, Committee on Post Office and Civil Service, House of Representatives

December 1992

FEDERAL PERSONNEL MANAGEMENT

OPM Reliance on Agency Oversight of Personnel System Not Fully Justified

148216

GAO

United States
General Accounting Office
Washington, D.C. 20548

General Government Division

B-249163

December 8, 1992

The Honorable Gerry Sikorski
Chairman, Subcommittee on
  the Civil Service
Committee on Post Office
  and Civil Service
House of Representatives

Dear Mr. Chairman:

The Office of Personnel Management (OPM) relies heavily on agencies to help it oversee the federal personnel system. Agencies use Personnel Management Evaluations (PME) as the primary method for making sure that their personnel programs operate effectively and in compliance with federal rules. This report responds to your June 1991 request that we determine whether OPM should rely on agency PME programs.

Results in Brief

Because of reduced staff and resources, OPM has depended on agencies since 1983 to shoulder much of the responsibility for overseeing the civil service system. This approach would be reasonable if appropriate PME standards existed, if all agencies did PMEs regularly, and if the standards were followed. However, due to weaknesses in the approach's implementation, we believe OPM should not rely on current agency PME programs as heavily as it does.

We found varying degrees of PME activity among 35 of the largest federal agencies. Nine agencies, generally the smaller of the 35 agencies, reported doing no PMEs during fiscal years 1989, 1990, and 1991.[1] The 26 agencies that did PMEs reported doing between 1 and 253 PMEs. The number of PMEs done does not necessarily mean that all agency organizational components or important personnel issues were evaluated. For example, one agency with over 100,000 employees did not include its headquarters operations in the 49 PMEs it did during the 3 fiscal years. Regardless of number and coverage, the quality of agency PMEs is unclear because OPM has not issued standards by which to adequately judge quality.

We understand that the budget constraints agencies face today may limit the frequency and staffing of PMEs. We realize, too, that OPM may currently lack a practical means of compelling agencies to do PMEs or to follow standards that are issued. However, PMEs can be a useful source of

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[1]Fiscal year 1991 was a partial year, ending August 31, 1991 (11 months).

information on the internal controls in place in agency personnel programs and, under certain conditions, can be used as alternative internal control reviews. Until recently, OPM saw no connection between PME programs and internal control programs.

Oversight is a fundamental element of a federal personnel system that has become more decentralized in recent years, increasing the risk that a personnel action—such as the appointment or promotion of an employee—may be improper. Therefore, we believe OPM must exercise greater leadership to strengthen agency PME programs if it intends to rely so heavily on agencies for oversight help.

Background

The federal personnel system is characterized by decentralization and delegation, especially since the passage of the Civil Service Reform Act of 1978. Nearly 40,000 personnel specialists working in more than 1,500 offices worldwide process more than 7 million personnel actions a year. The specialists support over 125 federal agencies that employ more than 2.1 million people whose estimated 1991 pay and benefits were $97.4 billion. Agencies and offices that once had to obtain the approval of OPM to take certain personnel actions now have been delegated the authority to take those actions on their own.

As the government's central personnel agency, OPM is responsible for administering and protecting the federal personnel system. It is charged with establishing governmentwide policies and providing guidance and leadership to agencies. It is also responsible for ensuring that personnel laws, rules, and regulations are complied with and that agencies exercise sufficient oversight of their personnel programs.

PMEs are the primary method by which OPM and agencies ensure that oversight takes place. Traditionally, PMEs have been done in many ways, depending on an agency's size and organizational complexity. For example, a PME may consist of a team of personnel specialists spending one or several weeks at an installation examining various personnel activities. Conversely, a PME may consist of one or two specialists spending a day or 2 at an installation. Regardless of type, the purposes are the same—to evaluate the effectiveness of personnel activities and to ensure that those activities comply with applicable requirements.

Before October 1983, OPM and agencies, for the most part, employed similar methods to do PMEs. In October 1983, OPM implemented a new

strategy that relied on agency PME programs to do most of the case-oriented compliance work. OPM gave several reasons for changing its strategy in 1983; these included the lack of staff and money to do thorough evaluations at all agencies. Although some elements of OPM's strategy have changed since 1983, the basic approach of relying heavily on agencies to do PMEs continues. Appendix I provides further background on PMEs and OPM's change in strategy.

Approach

Because OPM relies so heavily on agency PME programs for oversight, the Chairman of the Subcommittee on the Civil Service, House Committee on Post Office and Civil Service, asked us to determine whether agencies have PME programs and, if so, whether OPM's reliance on them is warranted. The Chairman also asked us to follow up on the OPM PME leadership problems we reported in 1989.[2]

To respond to the Chairman's request, we met with and obtained information from OPM officials; reviewed relevant statutes and documents, including past reports we and others issued on PME; and visited four agency PME offices to ascertain their PME practices. We also asked agency PME chiefs to complete questionnaires on their PME programs and their opinions on various PME matters.

We sent the questionnaires to the PME chiefs of 38 of the largest federal agencies. The chiefs at 33 agencies, which together employ 87 percent of all federal civilian non-Postal employees, completed the questionnaires. Five agencies did not complete the questionnaires, but two of the five provided certain information about their programs. Appendixes IV and V contain the completed questionnaire results.

Our work was done between June 1991 and May 1992 in Washington, D.C., and at installations in Baltimore, MD; Denver, CO; and Norfolk, VA, using generally accepted government auditing standards. Appendix II provides more information about our objectives, scope, and methodology. OPM provided written comments on a draft of this report. OPM's comments and our evaluation are presented in appendix IX and elsewhere in this report, as appropriate.

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[2]Managing Human Resources: Greater OPM Leadership Needed to Address Critical Challenges (GAO/GGD-89-19, Jan. 19, 1989).

Program Conditions Do Not Justify OPM's Reliance

Reports issued since 1983 by different organizations have advised OPM of problems with agency PME programs and/or have urged OPM to watch over them. During this review, we found that more often larger agencies did several to many PMEs while smaller agencies did few or none. Even when agencies had active PME programs, we found that agency components or important personnel issues were not evaluated. The relative quality of PMEs is unclear; OPM has not issued standards by which to adequately judge quality. Because of these conditions, we believe OPM should not depend on agency PME programs to the extent it does for oversight assistance.

Past Reports Express Concerns About Agency PME Programs

In a 1986 report, the Merit Systems Protection Board (MSPB) expressed concern about OPM's change in PME strategy and said oversight of agency PME programs should be a major focus for OPM.

In 1987, OPM surveyed members of the Interagency Advisory Group's (IAG) Committee on PME and, on the basis of that survey, reported in 1989 that 33 of the 36 largest agencies had some type of PME program. The report concluded that "there is room for improvement in the quality of PME coverage for most agencies."

In 1989, we reported that most agencies had PME programs, but few had expanded their PME efforts since OPM changed its strategy in 1983. We noted that our survey of IAG Committee on PME members indicated that agencies had different PME capabilities and that OPM leadership activities had not greatly assisted agencies in improving their PME programs.

Appendix III contains information on these and other relevant reports.

Agencies Vary in How Active Their PME Programs Are

We asked questionnaire recipients to provide examples of improvements that resulted directly from their agency's PME program. The respondents reported the following:

- At one agency, an agencywide PME survey was done to develop baseline data for planning purposes. As a result of the survey, the agency established a leadership development program, a comprehensive family support services program, and comprehensive health/wellness and safety programs.
- At another agency, a review and analysis of sick leave usage allowed the agency to identify those organizations that had the most problems controlling sick leave usage. As a result of focusing on the organizations,

and the reasons for the sick leave usage, the agency reported that sick leave usage had dropped significantly.

- At a third agency, a PME to assess how well managers used their newly delegated authority to budget for and classify subordinate staff positions found that managers needed additional training, guidance, and oversight. As a result, the agency issued a series of instructive memoranda to explain how to use the authorities and to keep field and headquarters offices informed of position changes.

We asked questionnaire recipients to report the number of PMEs done by their agencies during fiscal years 1989, 1990, and 1991. The number done per agency varied considerably, ranging from 0 to 253 PMEs. And, as table 1 shows, the number of PMEs appeared to fall into three categories—(1) agencies that did several to many PMEs, (2) agencies that did seemingly few PMEs, and (3) agencies that did no PMEs.

Table 1: Total Number of PMEs Done in Fiscal Years 1989, 1990, and 1991, by Size of Agency

| | Agency size by number of civilian employees | | | | |
Number of PMEs	1,000 to 9,999	10,000 to 29,999	30,000 to 99,999	100,000 and over	Number of agencies
11-253	2	3	4	6	15
1-8	6	3	1	1	11
None	8	1	0	0	9
Total	**16**	**7**	**5**	**7**	**35**

Fifteen agencies said they did between 11 and 253 PMEs during the 3 fiscal years. Ten of the 12 largest agencies—those with 30,000 or more employees—were in this category.

Eleven agencies reported doing one to eight PMEs during the 3 fiscal years. Three of these agencies reported doing PMEs in only 1 of the 3 years. The 11 agencies varied in size from small to very large. For example, 1 agency with about 3,500 employees reported doing 1 PME while another agency with over 100,000 employees reported doing 4 PMEs during the period.

Nine agencies—or nearly one fourth of those we surveyed—had not done a PME during the 3 fiscal years. These agencies generally had less than 5,000 employees.

Coverage Not Always Complete

The number of PMEs an agency did does not necessarily mean that all organizational components or major personnel activities were covered.

For example, 1 agency with over 100,000 employees reported doing 49 PMEs during the 3 fiscal years, but none covered the agency's headquarters. Another agency with over 100,000 employees reported doing over 100 PMEs, but they covered only 17 of the agency's 51 personnel offices.[3]

Along with coverage of organizational components, PMEs should cover major personnel activities. We listed 14 activities, such as recruitment of job applicants and use of delegated hiring authorities, in our questionnaire. In answering the questionnaire, the 15 agencies that did the most PMEs generally said they covered all or nearly all of the personnel activities we listed.

We have previously reported problems with how agencies used several delegated personnel authorities and said one reason the problems went undetected was because of limited PME coverage. Agencies used the authorities to hire employees on a temporary basis, to hire experts and consultants, and to pay higher starting salaries to new employees. We reviewed the authorities because OPM identified them as being vulnerable to abuse. We went to 30 installations in 16 agencies that were extensive users of each authority and found the following:

- Twenty-five percent of the temporary appointments we reviewed were inappropriately made to fill permanent positions.[4]
- Thirty-five percent of the expert and consultant appointments we reviewed were inappropriate.[5]
- We were unable to determine whether 99 appointments we reviewed qualified for the higher starting salaries the appointees received because the written explanations supporting the appointments lacked the comparative data we believed necessary to make such determinations.[6]

The 16 agencies often said their PME reviews did not cover the authorities or they lacked a PME program altogether, even though we questioned them about installations that were extensive users of the authorities.

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[3]This agency said it follows a 4-year cycle in doing PMEs, meaning it evaluates each of its personnel offices once every 4 years. In 3 years, the agency reported it had evaluated 17 of its 51 personnel offices. To complete its 4-year cycle it would have to do the remaining 34 offices in 1 year.

[4]Federal Workforce: Selected Sites Cannot Show Fair and Open Competition for Temporary Jobs (GAO/GGD-90-106, Sept. 5, 1990).

[5]Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies (GAO/GGD-91-99, July 17, 1991).

[6]Federal Recruiting and Hiring: Authority for Higher Starting Pay Useful but Guidance Needs Improvement (GAO/GGD-91-22, Sept. 10, 1991).

Regardless of the number of PMEs done and the extent of their coverage, the relative quality of PMEs is unclear because agencies do not follow any governmentwide set of standards for doing PMEs. The need for such standards is discussed next.

Factors Affecting Program Conditions

Among the factors affecting PME program conditions are OPM's leadership and the resources agencies devote to their programs.

Actions OPM Has Taken

A 1969 presidential memorandum, which OPM's Office of the General Counsel says is still in effect, requires that agencies have PME programs and sets out OPM's PME leadership responsibilities. (App. VI contains the full text of the memorandum.) The responsibilities fall into four areas: (1) establish standards for adequate evaluations, (2) research and develop methods for evaluating personnel management, (3) ensure that persons who engage in PME are properly qualified and trained, and (4) assess the adequacy of agency evaluation systems.[7]

In carrying out these responsibilities, OPM has, for example, established a clearinghouse through which agencies can share effective and innovative PME methods. OPM officials said that agencies have been active users of the clearinghouse. OPM offers a training course for OPM and agency evaluators. It also participates in agency-led PMEs as a primary means of assessing the adequacy of agency evaluation systems. Also, OPM officials told us of a number of agencies with which OPM PME staff have worked directly to improve or establish PME programs. For example, OPM PME staff worked with a large bureau to assist it in integrating PME into its general management system.

Standards Needed to Promote PME Quality

OPM has not updated program standards since 1974 and does not enforce them because it believes the standards are outdated. OPM has never issued operational standards. PME standards could promote a uniform level of quality and confidence in agency PME activities. In the absence of governmentwide standards, PME quality is subject to individual agency interpretation.

PME standards could fall into two broad categories—(1) program and (2) operational. Program standards would define what an agency PME program

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[7]In addition to these four leadership responsibilities, the memorandum requires OPM to maintain a capability to independently evaluate agencies and collaborate and coordinate with OMB.

should encompass, such as the components and activities to be evaluated and the qualifications for evaluators. Operational standards would define how individual PMEs should be done. For example, in evaluating specific types of personnel actions, certain supporting documents should be reviewed.

The 1974 standards required agencies to ensure that (1) personnel management goals supporting the agency mission were stated in writing by the agency head, (2) a written agency evaluation plan was developed and published, (3) capabilities existed to enable evaluation at each appropriate organizational level to which personnel management authority was delegated, and (4) an effective agencywide personnel management evaluation system had been implemented.

Our 1989 report on OPM's leadership recommended that OPM assess the standards for agency PME programs and make changes where needed.[8] We also recommended that OPM develop qualifications for evaluators and assess the training available to them.[9]

OPM has used a series of task forces and interagency groups to address our recommendations. In April 1992, OPM said an interagency work group focusing on specifying the work of agency and OPM evaluators remained active. Such specification, OPM said, was a prerequisite to developing guidelines for agency evaluation systems and identifying qualifications and training for evaluators. As of October 1992, no standards had been revised or additional standards issued.

According to OPM, its ongoing review of the 1974 standards is not intended to produce operational standards that guide agencies on how to do an evaluation. We are uncertain why revision of the general program standards must wait for a study of what PME evaluators do. In our opinion, program standards hinge on (1) what the civil service laws, rules, and regulations and executive orders require and (2) good management practice, rather than on what evaluators do.

Several governmental and private sector organizations have published evaluation standards to help achieve a consistent and professional

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[8]GAO/GGD-89-19.

[9]We made two other PME recommendations, and OPM's actions were responsive. We recommended that OPM establish a clearinghouse on good and innovative evaluation methods, techniques, and plans. OPM established a clearinghouse in the fall of 1990. We recommended that OPM increase its oversight of agency PME programs to include more agencies. OPM said its fiscal year 1990 evaluation agenda placed greater emphasis on OPM participation in agency-led PMEs.

approach to evaluation work. (App. VII identifies these organizations and the standards.) The standards apply to evaluations, audits, and inspections. They often cover common topics such as staff qualifications, quality control, planning, evidence, timeliness, and report contents. We recognize that PMEs are not traditional, independent reviews like audits or inspections. However, because PMEs are an important vehicle for oversight of the civil service system, and OPM depends heavily on them, we believe OPM should consider these published standards in developing standards for agency PMEs.

OPM PME Office Incorrectly Perceived Lack of Authority

OPM PME officials said they know through OPM's ongoing evaluation program that some agencies do not have PME programs or have insufficient programs. They said that agencies have told them they do not have to have programs because the 1969 presidential memorandum requiring PME programs is no longer in effect. OPM PME officials said they do not have sufficient authority to require agencies to have PME programs or follow standards OPM issues.

OPM's Office of the General Counsel believes the 1969 memorandum is still in effect. Regardless of the memorandum's status, we believe, and OPM's Office of the General Counsel agrees, that OPM has the authority under its general oversight authority (5 U.S.C. 1103(a)(5)) to regulate agency PME activity.

Using this authority, OPM can require agencies through regulation to have PME programs and follow PME standards. If OPM plans to continue to depend heavily on agency PMEs for oversight of the federal personnel system, it should not delay in establishing standards and requiring agencies to implement related PME programs.

Resources Affect Program Conditions

We recognize that regulations alone will not guarantee that agencies have active PME programs. Agencies must see a need for and benefit of PMEs and have resources available to do them.

Some agencies said they had limited or no PME activity because of limited resources. However, most PME chiefs who answered our questionnaire, including those whose programs did few PMEs and whose programs did many PMEs, said their agency's overall support for PMEs was adequate.

Our questionnaire asked for and 23 agencies provided PME staffing data. The data showed a considerable range in staffing levels among the respondents.

We asked agencies to report, as full-time equivalents (FTE),[10] how many professional staff were formally assigned to the PME program. The numbers reported ranged from less than 1 to 29 FTE professional employees. For 6 agencies, the number, which included the PME chief, was 3 to 29 FTE employees as of August 1991. For 17 agencies, the number, including the PME chief, totaled 2 or less FTE employees as of August 1991.

PMEs are frequently done using local or regional personnel specialists who are "borrowed" on an as-needed basis to do PMEs. The 23 agencies reported using 847 local or regional personnel specialists to do PMEs in fiscal year 1991. The agencies took the number of hours the 847 specialists spent on PME and equated those hours to FTE employees. For 2 agencies, the time the specialists spent equated to 44 and 15 FTE employees. For each of the other 21 agencies, both large and small, the time the specialists spent on PME was equal to 4 or fewer FTE employees. The reported staffing numbers may appear small, at least for the larger agencies. However, we had no criteria by which to determine appropriate staffing levels.

PME Can Aid Agencies' Internal Control Efforts

Agency PME programs can be a valuable source of information to both agencies and the Office of Management and Budget (OMB) in connection with the 1982 Federal Managers' Financial Integrity Act (FMFIA). The act requires agencies to establish internal accounting and administrative controls to provide reasonable assurance that funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation. The act requires each agency head to report annually to the president and Congress on the condition of the agency's internal control systems.

FMFIA requires agencies to review major activities, and personnel is such an activity. According to OMB, PMEs can be used as alternative internal control reviews. PMEs can be used to provide information about the internal controls in place within the personnel program (or elements of the program) if the PME actually evaluates those internal controls.

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[10]An FTE is equivalent to what one full-time employee would spend working only on PME for 1 year. Professional staff may not necessarily work full-time on PME. If two professional staff each worked, for example, 50 percent of their time on PME and 50 percent of their time on other assignments, the two together would equal one FTE devoted to PME.

Until recently, OPM saw no connection between the PME and FMFIA programs and has not issued guidance to agencies on the linkage. However, we discussed the matter with OMB and OPM officials, and OPM now agrees with OMB that PMEs fit the definition of an alternative internal control review. Appendix VIII discusses this relationship in more detail.

Conclusions

OPM is charged by statute with executing, administering, and enforcing the civil service laws, rules, and regulations. OPM adopted a strategy that relies considerably on agencies in doing this through PME programs. However, the condition of agency PME programs varies, and we believe OPM should not rely on current agency PME programs as much as it does.

Although OPM has acted to improve agency PME programs, it has not been aggressive enough in two basic areas of program management—(1) requiring agencies to do PMEs and (2) setting PME standards. Twenty-three years after President Nixon first required agencies to establish PME programs, and nearly a decade after OPM began relying heavily on those programs, the pertinent OPM offices have concluded that OPM possesses the legal authority necessary to write regulations requiring agencies to have PME programs.

Similarly, the PME programs lack the framework that appropriate standards would provide. In addition to general program standards, we believe operational standards should be published as well. We believe OPM should require agencies to follow these standards. We also believe that, when writing PME standards, OPM should consider the standards published by other organizations for evaluations, audits, and inspections.

We understand that because of budget constraints, agencies may limit their PME activities. However, we believe this is when OPM needs to take even more of a proactive role by, for example, demonstrating the importance of PME and the connection between PME and other evaluation programs such as the FMFIA program. We believe it is in OPM's interest to demonstrate leadership and promote strong agency PME programs because OPM is ultimately responsible for oversight of the federal personnel system.

Recommendations

We recommend that the Acting Director, OPM, strengthen agency PME programs by

- issuing regulations that require agencies to (1) establish and implement PME programs and (2) follow OPM standards in structuring PME programs and doing PMES.
- publishing program and operational PME standards. In developing these standards, OPM should consider standards already published for evaluations, audits, and inspections. OPM should work with agencies in developing and implementing the standards.
- consulting with OMB and then providing guidance to agencies on the relationships that should exist among agency personnel programs, agency PME programs, and agency internal control programs. Issues that should be addressed are the use of PMES as alternative internal control reviews and the reporting of identified material weaknesses in the agencies' FMFIA annual reports.

Agency Comments and Our Evaluation

In an October 14, 1992, letter, the Acting Director of OPM commented on a draft of this report (see app. IX). He said the draft report offers some useful observations on the value of PME programs, and OPM agrees that agency PME programs generally need strengthening. But strengthening those programs, he said, should be part of a balanced effort that serves the several goals of OPM's governmentwide PME program.

OPM is not convinced that adopting all of our recommendations will provide the best means of strengthening governmentwide PME. The Acting Director, however, left open the possibility of more discussion, saying OPM looks forward to debating many of the issues we raise in this report during the evaluation community's 1993 PME Leadership Conference that GAO is helping to plan.

The Acting Director said OPM is not convinced that issuing regulations would provide an effective stimulus to the development or improvement of agency PME programs or even add materially to the requirements already in place. According to the Acting Director, an equally effective approach might be a memorandum from the Director of OPM reminding agencies of the existing requirements for PME programs and pointing out the benefits of PMES.

We agree that the Acting Director should remind agencies of the need for and importance of agency PMES. However, OPM PME officials have told us that because agency officials believe the 1969 presidential memorandum requiring agency PME programs is no longer in effect, some agencies have not done PMES or have insufficient PME programs. OPM must convince

agencies that the 1969 memorandum still applies. In 1981, the OPM Director issued a memorandum reminding agencies of the PME requirements, but it appears to have had little practical effect on agencies.

We recognize that regulation alone will not guarantee active agency PME programs. Agencies, we believe, must also see a need for and benefit from PMEs and have resources available to do them. Nevertheless, we continue to believe that agency PME activities should be clearly mandated. Agencies face competing priorities for their resources and the lack of a clear mandate to have a PME program makes it easier for agencies to avoid having strong programs. Such a situation does not benefit government personnel management in general nor OPM, which relies heavily on agency PMEs for oversight help. We believe that regulations, based on OPM's general oversight authority and clearly mandating the establishment of agency PME programs, would end any confusion about the requirement for agencies to establish PME programs.

The Acting Director said OPM is willing to make agencies aware of published standards for evaluations, audits, and inspections and to explore at the 1993 PME Leadership Conference whether some aspects of agency evaluation programs may be appropriate for the application of uniform governmentwide standards. However, the Acting Director said it was not clear at this point that a detailed set of standards covering the full range of PME activities would be useful, given the diverse environments, missions, workforces, and associated personnel program requirements of agencies.

We are pleased that OPM is willing to make agencies aware of published standards and explore the subject of standards at the 1993 conference. We also acknowledge the need for and existence of diversity among agencies and fully endorse efforts to give agencies authority and flexibility to meet their differing needs. However, it is because of this diversity that we believe governmentwide PME standards are necessary.

Along with authority and flexibility comes the need to ensure accountability. Effective agency PME programs, in our view, give agencies significant opportunity to test and promote accountability. OPM, in turn, relies heavily on agency PME programs for oversight assistance. Therefore, OPM must ensure that agencies have adequate PME programs and do effective PMEs. Although OPM tries to ensure such adequacy now through various means, including participating with agencies in doing PMEs, OPM cannot be in all places at all times. Standards would provide agencies with a framework for establishing PME programs and doing PMEs.

There need not be a monolithic set of standards requiring all agencies to act alike. Rather, standards should take into account the differences among agencies, such as their size and organizational complexity, while at the same time ensuring that minimum program and operational requirements are met. The PME program standards that now exist in the Federal Personnel Manual, a document that provides guidance to federal agencies, need updating. Although OPM agreed to revise the standards in 1989 in response to a previous GAO recommendation, revised standards have not been published. Operational standards for agency PMEs have not been developed and, thus, are not in the FPM guidance.

The Acting Director said that our last recommendation, which concerns the relationship among agency personnel programs, agency PME programs, and agency internal control programs, warrants consideration and will be a specific agenda item at the 1993 PME Leadership Conference.

Matters for Subcommittee Consideration

Because OPM depends heavily on agency PME programs to oversee the federal personnel system, it is important that agencies have PME programs and do PMEs. The current governmentwide approach lacks two fundamental elements—(1) a mandate that agencies establish PME programs and (2) standards that agencies must follow in establishing their PME programs and doing PMEs. We have recommended that OPM publish standards and, using its general oversight authority at 5 U.S.C. 1103(a)(5), write regulations requiring agencies to establish PME programs and follow PME standards. OPM has said, however, that it does not believe such standards and regulations are necessary. If OPM maintains this position, the Subcommittee should consider whether it wants to mandate by law that agencies have PME programs, that OPM publish program and operational standards, and that agencies follow the OPM standards.

As arranged with the Subcommittee, unless you publicly release its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Acting Director, OPM; the Director, OMB; the chiefs of agency PME programs we surveyed; and other interested parties. We will also make copies available to others upon request.

The major contributors to this report are listed in appendix X. If you have any questions about this report, please contact me at (202) 275-5074.

Sincerely yours,

Bernard L. Ungar
Director, Federal Human Resource
  Management Issues

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Background on the PME Program and OPM's Strategy

Personnel Management Evaluations (PME) are the primary method agencies and the Office of Personnel Management (OPM) use to ensure that oversight of the personnel system takes place. There are no legal or regulatory requirements that specify how PMEs must be carried out. Traditionally they have been done in many ways, depending on an agency's size and organizational complexity. For example, a PME may consist of a team of personnel specialists spending a week or weeks on-site at an installation, conducting position classification desk audits, reviewing merit selection and promotion files, examining the adequacy of individual performance appraisals, and auditing large numbers of personnel actions for compliance with civil service laws, rules, and regulations.

Conversely, a PME may consist of one or two specialists spending a day or two on-site at an installation; or it may consist of an informal "self assessment" by local personnel officials on an annual or semiannual basis, such as during the annual budget review. Regardless of the type of PME, the general purpose is the same—to evaluate the effectiveness of personnel activities and ensure that those activities comply with the applicable requirements.

CSC, OPM, and Agency PME Programs

PME-type activities are as old as the civil service itself. The legislation creating a competitive civil service, the Pendleton Act of 1883, required the Civil Service Commission (CSC), OPM's predecessor agency, to make investigations and reports on the practical effects of its actions. These investigations and reports were done by various offices within CSC. The 1930s brought a great expansion of federal programs and agencies, and World War II forced the emergency decentralization of significant personnel authority to agencies. This expansion in the size of government along with the diffusion of authority to take personnel actions resulted in a recognition that a permanent, central CSC oversight system was needed. Executive Order 9830 authorized one in February 1947.

Agency PME activity began in the 1940s when agencies carried out surveys of their personnel management practices at the urging of CSC. In 1949, the Classification Act required agencies to make systematic reviews of their operations on a continuing basis, although the act did not require agencies to establish PME programs as such.[1] Throughout the 1950s and 1960s, CSC encouraged agencies to have their own PME programs, and in 1969,

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[1] The requirement is codified at 5 U.S.C. 305. OMB was the agency responsible for writing regulations to implement the law, but OMB has not done so in the 43 years since the law's enactment.

President Nixon issued a presidential memorandum requiring agencies to establish PME programs. For the most part, PMEs conducted by agencies, CSC, and jointly, employed similar methods —CSC and larger agencies using comprehensive approaches while the smaller agencies used more informal procedures.

In January 1979, as a result of the Civil Service Reform Act of 1978 (CSRA), CSC was abolished. Most of CSC's responsibilities, including the responsibility for oversight, were transferred to the new OPM.[2] For a few years, OPM did PMEs as they had been done by CSC.

OPM Relying on Agencies to Do PMEs

In October 1983, OPM adopted a new strategy that depended more on agencies doing PMEs. Under this strategy, agencies were to be relied on to do most of the case-oriented compliance work (or "retail," as an OPM evaluation official has referred to it) while OPM would focus on collecting and reviewing governmentwide data to identify systemic problems (or "wholesale"). Although some elements of OPM's strategy have changed since 1983, the basic approach of relying heavily on agencies to do PMEs continues.

OPM said its rationale for changing its strategy was that it did not have the staff or the resources to do a thorough evaluation of personnel management at all agencies. It said findings from individual evaluations could not be generalized, case correction follow-up activities resulted in long, drawn out actions that did not address systemic problems, and the old strategy did not systematically generate information directly relevant to potential OPM policy development.

Influence of CSRA

The OPM document explaining the change in strategy[3] noted that one factor influencing OPM's decision was passage of CSRA. Before CSRA, agencies were limited in taking some types of personnel actions.[4] But CSRA gave agencies

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[2]Other responsibilities were transferred to the Merit Systems Protection Board and the Office of Special Counsel. We were given responsibility for reporting on federal personnel management.

[3]A Concept Paper Suggesting Approaches for Getting Greater Dividends From OPM's Personnel Management Evaluation Program (OPM, Feb. 1983).

[4]Agencies could take personnel actions based on one of three types of authority: (1) authority delegated to them by CSC, (2) authority that, while lodged directly with the agency by law, required that CSC promulgate regulations, standards, and instructions for carrying it out, and (3) authority governed by rules promulgated by the president that charged CSC with overall responsibility for leadership.

more freedom and flexibility, and encouraged OPM to delegate personnel authority to agencies.
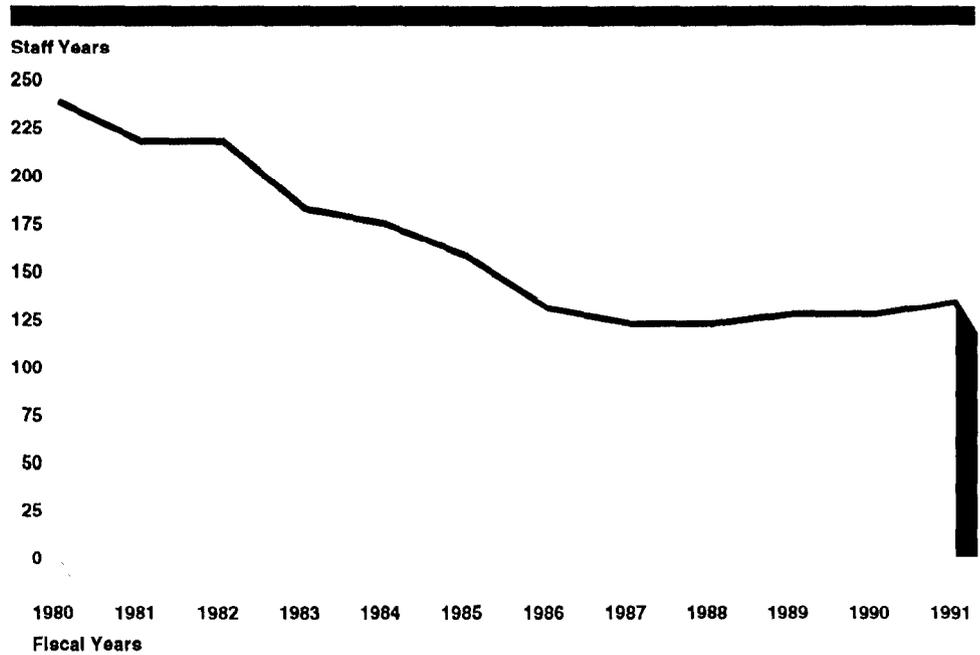
CSRA also explicitly made agencies responsible for oversight of their own personnel programs. It required the head of each agency to prevent prohibited personnel practices, and ensure that personnel actions were taken in compliance with the civil service laws, rules, and regulations. In addition to CSRA, individual statutes impose requirements on agency heads relative to specific personnel functions such as position classification. Also, as noted earlier, the 1949 Classification Act contained a general requirement for systematic reviews. But the framers of CSRA added a specific responsibility for oversight to the law as a way of balancing out the new freedoms agencies were given to take personnel actions without prior OPM approval.

Effect of Administration Efforts to Reduce Staff

In addition to the influence of CSRA, the document explaining the change in strategy shows OPM was influenced by President Reagan's efforts to reduce the size and cost of government. The new evaluation strategy allowed OPM to reduce the size and costs of its own evaluation staff. Although OPM knew agency PME programs had been dealt a severe setback as a result of agency resources being drained away from evaluation to support CSRA implementation efforts, OPM implemented its strategy of relying on agency PME programs. The OPM program began to shrink even before the new strategy was adopted. As figure I.1 shows, in fiscal year 1980 the program had a nationwide staff of 238; by fiscal year 1987, it was 122. Staff were then added and in fiscal year 1991 staff totaled 133, or 56 percent of the fiscal year 1980 capability.

Figure I.1: OPM Staff Devoted to Governmentwide PME Program

Staff Years

Fiscal Years	
250	
225	
200	
175	
150	
125	
100	
75	
50	
25	
0	

1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990 1991

Fiscal Years

Source: OPM, Office of Agency Compliance and Evaluation.

Objectives, Scope, and Methodology

In June 1991, the Subcommittee on the Civil Service, House Committee on Post Office and Civil Service, asked us to determine the state of agency PME programs. Our objectives were to

- determine whether agencies had "active" PME programs. We considered a program active if one or more PMEs had been done anytime during the 3 fiscal years—1989, 1990, and 1991. We collected various data on active programs such as the number of evaluations scheduled and completed.
- determine whether OPM's reliance on agency PME programs is warranted.

Our final objective was to follow up on recommendations made in our 1989 general management review of OPM by assessing how well OPM is carrying out its leadership responsibilities for the government's PME efforts. These responsibilities affect agency PME programs.

To determine whether agencies have active PME programs and the characteristics of these programs, we sent a questionnaire to 38 of the largest federal agencies. We mailed the questionnaire in September and October 1991 and asked that the PME chief for the entire agency complete the questionnaire.

Part one of the questionnaire asked for factual information about the agency's PME program—for example, the PME payroll and travel budgets for fiscal years 1989, 1990, and 1991. Part two of the questionnaire asked for the chief's views and opinions about the agency's PME program and OPM's leadership and support for PME.

The 38 agencies employ about 97 percent of all non-Postal federal civilian employees and process millions of personnel actions annually. We based our selections on such things as the agency's size, organizational complexity, and the technical characteristics of its civil service population profile. Table II.1 lists the agencies to which we sent our questionnaire. The source for the number of civilian employees was OPM's Employment and Trends report dated May 1991, except for the Defense Mapping Agency, Defense Contract Audit Agency, and Defense Information Systems Agency, where the number was obtained from the submitted questionnaires. The source for the number of personnel offices was OPM's Personnel Office Identifiers report dated December 1990. This information was not available for the Tennessee Valley Authority and the Federal Reserve.

Table II.1: Agencies Receiving our Questionnaire

Agency	Civilian employees	Number of personnel offices
Army	352,164	217
Navy	325,742	128
Veterans Affairs	255,217	226
Air Force	224,390	119
Treasury[a]	175,150	120
Health and Human Services	126,728	32
Agriculture	118,403	248
Justice	87,265	123
Interior	77,808	73
Transportation	68,049	38
Defense Logistics	57,172	20
Commerce	40,092	26
State	25,534	2
National Aeronautics and Space Administration	25,529	10
Tennessee Valley Authority[a]	24,801	n/a
Federal Deposit Insurance Corporation[a]	21,138	1
General Services Administration	20,715	17
Energy	18,712	22
Labor	18,123	19
Environmental Protection Agency	17,856	16
Housing and Urban Development	13,745	13
Defense Mapping	8,048	5
Office of Personnel Management	6,588	8
Defense Contract Audit Agency	6,200	8
Defense Information Systems Agency	5,500	1
Small Business Administration	4,991	16
Education	4,862	4
Federal Emergency Management Agency	3,597	2
Nuclear Regulatory Commission	3,488	5
National Archives and Records Administration	3,049	3
Equal Employment Opportunity Commission	2,886	1
Securities and Exchange Commission	2,343	2
National Labor Relations Board	2,166	1
Federal Communications Commission[a]	1,811	1
Railroad Retirement Board	1,763	1
Federal Reserve[a]	1,512	n/a

(continued)

Agency	Civilian employees	Number of personnel offices
National Science Foundation	1,247	1
Federal Trade Commission	1,016	1

[a]Did not return the questionnaire. Treasury and the Federal Communications Commission provided general information about their PME programs.

Five of the 38 agencies did not return the questionnaire. Thirty-three agencies, which together employ 87 percent of all federal civilian non-Postal employees, completed the questionnaire. The answers the 33 agencies gave are not projectable to other federal agencies. Eight agencies said they had not done PMEs in the 3-year period. Agencies that gave that answer were instructed to go no further in answering the questionnaire except to explain why no PMEs had been done. [1]

Twenty-five agencies said they had done PMEs in the 3-year period and completed the questionnaire. We asked the person completing the questionnaires to provide their job title. For questionnaires the 33 agencies returned, the PME chief usually completed the factual part of the questionnaire and always completed the opinion part of the questionnaire.

Before mailing the questionnaire, we tested it at three agencies to help ensure that we would be asking relevant and clearly worded questions. Our testing was done at the Departments of the Interior and Treasury, and the Environmental Protection Agency.[2] We revised the questionnaire as appropriate to reflect the comments we received.

The findings derived from information the questionnaires provided are suggestive rather than conclusive. In completing the questionnaire, we asked that the agency's answers reflect the PME program agencywide. This undoubtedly caused respondents to "average" some answers. For example, if one organizational unit in an agency had a strong PME program and another unit had a weak program, the person answering the questionnaire would need to take the condition of both units' PME programs into consideration.

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[1]Three of the eight agencies, however, completed the questionnaire. Except for explanations as to why no PMEs had been done, we did not include their answers in our analyses because none had done PMEs in the 3-year period.

[2]These agencies also received copies of the "final" questionnaire to complete.

We derived our definition of PME from section 1-1 of the Federal Personnel Manual, chapter 273, entitled "Purposes for Personnel Management Evaluation," and included it in the questionnaire. The definition was:

"Personnel Management Evaluation (PME) is the process by which federal agencies assess whether personnel programs are carried out in an efficient and effective manner, support agency missions, and comply with laws, rules, and regulations."

We do not know the extent to which answers to the questionnaire were based on perceptions and generalizations rather than knowledge of program specifics agencywide. In answering the questionnaire, respondents assessed their own programs and may have viewed those programs more favorably than "outsiders" would have. Therefore, our findings may be biased in favor of agency PME programs.

To help us better understand and assess agency PME programs, we asked questionnaire respondents to send us various documents and we visited four locations. We obtained from respondents (1) material documenting their PME programs, such as mission and function statements; (2) lists of PME reports issued during fiscal years 1989, 1990, and 1991; and (3) copies of reports issued between January 1990 and August 1991 that they considered most representative or best examples of their PME programs. We asked each respondent to send three such reports.

To ascertain their PME practices, we visited the Department of the Interior's Bureau of Reclamation headquarters in Denver, CO; the Department of the Navy's Office of Personnel Management, Southeast Region, in Norfolk, VA; the Department of Health and Human Services' Social Security Administration headquarters in Baltimore, MD; and the National Aeronautics and Space Administration headquarters in Washington, D.C. We judgmentally selected these offices based on several considerations including agency size, scores received in OPM's Personnel Management Indicators Report for the years 1984 through 1989, and the proximity and availability of our audit staff to make the visits.

We also researched and analyzed the legal basis for PMEs. We reviewed reports published by GAO, the Merit Systems Protection Board (MSPB), and others on PME and other personnel programs to determine what issues were raised and what recommendations were made.

To examine the role of OPM as the government's PME program manager, we obtained documents and written information about the activities of OPM's

Office of Agency Compliance and Evaluation (ACE) and interviewed ACE officials. ACE is responsible for doing PMEs and leading the government's effort to improve governmentwide PME. We reviewed past GAO reports to see what previous issues and recommendations had been made regarding agency PMEs and OPM's leadership. Of special relevance was a 1989 report titled Managing Human Resources: Greater OPM Leadership Needed to Address Critical Challenges (GAO/GGD-89-19, Jan. 19, 1989). It made several recommendations to OPM for improving governmentwide PME, and we followed up with ACE to learn what actions OPM had taken. In examining OPM's PME leadership role, we coordinated our work with MSPB, which was doing its own review of OPM's PME activities.

Prior Reports on Oversight

We first reported on agency oversight activities nearly 20 years ago. In September 1974, 5 years after President Nixon required agencies to establish PME programs, we issued a report entitled Agencies' Personnel Management Can Be Enhanced by Improving the Evaluation Process (B-179810, Sept. 17, 1974). The report found that agencies had done less than they should have to develop acceptable PME systems. Of 23 CSC reports we reviewed, 12 commented on the agencies' PME systems; of those 12, 7 found the agencies' PME systems to be less than adequate.

Since passage of the CSRA, we, MSPB, the National Academy of Public Administration (NAPA), and OPM have issued reports concerning oversight. Examples include the following.

A NAPA May 1981 interim report, The Protection of Merit Under the Civil Service Reform Act of 1978, found that the newly created OPM was reluctant to acknowledge the extent of its responsibility for merit protection and had assigned a low priority to merit protection functions.

MSPB's June 1981 Report on the Significant Actions of the Office of Personnel Management During 1980 found that OPM had not established a credible presence as a firm and effective monitor of the adherence of agencies to merit, and that a specific review of how agencies' programs comported with statutory merit principles and avoided prohibited personnel practices was not a discrete, ongoing, regular part of OPM's compliance and evaluation activity. Of nearly 1,300 senior level agency personnel professionals surveyed by MSPB, only 41 percent said OPM had been effective to very effective in monitoring agency personnel systems to detect possible abuses. Forty-six percent said OPM had been ineffective to very ineffective in monitoring such systems. In another finding of the survey, MSPB reported that 52 percent of respondents said OPM had been ineffective in providing leadership and support for agency internal PME systems. MSPB recommended that OPM strengthen its agency compliance and evaluation activities and more directly monitor merit questions within those activities.

MSPB's Report on the Significant Actions of the Office of Personnel Management During 1983 (Dec. 1984) found that 52 percent of the 21 agencies surveyed rated the new OPM PME program better than the previous approach in its method of data gathering. Eighty-one percent of the 21 agencies rated the new program worse in its ability to detect specific regulatory compliance. The report said that although OPM stated that ensuring compliance was a basic goal of the new PME program, OPM also

stated that the new system was less able to detect individual compliance actions than the previous program. The report said 56 percent of the 21 agencies surveyed rated the usefulness of the feedback they received after an OPM visit as fair and said they did not find it as useful as it was under the previous program.

MSPB's May 1986 study, Report on the Significant Actions of the Office of Personnel Management During 1984-1985, reported that OPM considered the agencies primarily responsible for "nuts and bolts" regulatory reviews. But agencies generally viewed OPM's evaluation image as weaker, not stronger, and agency confidence in OPM's ability to assist in upholding merit system principles or in preventing or detecting prohibited personnel practices had eroded extensively with OPM's 1983 change in approach to PMEs. The report said that until the revised OPM PME approach was completely implemented, in essence there was no good mechanism available to OPM to ensure that agency programs were effectively administered. It said OPM oversight of agency PME programs should be a major concern for OPM. MSPB concluded that OPM's PME approach lacked balance and raised serious questions about OPM's ability to uphold the merit system and ensure regulatory compliance.

Our November 1987 report entitled Federal Workforce: OPM's Approach for Conducting Personnel Management Evaluations found that neither CSRA nor any regulatory requirements specified how OPM should manage and oversee agency personnel programs. According to OPM, its revised PME approach addressed the administration and enforcement of personnel management requirements on a governmentwide basis, and relied on agencies to examine compliance with personnel management requirements through case-oriented reviews in their own internal PMEs. But seven of nine agency personnel managers interviewed by us expressed concerns about the revised approach, believing that OPM's capability to ensure agency compliance with applicable laws, rules, and regulations had decreased.

MSPB's December 1987 report on Expanded Authority for Temporary Appointments: A Look at Merit Issues found that OPM's 1984 expansion of agencies' authority to make and extend temporary appointments increased the civil service system's vulnerability to violations of the merit system principles. The report said that the degree to which agencies' actions to ensure proper use of the authority were effective remained an open question but said that OPM's oversight of the authority appeared to be adequate.

A September 1988 report by a NAPA panel entitled The Executive Presidency: Federal Management for the 1990s said that OPM's potential to serve as the principal human resource planning agency for the federal government had not been reached. It said that during President Reagan's first term, OPM became an instrument to advance certain policy goals only tangentially related to its mission. The report cited a 1988 Government Executive magazine poll of federal managers, which showed that OPM was ranked as one of the least effective agencies in government.

Our January 1989 report, Managing Human Resources: Greater OPM Leadership Needed to Address Critical Challenges, reported that other organizations had also reported long-standing concerns regarding OPM's oversight of the merit system, including the 1981 study by NAPA. We found that OPM's PME program had suffered from declining resources, and many federal officials believed OPM's PME program was not ensuring regulatory compliance or providing useful feedback. Three-fourths of the 20 personnel directors we surveyed believed that OPM's evaluation program was not adequately assessing compliance with personnel rules. We also found that OPM had not adequately assisted agencies in improving their PME programs; since 1983, only 16 of 48 agencies said their agency's PME program had become more effective, and many reported that OPM had not helped their programs. One agency official interviewed for the study said, "OPM has very little idea about what is going on at the agency level in the evaluation area." We recommended that OPM assess the standards for agency evaluation systems, establish a clearinghouse on good and innovative evaluation methods, develop qualifications for evaluators, and increase its oversight of agency internal PME programs.

In our February 1989 report, Federal Workforce: Temporary Appointments and Extensions in Selected Federal Agencies, we reported that of 28 temporary appointments reviewed, 4 appeared to be inappropriate and 5 others lacked enough documentation to make a judgment.

In its February 1989 Survey of Agency Personnel Management Evaluation Programs, OPM reported on questionnaires sent in October 1987 to agencies that were members of the Interagency Advisory Group (IAG) Committee on PME. The representatives on this committee included many agency PME chiefs. The questionnaire asked for information on the PME program at each agency and agency component (such as a bureau). The 231 respondents included headquarters and field organizations. OPM said the survey was the first part of what was intended to be a three-part method looking at the scope, quality, and impact of agency PME activity.

OPM reported that 33 of the 36 largest agencies had some type of formal PME program. The report said 51 percent of respondents said they spent less than half their time on PME-related activities. OPM said that half of the respondents who supplied complete or partial budget information reported allocating a total of $10.3 million for their PME programs. It said that 328 professional and 129 support full-time equivalent (FTE) staff years were dedicated to agency PME programs. Agencies indicated that the lack of sufficient personnel and funds to carry out an effective PME program was still their number one concern. And the respondents reported doing 2,926 reviews in fiscal year 1987, of which 726 were on-site PME reviews.[1] The average PME review lasted 5 days with 3.5 people participating.

The respondents suggested that OPM assist agencies by developing PME program prototypes to include standards of adequacy, uniform procedures, and common checklists; develop a self-evaluation package with adequacy criteria; and develop a computer program for statistical analysis of personnel programs. The respondents suggested that OPM develop new techniques to evaluate delegations of authorities, meet more frequently with agencies through IAG or other forums, and provide guidance to small agencies on how to set up a PME program.

MSPB's June 1989 report, U.S. Office of Personnel Management and the Merit System: A Retrospective Assessment, found that OPM appeared to have "handed off" regulatory compliance to the agencies, a situation MSPB believed conflicted directly with the intent of CSRA. The report found that OPM's approach to the overall evaluation of federal personnel management during much of the first decade since CSRA lacked the capacity to uncover systemic problems or abuses in the larger interrelated network of federal personnel management laws, regulations, programs, and procedures. It concluded that the 1983 revisions to OPM's evaluation program fell short of providing an adequate level of OPM capability to ensure regulatory compliance but did note that the program continued to evolve in an encouraging direction.

MSPB's October 1989 report, Delegation and Decentralization: Personnel Management Simplification Efforts in the Federal Government, found that OPM had improved its agency evaluation program by emphasizing greater OPM participation in on-site agency evaluations, although OPM continued to rely heavily on each agency to ensure self-compliance. The report said that OPM's new program would require some time in operation before its

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[1]In addition to on-site PME reviews, agencies reported other, types of reviews, including reviews done by servicing personnel offices, reviews with some PME coverage, off-site statistical reviews, and other unspecified reviews.

effectiveness could be judged but noted it was clearly an improvement over the previous approach. It tempered this finding by noting that responses from a summer 1988 survey of over 3,500 personnel specialists showed that only 29 percent believed that OPM's monitoring of agency personnel systems was effective or very effective, while 48 percent thought OPM was ineffective or very ineffective. MSPB concluded that the responses to its survey made it clear that confidence in OPM's regulatory compliance function was very low.

MSPB's November 1989 report, Federal Personnel Management Since Civil Service Reform: A Survey of Federal Personnel Officials, found that even though the prohibited personnel practices that were observed by the greatest number of personnel specialists in 1980 were still the ones observed by the highest percentage in 1988, there had been a slight increase in the number of personnel specialists observing these practices. The report said the answer to the question of whether expectations for a civil service system free from prohibited practices had been met might be "not yet."

MSPB's June 1990 report, Working for America: A Federal Employee Survey, found that overall, employees perceived merit system abuses as infrequent. However, the 1989 responses were slightly less favorable than the 1986 responses, an indication that employees' perceptions of fairness had worsened. Two kinds of abuses had relatively high levels of perception—denial of a job or job reward as the result of a "buddy system" without regard to merit (30 percent), and denial of a job or job reward because of illegal discrimination (15 percent).

Our August 1990 report, Federal Recruiting and Hiring: Making Government Jobs Attractive to Prospective Employees, reported that OPM had in previous reviews found that most agency installations had systems in place for monitoring the timeliness of staffing actions. But OPM had not evaluated the effectiveness of these systems. We also reported that while OPM PME guidelines required a review of other staffing methods, they did not require any such review on the use of the direct hire authority. Consequently, the OPM reports did not reveal any problems or benefits of the direct hire authority.

In September 1990, we reported in Federal Workforce: Selected Sites Cannot Show Fair and Open Competition for Temporary Jobs that of 130 randomly selected temporary appointments at 11 installations, 121 (93 percent) lacked enough documentation to determine that fair and open

competitive practices were followed. Twenty-five percent of the temporary appointments were inappropriately made to fill permanent needs. We found that the limited coverage of agency and OPM PMEs was one of the reasons for this situation.

We issued Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies in July 1991. We reported that 37 of 106 appointments (35 percent) made at 9 installations between January 1986 and June 1988 were inappropriate. When extrapolated to the estimated 2,882 expert and consultant appointments made at the 9 installations during that time period, the total number of inappropriate appointments was estimated at 843. We reported that agency installations were not following internal control procedures established by OPM for ensuring the proper use of experts and consultants. We said we believed the problems found went undetected because of limited agency and OPM oversight.

We issued Federal Recruiting and Hiring: Authority for Higher Starting Pay Useful but Guidance Needs Improvement in September 1991. We reviewed 10 agency installations that were frequent users of the authority and found that while the appointees appeared well qualified, we could not tell from the written justifications supporting the appointments whether the salaries paid were appropriate. We found that only limited PME oversight of the appointments occurred.

2. Currently, does your department/agency have a formal, recognized program for PME (i.e., a PME program, as such)? *(Check one.)* (N=25)

1. [**25**] Yes

2. [**0**] No

B. Activities of Your Headquarters PME Unit

3. At the headquarters level of your department/agency, is the PME unit currently active (e.g., the staff members responsible for agencywide PME write policies and guidance, review reports, conduct reviews, and/or carry out other PME activities)? *(Check one.)* (N=25)

1. [**25**] Yes

2. [**0**] No

4. How many actual on-board professional staff were working for your headquarters PME unit as of August 1, 1991?

   (Include all on-board professional staff assigned to your headquarters PME unit, including yourself. If your headquarters PME unit consists of a small cadre of permanent PME staff members, and utilizes local or regional personnel specialists to make up the remainder of the PME team during on-site reviews, do not include those specialists in your response.) (N=25)

   Number of professional staff
   in your headquarters PME unit: (Range: **0 - 29**)
   (Average: **3.4**)

5. Do all of the work-related duties and responsibilities of the professional PME staff at the headquarters PME unit involve PME? *(Check one.)* (N=25)

1. [**0**] Yes *(Skip to Question 7.)*

2. [**25**] No *(Continue to Question 6.)*

6. On an annual basis, about what percent of total professional PME staff time at the headquarters PME unit is spent on activities related to PME? *(Check one.)* (N=25)

1. [**3**] Less than 10 percent

2. [**4**] 10 to 20 percent

3. [**7**] 21 to 40 percent

4. [**1**] 41 to 60 percent

5. [**4**] 61 to 80 percent

6. [**6**] 81 to 100 percent

7. [**0**] Not sure/don't know

7. Which of the following activities have you or your staff at the headquarters PME unit performed in the past 3 fiscal years (since October 1, 1988) in order to implement PME? *(Check all that apply.)* (N=25)

1. [**19**] Prepare PME policies/guidance for your agency

2. [**20**] Prepare the official PME plan for your agency

3. [**9**] Prepare PME guidance for agency subcomponent PME organizations

4. [**19**] Prepare PME schedules

5. [**23**] Conduct PME reviews

6. [**23**] Prepare PME reports

7. [**20**] Analyze PME reports

8. [**17**] Prepare internal reports for the attention of agency management to keep them abreast of the status of personnel programs in your agency, or problems encountered by the PME program. This includes annual reports on personnel management.

9. [**10**] Other PME activities *(Specify.)*

   _____

   _____

Activity Survey - 2

8. About what percentage of time spent by professional PME staff at your headquarters PME unit on PME activities is spent for each of the following categories? *(Enter percentages below.)* **(N=25)**

   (Average %)   (Range:)

   17 %   Developing PME policy and guidance   (0 - 80%)

   53 %   Conducting PME reviews   (0 - 80%)
          (both on-site and off-site)

   30 %   Other PME activities   (0 - 100%)

   100 % TOTAL TIME SPENT ON PME

9. How often, if at all, does your headquarters PME office review organizations or installations that are overseen by PME offices at the subcomponent/field office level? *(Check one.)* **(N=25)**

   1. [2]   Always, or almost always (e.g., a regular PME cycle)

   2. [0]   Most of the time

   3. [0]   About half the time

   4. [3]   Some of the time

   5. [5]   Never, or almost never
   -
   6. [15] Does not apply (i.e., no subcomponent/field office PME units)

C. PME Units at the Subcomponent Level

10. How many major subcomponents does your agency have? (e.g., Agriculture - Forest Service, Interior - Bureau of Reclamation, Air Force - Strategic Air Command, etc.) *(Enter number below.)* **(N=25)**

    Number of major subcomponents: (Range: 0 - 22)
                                     (Average: 7)

11. In addition to your headquarters PME office, how many of those major agency subcomponents have separate PME offices? *(Enter number below. If none, check "none".)*

    Number of major agency subcomponents
    with separate PME offices: (Range: 2 - 12)
                                 (Average: 7)
                                 (N=8)
       or

    [17]   None *(Skip to Question 13.)*

12. How many of those PME offices for major agency subcomponents have been active in the past 3 fiscal years (e.g., conducted reviews, wrote reports since 10/1/88)? *(Enter number. If none, enter "0.")* **(N=8)**

    Number of active PME offices for
    major agency subcomponents: (Range: 2 - 10)
                                  (Average: 6)

D. PME Units at the Field Office Level

13. How many separate PME offices at the field office level (not including the subcomponent level PME offices) does your department/agency have, if any? *(Enter number below. If none, check "none.")*

    Number of separate PME offices
    at the field office level: (Range: 4 - 65)
                                 (Average: 19)
       or   (N=5)

    [20]   None *(Skip to Question 15.)*

14. How many of those PME offices at the field office level have been active in the past 3 fiscal years (e.g., conducted reviews, wrote reports since 10/1/88)? *(Enter number. If none, enter "0.")* **(N=5)**

    Number of active PME offices
    at the field office level: (Range: 4 - 30)
                                 (Average: 11)

E. Personnel Offices

15. About how many servicing personnel offices does your agency have? *(Enter your best estimate or check "don't know.")* **(N=25)**

    Number of servicing
    personnel offices: (Total: 1,279)
                         (Range: 1 - 237)
                         (Average: 51)
       or

    [0]   Don't know

16. How many servicing personnel offices in your department/agency are subject to PME reviews? *(Enter your best estimate below. If all servicing personnel offices are subject to review, enter the total from Question 15.)* **(N=25)**

    Servicing personnel offices
    subject to review: (Total: 1,256)
                         (Range: 1-237)
                         (Average: 50)

Activity Survey - 3

17. How many federal civilian employees work at the installations serviced by those servicing personnel offices? (N=25)

(Enter your best estimate. If you need to obtain information from subcomponent/field PME offices in order to complete this question, check "OI" below.)

Number of federal civilian
employees serviced by
servicing personnel offices: (Total: 1,798,614)
                              (Range: 1,250 - 360,000)

    or

    [0] OI (obtaining information)

F. PME Policies and Standards

18. Does your department/agency PME policy require individual PME reviews to have an evaluation plan setting forth what is to be looked at? *(Check one.)* (N=25)

    1. [16] Yes, requires evaluation plan

    2. [9] No, does not require

19. Does your department/agency PME policy require the use of a standard data collection instrument (e.g., checklist, survey questionnaire, form(s) to collect data from records) for individual PME reviews? *(Check one.)* (N=25)

    1. [14] Yes, requires standard data collection instrument

    2. [11] No, does not require

20. Does your department/agency PME program have a policy that staff are not allowed to participate in a PME review if they were previously employed by the organization/installation that is being reviewed?

    (Include all PME staff conducting reviews, such as central PME staff, subcomponent/field PME staff, and any staff detailed to PME reviews. Check one.) (N=25)

    1. [2] Yes

    2. [23] No

21. Does your department/agency PME program have a policy that staff are not allowed to participate in PME reviews if they are currently employed by the organization/installation that is being reviewed?

    (Include all PME staff conducting reviews, such as central PME staff, subcomponent/field PME staff, and any staff detailed to PME reviews. Check one.) (N=25)

    1. [10] Yes

    2. [15] No

22. In practice, does your department/agency PME program use the following types of standards? *(Check all that apply.)* (N=25)

    1. [19] A PME "How-To" manual explaining how to conduct PME reviews

    2. [11] A department/agency PME program manual containing standards of adequacy for PME reviews

    3. [10] Other agency PME program standards *(Specify.)*
    _____

    4. [18] OPM standards (Federal Personnel Manual (FPM) Chapter 250, S2-3)

    5. [2] Generally Accepted Government Auditing Standards ("Yellow Book" standards)

    6. [3] Other standards *(Specify.)*
    _____
    _____

    -
    7. [0] None of the above

23. After data are collected for PME reviews, does your agency's PME policy require validation of the accuracy of at least some of the data (e.g., rechecking installation computer-created reports to ensure that the original data used in the reports are accurate)? *(Check one.)* (N=25)

    1. [14] Yes

    2. [11] No

Activity Survey - 4

G. PME Review Activity

24. At the beginning of each of the last 3 fiscal years, what was the total number of PME reviews scheduled by your department/agency PME program that were: 1) onsite PME reviews, and 2) offsite PME reviews?

(Please include reviews scheduled by the central PME office and subcomponent/field PME offices. If you need to obtain information from subcomponent/field PME offices in order to provide actual figures for this question, check "OI" below.) (N=25)

(Total for all 25 respondents:)	Onsite Reviews Scheduled	Offsite Reviews Scheduled
1. FY 1989 (as of 10/1/88):	410	54
2. FY 1990 (as of 10/1/89):	443	12
3. FY 1991 (as of 10/1/90):	382	53

- -

4. [0] OI (obtaining information)

25. In each of the last 3 fiscal years, what was the total number of PME reviews actually completed by your department/agency PME program that were: 1) onsite PME reviews, and 2) offsite PME reviews?

(Please include reviews conducted by the central PME office and subcomponent/field PME offices. If you need to obtain information from subcomponent/field PME offices in order to provide actual figures for this question, check "OI" below.) (N=25)

(Total for all 25 respondents:)	Onsite Reviews Completed	Offsite Reviews Completed
1. FY 1989 (10/1/88 - 9/30/89):	353	41
2. FY 1990 (10/1/89 - 9/30/90):	440	9
3. FY 1991 (partial) (10/1/90 - 8/31/91):	312	52

- -

4. [0] OI (obtaining information)

26. In each of the last 3 fiscal years, what was the total number of PME reports issued by your department/agency PME program?

Please include reports written by the central PME office and subcomponent/field PME offices. If you need to obtain information from subcomponent/field PME offices in order to provide actual figures for this question, check "OI" below.) (N=24)

(Total for all 24 respondents:)	Number of Reports Issued
1. FY 1989 (10/1/88 - 9/30/89):	343
2. FY 1990 (10/1/89 - 9/30/90):	426
3. FY 1991 (partial)(10/1/90 - 8/31/91):	326

- -

4. [0] OI (obtaining information)

27. In the past 12 months, how many "problem-oriented" PME reviews (e.g., reviews because of alleged noncompliance with personnel rules), if any, have been conducted in your agency? *(Do not include reviews conducted as part of any regular PME cycle. Enter your best estimate or check "don't know.")* (N=25)

Number of Problem-Oriented
Reviews: (Range: 0 - 6)
                             (Average: 1)
          or

   [0] Don't know

28. In the past 12 months, how many "subject matter" PME reviews (such as reviews of flexitime, attitude surveys, etc.), if any, have been conducted in your agency? *(Do not include reviews conducted as part of any regular PME cycle. Enter your best estimate or check "don't know.")* (N=24)

Number of Subject Matter
Reviews: (Range: 0 - 17)
                             (Average: 3)
          or

   [1] Don't know

Activity Survey - 5

29. In practice, in conducting PME reviews, which type of activity does your department/agency PME program primarily emphasize? *(Check one.)* (N=25)

    1. [**3**] <u>Mission support</u> (i.e., conducting reviews, attitude surveys, and other activities to encourage the most effective use of personnel resources to accomplish the agency's primary missions)

    2. [**6**] <u>Compliance</u> (i.e., reviews to identify and compel the correction of personnel programs, activities, and actions that violate laws, rules, regulations, policies, and/or procedures)

    3. [**16**] Equal emphasis on mission support and compliance

    4. [**0**] Not sure

    5. [**0**] No activity (no PME reviews are conducted)

H. PME Review Cycle

30. Of your department/agency PME reviews (both onsite and offsite), what percentage are: 1) cyclical; 2) noncyclical? *(Enter your best estimates.)* (N=25)

    1. Cyclical reviews   (Range: 0% - 100%)
                                 (Average: 73%)

    2. Noncyclical reviews (e.g., problem-oriented reviews, subject matter reviews)   (Range: 0% - 100%)
                                 (Average: 27%)

                                  100%

(If no PME reviews are cyclical in Question 30, skip to Question 34. Otherwise, continue to Question 31.)

31. Which personnel activities, if any, are reviewed by your agency's PME program in the course of one evaluation cycle? *(Check all that apply.)* (N=22)

    1. [**18**] Position classification

    2. [**18**] Position management

    3. [**19**] Staffing (recruitment)

    4. [**21**] Staffing (merit promotion)

    5. [**18**] Staffing (delegated authorities)

    6. [**16**] Staffing (other)

    7. [**19**] Special emphasis programs

    8. [**13**] Equal employment opportunity (EEO)

    9. [**21**] Performance management

    10. [**20**] Awards

    11. [**19**] Discipline and adverse actions

    12. [**19**] Training

    13. [**17**] Labor-management relations

    14. [**19**] Employee relations

    15. [**17**] Other *(Specify.)*

Activity Survey - 6

32. Is the length of the PME evaluation cycle in your department/agency about the same for the headquarters PME unit, subcomponent PME units, and field PME units?

(Note: by PME evaluation cycle, we mean the period of time required to evaluate all installations subject to review. Check one.) (N=22)

1. [15] Yes *(Continue to Question 33.)*

2. [3] No ⎫
⎪
3. [2] Not sure ⎬ *(Skip to*
⎪ *Question 34.)*
4. [2] Does not apply ⎭

33. What is the length of your department/agency PME evaluation cycle? *(Check one.)* (N=15)

1. [2] 2 years or less

2. [5] 3 years but less than 4 years

3. [5] 4 years but less than 5 years

4. [3] 5 years or more
- - - - - - - - - - - - - - - - - - -
5. [0] Unable to estimate

I. **PME Reviews: Data Collection and Reporting**

34. When your department/agency PME program conducts onsite PME reviews, what is the average length of time of those reviews (i.e., the average number of days)? *(Enter your best estimate.)* (N=24)

(Range: 3 - 10 days)
(Average number of days: 6)

35. What is the average number of team members for onsite PME reviews? *(Enter your best estimate below.)* (N=25)

(Range: 1 - 15 team members)
(Average number of team members: 5)

36. How do PME team leaders actually review materials collected by staff members during PME reviews? *(Check all that apply.)* (N=25)

1. [5] Check all material collected

2. [10] Spot check material

3. [11] Check material by exception (e.g., records/ documents that appear to be in error)

4. [7] Other way of checking material *(Specify.)*

_____
_____
- -
5. [5] Team leaders do not check material

37. How do PME first-level supervisors actually review materials collected by staff members during PME reviews? *(Check all that apply.)* (N=25)

1. [3] Check all material collected

2. [7] Spot check material

3. [11] Check material by exception (e.g., records/ documents that appear to be in error)

4. [6] Other way of checking material *(Specify.)*

_____
_____
- -
5. [5] First-level supervisors do not check material

Activity Survey - 7

38. Aside from reviews by supervisors and/or team leaders, which of the following best describes how PME staff members actually conduct onsite reviews? *(Check one.)* (N=25)

    1. [**0**] At least two team members review all of the same documents. This means all documents reviewed by one team member are checked by another team member, with the result that all documents reviewed during the PME are checked by more than one team member.

    2. [**7**] At least two team members review some of the same documents. This means cases where 1) only those documents that appear to be in error are reviewed by a second team member, or 2) a sample of documents reviewed by one team member are checked by a second team member.

    3. [**17**] Each team member reviews separate documents. Team members do not check each other's work.

    4. [**1**] Other *(Specify.)*

_____

_____

39. In the normal course of business, did your department/ agency PME program read, use, consult, or refer to any of the following reports in the past 2 years? *(Check all that apply.)* (N=25)

    1. [**16**] Agency Inspector General reports

    2. [**18**] Agency reports on management/program analysis studies

    3. [**16**] Agency Equal Employment Opportunity (EEO) reports

    4. [**8**] Agency Financial Integrity Act reports (OMB Circular A-123, internal controls)

    5. [**22**] Other relevant reports (EEOC, GAO, MSPB, OPM, etc.) *(Specify.)*

_____

_____

40. In the past 2 years, has your department/agency PME program circulated any draft PME reports to the reviewed installations for comment after all data were collected? *(Check one.)* (N=25)

    1. [**10**] Yes *(Continue to Question 41.)*

    2. [**15**] No

    3. [**0**] Not sure   *(Skip to Question 42.)*

41. How long, on average, does it take your agency to circulate a draft PME report to a reviewed installation for comments after all data are collected? *(Enter your best estimate. If you are unable to estimate, write "don't know.")* (N=10)

    Months to circulate draft PME report: (Range: 1 - 3)
                                      (Average: 1.7)

42. How long, on average, does it take your agency to issue a final PME report after all data are collected? *(Enter your best estimate. If you are unable to estimate, write "don't know.")* (N=22)

    Months to issue final PME report: (Range: 1 - 6)
                                     (Average: 2.4)

43. In practice, how long does your PME program keep backup documentation supporting the data, findings, and/or conclusions in a PME report after the final report is issued? *(Check one.)* (N=25)

    1. [**1**] 10 years or more

    2. [**8**] At least 5 years but less than 10 years

    3. [**8**] At least 3 years but less than 5 years

    4. [**7**] At least 1 year but less than 3 years

    5. [**1**] Less than 1 year

    6. [**0**] Not sure

Activity Survey - 8

44. How often, if at all, does your department/agency PME program give the following types of feedback to installations after onsite PME reviews are completed? *(Check one box in each row.)* (N=24)

TYPE OF FEEDBACK	Always or almost always (81-100%) (1)	Most of the time (61-80%) (2)	About half the time (41-60%) (3)	Some of the time (21-40%) (4)	Never or almost never (1-20%) (5)	Not sure (6)
1. PME office gives oral feedback to the installation personnel officer	21	0	0	0	2	1
2. PME office gives written feedback to the installation personnel officer	22	1	0	0	0	1
3. PME office gives oral feedback to the installation head	16	2	1	0	4	1
4. PME office gives written feedback to the installation head	19	0	1	1	2	1
5. PME office gives written feedback to top agency and/or bureau management	13	2	2	4	2	1
6. Other *(Specify.)* _____	3	0	0	0	0	0

45. How often, if at all, does your department/agency PME program take the follow-up measures listed below to determine whether corrective action is taken after a PME review? *(Check one box in each row.)* (N=25)

MEASURES TAKEN	Always or almost always (81-100%) (1)	Most of the time (61-80%) (2)	About half the time (41-60%) (3)	Some of the time (21-40%) (4)	Never or almost never (1-20%) (5)	Not sure (6)
1. PME office makes follow-up telephone call to installation	4	3	4	5	7	2
2. PME office makes follow-up visit (non-cyclical) to judge progress made by installation	2	0	3	7	11	2
3. PME office reviews written statement on actions taken	17	1	1	3	2	1
4. PME office requires installation to develop action plan and send it to the PME office	16	0	1	4	3	1
5. PME office tracks progress on action plan	16	0	0	5	3	1

Activity Survey - 9

J. PME Staff and Budget

46. What were the staff and budget resources of your department/agency PME program for each of the last 3 fiscal years?

A. In Column A, enter 1) the number of actual professional FTEs and 2) the number of actual support FTEs.

B. In Column B, enter 1) the number of authorized professional FTEs and 2) the number of authorized support FTEs.

C. In Column C, enter the PME staff payroll for professional and support FTEs, excluding benefits.

D. In Column D, enter the PME travel budget.

Notes:

- *Enter your best estimates or provide the actual numbers if available. If unable to estimate, write "UE" in the appropriate box. If you need to obtain information from subcomponent/field PME offices in order to complete this question, write "OI" (obtaining information) below.*

- *In Columns A and B, include all staff assigned to your PME program.*

  - *-- Do not include staff engaged in personnel policy development work, special projects, or other work not directly related to PME.*

  - *-- If your PME program consists of a small cadre of permanent PME staff members, and utilizes local or regional personnel specialists to make up the remainder of the PME team during onsite reviews, do not include those specialists in your response.*

- *In Columns C and D, enter budget estimates in dollars - e.g., ten thousand = $10,000.*

(Key: T = Total A = Average)	Column A				Column B				Column C	Column D
	Actual On-Board Staff				Authorized Staff				PME Staff Payroll for FTEs T	PME Travel Budget T
	Professional FTEs (1)		Support FTEs (2)		Professional FTEs (1)		Support FTEs (2)			
	T	A	T	A	T	A	T	A		
1. FY 1989 (as of 10/1/88)	80.29 (N=23)	3.49	34.45 (N=23)	1.50	77.21 (N=20)	3.86	31.40 (N=20)	1.57	4,101,231 (N=18)	788,069 (N=15)
2. FY 1990 (as of 10/1/89)	81.07 (N=23)	3.52	31.73 (N=23)	1.38	76.79 (N=20)	3.83	30.23 (N=20)	1.51	4,077,630 (N=18)	839,553 (N=17)
3. start FY 1991 (as of 10/1/90)	76.79 (N=23)	3.34	29.73 (N=23)	1.29	76.71 (N=20)	3.84	30.23 (N=20	1.51	4,191,566 (N=18)	730,475 (N=16)
4. current (as of 8/31/91)	77.77 (N=23)	3.38	27.23 (N=23)	1.18						

Activity Survey - 10

47. Aside from PME staff listed above (in Question 46), how many local or regional personnel specialists have made/will make up the remainder of PME teams during onsite reviews this fiscal year?

    Note: Include only professional staff. Enter your best estimates or provide the actual numbers if available. If any information cannot be estimated, write "UE" on the appropriate line. If you need to obtain information from subcomponent/field PME offices in order to complete this question, enter "OI" (obtaining information) below.

    1. What was the actual number of local or regional personnel specialists
       who assisted in PMEs from 10/1/90 - 9/30/91?   (N=23)   (Total: 847)

    2. How many FTEs did those local or regional personnel specialists
       represent (in Question 47.1 above)?   (N=23)   (Total: 72.09)

Activity Survey - 11

K. Inspector General Activities

48. How many reports were issued by your department/
agency Inspector General (IG) in each of the last 2 fiscal
years that covered A) programmatic personnel topics, and
B) reviews of individual personnel cases?

*(Please estimate or provide the actual numbers if
available. If you are unable to estimate, write "UE" on
the appropriate line.)*

	(A) Reports Covering Topics	(B) Reports Covering Individuals
1. FY 1990 (10/1/89 - 9/30/90):	(Total: 9) (N=15)	(Total: 0) (N=12)
2. FY 1991 (partial) (10/1/90 - 8/31/91):	(Total: 9) (N=16)	(Total: 1) (N=13)

49. What programmatic personnel topics were covered in
those Inspector General (IG) reports (in Question 48A)?
*(Check all that apply. If you do not know what topics
were covered, check "don't know.")* (N=25)

1. [2] Position classification

2. [2] Position management

3. [2] Staffing (recruitment)

4. [2] Staffing (merit promotion)

5. [2] Staffing (delegated authorities)

6. [2] Staffing (other)

7. [2] Special emphasis programs

8. [2] Equal employment opportunity (EEO)

9. [2] Performance management

10. [2] Awards

11. [1] Discipline and adverse actions

12. [2] Training

13. [2] Labor-management relations

14. [3] Employee relations

15. [8] Other *(Specify.)*_____
- -
16. [10] Don't know

L. Financial Integrity Act (FIA) Activities
(OMB Circular A-123, Internal Controls)

50. How many reviews were reported under the Financial
Integrity Act (FIA) (OMB Circular A-123, internal
controls) in your department/ agency in each of the last 2
fiscal years that covered A) programmatic personnel
topics, and B) reviews of individual personnel cases?

*(Please estimate or provide the actual numbers if
available. If you are unable to estimate, write "UE" on
the appropriate line.)*

	(A) Reviews Covering Topics	(B) Reviews Covering Individuals
1. FY 1990 (10/1/89 - 9/30/90):	(Total: 53) (N=16)	(Total: 2) (N=13)
2. FY 1991 (partial) (10/1/90 - 8/31/91):	(Total: 132) (N=16)	(Total: 10) (N=13)

51. What programmatic personnel topics were covered in
those Financial Integrity Act (FIA) reviews (in
Question 50A)? *(Check all that apply. If you do not
know what topics were covered, check "don't know.")*
(N=25)

1. [7] Position classification

2. [5] Position management

3. [6] Staffing (recruitment)

4. [4] Staffing (merit promotion)

5. [5] Staffing (delegated authorities)

6. [6] Staffing (other)

7. [4] Special emphasis programs

8. [1] Equal employment opportunity (EEO)

9. [5] Performance management

10. [4] Awards

11. [4] Discipline and adverse actions

12. [4] Training

13. [4] Labor-management relations

14. [5] Employee relations

15. [5] Other *(Specify.)*_____
- -
16. [10] Don't know

Activity Survey - 12

M. **Your Background and Experience in PME**

52. How long have you served as chief of your
    department/agency PME program? *(Check one.)* (N=25)

    1. [2] Less than 1 year

    2. [7] 1-2 years

    3. [5] 3-4 years

    4. [7] 5-9 years

    5. [4] 10 years or more

53. How long have you worked in the PME area in any
    capacity? *(Check one.)* (N=25)

    1. [2] Less than 1 year

    2. [1] 1-2 years

    3. [3] 3-4 years

    4. [9] 5-9 years

    5. [10] 10 years or more

54. What is the name and title of the person to whom you, as
    PME chief, report?

    Name: _____

    Title: _____

    _____

55. Currently, is there a higher level department/agency
    official (aside from you as the department/agency PME
    chief) designated to review the PME program to ensure
    that it is operating effectively? *(Check one. If there is a
    designated official, fill in that person's name and title.)*
    (N=25)

    1. [15] Yes --> Name:

        _____

        Title: _____

        _____

    2. [10] No

    3. [0] Don't know

56. When was the last time the effectiveness of your PME
    program was reviewed by a higher level agency official
    to ensure that it was operating effectively? *(Enter year
    or check the appropriate box.)* (N=25)

    Year: 1988 - 1
             1991 - 12

        [7] Don't know

        [5] Never reviewed

57. Have you received any training in PME? *(Check one.)*
    (N=25)

    1. [22] Yes *(Continue to Question 58.)*

    2. [3] No *(Skip to Question 59.)*

58. Was the training you received on the job training, an
    OPM course, or some other training? *(Check all that
    apply.)* (N=22)

    1. [20] On the job training

    2. [13] An OPM course

    3. [5] Other training *(Specify.)*

        _____

        _____

59. Do all of your duties and responsibilities involve the
    PME program? *(Check one.)* (N=25)

    1. [1] Yes *(Skip to Question 61.)*

    2. [24] No *(Continue to Question 60.)*

Activity Survey - 13

60. On an annual basis, about what percent of your time is spent on activities related to PME? *(Check one.)* (N=24)

1. [6] Less than 10 percent

2. [6] 10 to 20 percent

3. [4] 21 to 40 percent

4. [3] 41 to 60 percent

5. [2] 61 to 80 percent

6. [3] 81 to 100 percent

N. **Staff Training**

61. Does your PME program policy and/or your department/ agency policy require that Individual Development Plans (i.e., plans for future training) be developed for all PME staff? *(Check one.)* (N=25)

1. [5] Yes

2. [20] No

62. What is the minimum number of hours of continuing education, if any, each PME staff member is required to take each year? *(Include training, outside courses, conferences, etc., including continuing education not directly related to PME. Enter number below or check the box. If no requirement, enter "0".)* (N=25)

Annual hourly requirement: **16 have no requirement**

or

[9]   Requirement not defined in terms of hours (e.g., defined in terms of number of courses or some other way)

63. On average, about how many hours of continuing education do each of your PME staff members receive each year? *(Enter number below or check the box.)*

Average hours received
per year: (Range: 0 - 60)
                             (Average: 20)
                             (N=9)
or

[16]   Unable to estimate

64. Does your PME program policy and/or your department/ agency policy require PME staff to attend any OPM courses on PME? *(Check one.)* (N=25)

1. [2] Yes

2. [23] No

O. **Follow-up Information**

> *Please answer the following questions so that we can recontact you if we have any questions about your response to the survey.*

65. Respondent Information:

Name: _____

Organizational Title: _____

_____

Phone Number: (_____) _____ - _____

66. Name of PME Chief (if different from Question 65):

_____

67. Series and Grade of PME Chief: _____

68. Mailing Address of PME Chief:

_____

_____

_____

69. Actual Location of PME Chief (if different from Question 68):

_____

_____

_____

Activity Survey - 14

P. Additional Information Requested by GAO

70. Please attach materials documenting your department/ agency PME program (e.g., mission and function statement; PME "How-To" manual explaining how to conduct PME reviews; a department/agency/PME manual establishing standards of adequacy for PME reviews; other written department/agency/PME program standards). (Note: Because these types of materials are public documents, the contents of the material you submit may be identified by agency in our report.)

71. Please attach a list of all of your department/agency PME reports from 1/1/88 - 8/31/91 if such a list is readily available. Otherwise, please attach a list of all of your department/agency PME reports from 1/1/90 - 8/31/91.

72. Please send copies of three PME reports issued from 1/1/90 - 8/31/91 that you consider the most representative or best examples of your PME program. (Note: Because agency PME reports are public documents, the contents of the material you submit may be identified by agency in our report.)

Q. Comments

73. If you have any comments on this Activity Survey, please use the space provided below. If necessary, you may attach additional sheets. (N=25)

(8 with comments; 17 with no comments.)

Thank you for your time and assistance.

GGD KJ 8/91

Activity Survey - 15

Responses to Our Opinion Survey of PME Chiefs

United States General Accounting Office

Opinion Survey of Personnel Management Evaluation (PME) Chiefs

Introduction

This Opinion Survey asks for views about your department/ agency PME program and OPM leadership and support for your PME program. The PME chief should complete this survey. Except where noted, responses should reflect your entire department/agency PME program, including agency subcomponents and field offices.

Your responses will be combined with other agencies' responses and reported only in summary form. No individual agency responses will be identified in our report. Please complete and return the survey within 10 working days of receipt in the enclosed pre-addressed envelope. In the event the envelope is misplaced, the return address is:

U.S. General Accounting Office
Mr. Michael J. O'Donnell
General Government Division
441 G Street, N.W., Room 3150
Washington, DC 20548

If you have any questions, please call either Mr. O'Donnell at (202) 275-6345, or Mr. Steven Wozny at (202) 606-1917. Thank you very much for your time.

> *Except where noted, responses should reflect your entire department/agency PME program, including any subcomponents and field offices.*

A. Views on Your Department/Agency PME Program

1. In your opinion, how adequate or inadequate is the number of staff assigned to your department/agency PME program? *(Check one.)* (N=24)

   1. [5]   Very adequate

   2. [11]   Generally adequate

   3. [6]   Neither adequate nor inadequate

   4. [2]   Generally inadequate

   5. [0]   Very inadequate
   -
   6. [0]   Not sure

2. How adequate or inadequate is the travel budget available to your department/agency PME program? *(Check one.)* (N=24)

   1. [5]   Very adequate

   2. [12]   Generally adequate

   3. [2]   Neither adequate nor inadequate

   4. [4]   Generally inadequate

   5. [0]   Very inadequate
   -
   6. [1]   Not sure

3. In practice, is your department/agency PME cycle too short, about the right length, or too long? *(Check one.)* (N=24)

   1. [5]   No cyclical PME reviews
   -
   2. [0]   Much too short

   3. [0]   Too short

   4. [14]   About the right length

   5. [3]   Too long

   6. [0]   Much too long
   -
   7. [2]   Not sure/no opinion

4. How often, if at all, is your agency's PME program able to obtain or utilize properly qualified staff? *(Include both permanent PME staff and the use of any agency personnel staff in field offices when such staff are needed. Check one.)* (N=24)

1. [12]   Always, or almost always

2. [11]   Most of the time

3. [1]   About half the time

4. [0]   Some of the time

5. [0]   Never, or almost never
- - - - - - - - - - - - - - - - - - - -
6. [0]   Don't know/not sure

5. How often, if at all, does higher level management in your agency overrule the findings and/or conclusions of PME reports before they are issued (e.g., require that changes be made)? *(Check one.)* (N=24)

1. [23]   Never, or almost never

2. [1]   Some of the time

3. [0]   About half the time

4. [0]   Most of the time

5. [0]   Always, or almost always

6. In your opinion, how did those revised PME reports (after higher level management required the changes to be made to the findings and/or conclusions) compare to the earlier versions? *(Check one.)* (N=24)

The revised PME reports were...

1. [0]   Much better

2. [1]   Better

3. [2]   Neither better nor worse

4. [0]   Worse

5. [0]   Much worse
- - - - - - - - - - - - - - - - - - -
6. [21]   Does not apply

7. How often, if at all, does your agency's PME program have sufficient time to conduct each PME review (e.g., have enough days to plan, conduct, and report on a PME review)? *(Check one.)* (N=24)

1. [8]   Always, or almost always

2. [13]   Most of the time

3. [1]   About half the time

4. [1]   Some of the time

5. [1]   Never, or almost never
- - - - - - - - - - - - - - - - - - -
6. [0]   Not sure

8. In your opinion, how adequate or inadequate is your agency's overall support for PME? *(Check one.)* (N=24)

1. [7]   Very adequate

2. [13]   Generally adequate

3. [3]   Neither adequate nor inadequate

4. [1]   Generally inadequate

5. [0]   Very inadequate
- - - - - - - - - - - - - - - - - -
6. [0]   Not sure

Opinion Survey - 2

9. In your opinion, is 1) the scope and 2) the depth of your department/agency PME reviews fully adequate to assess mission support (i.e., conducting reviews, attitude surveys, and other activities to encourage the most effective use of personnel resources to accomplish the agency's primary missions)?

By scope, we mean the number of organizations or installations reviewed. By depth, we mean the coverage of personnel actions or topics reviewed. (Check one in each column.) (N=24)

		Mission Support	
		Is scope of reviews adequate? (1)	Is depth of reviews adequate? (2)
1.	Definitely yes	12	8
2.	Probably yes	4	7
3.	Uncertain	3	5
4.	Probably no	5	4
5.	Definitely no	0	0

10. In your opinion, is 1) the scope and 2) the depth of your department/agency PME reviews fully adequate to assess compliance (i.e., identification and correction of personnel programs, activities, and actions that violate laws, rules, regulations, policies, and/or procedures)?

By scope, we mean the number of organizations or installations reviewed. By depth, we mean the coverage of personnel actions or topics reviewed. (Check one in each column.) (N=24)

		Compliance	
		Is scope of reviews adequate? (1)	Is depth of reviews adequate? (2)
1.	Definitely yes	10	9
2.	Probably yes	7	10
3.	Uncertain	3	3
4.	Probably no	4	2
5.	Definitely no	0	0

11. To what extent, if at all, were reviews of programmatic personnel issues or topics conducted by your department/agency Inspector General (IG) in the past 2 fiscal years (since 10/1/89) helpful? *(Check one.)* (N=24)

1. [0] Very great extent

2. [0] Great extent

3. [2] Moderate extent

4. [5] Some extent

5. [5] Little or no extent
- - - - - - - - - - - - - - - - - - - -
6. [5] No opinion

7. [7] Does not apply (i.e., no IG reviews of programmatic personnel issues or topics were conducted in the past 2 fiscal years)

12. How much direction/guidance on the PME program, if any, do you as PME chief receive from higher level management at your department/agency? *(Check one.)* (N=24)

1. [0] A very great deal

2. [2] A great deal

3. [12] A moderate amount

4. [5] Some

5. [5] Little, if any

Opinion Survey - 3

13. In your opinion, as PME chief, how adequate or inadequate is the direction/guidance on the PME program you receive from higher level management at your department/agency? *(Check one.)* (N=24)

   1. [7] Very adequate

   2. [12] Generally adequate

   3. [1] Neither adequate nor inadequate

   4. [1] Generally inadequate

   5. [2] Very inadequate
- - - - - - - - - - - - - - - - - - - -
   6. [1] No opinion

14. Do you have sufficient authority to carry out your duties and responsibilities as PME chief? *(Check one.)* (N=24)

   1. [10] Definitely yes

   2. [12] Probably yes

   3. [0] Uncertain

   4. [2] Probably no

   5. [0] Definitely no

15. How often, if at all, do you receive sufficient, timely information about funding and staffing levels to make plans for your department/agency PME program? *(Check one.)* (N=24)

   1. [5] Always, or almost always

   2. [9] Most of the time

   3. [2] About half the time

   4. [2] Some of the time

   5. [3] Never, or almost never
- - - - - - - - - - - - - - - - - -
   6. [3] Not sure/no basis to judge

Opinion Survey - 4

B. OPM Leadership and Support

16. In your opinion, how successful or unsuccessful are each of the following OPM activities?
    (Check one box in each row. Note: If your agency, or part of your agency's personnel program, is exempt from OPM oversight, for Questions 16 through 18 cite the exempting authority and mark the questions "N/A.") (N=24)

	Very successful (1)	Generally successful (2)	Neither successful nor unsuccessful (3)	Generally unsuccessful (4)	Very unsuccessful (5)	No basis to judge (6)
1. OPM establishing standards for adequate PME systems	0	7	5	6	3	3
2. OPM conducting research in and developing methods for evaluating personnel management	0	5	5	4	3	7
3. OPM assuring that persons who engage in PME are qualified	0	3	5	3	5	8
4. OPM assuring that persons who engage in PME receive necessary training	0	2	5	4	5	8
5. OPM assessing the adequacy of agency PME systems	0	6	7	2	3	6
6. OPM requiring necessary improvements in agency PME systems when needed	0	3	3	5	2	11
7. OPM maintaining its own capability to make independent evaluations of agency personnel management effectiveness	3	5	7	4	0	5
8. OPM designing its PME reviews to supplement and complement individual agency PME reviews	0	6	6	7	1	4
9. OPM providing additional resources to agency evaluation efforts through OPM evaluators participating in agency-led on-site evaluations	1	12	3	3	1	4
10. OPM providing information on PME techniques through OPM evaluators participating in agency-led evaluations	0	4	5	5	3	7
11. OPM commenting on agency internal PME practices through OPM evaluators participating in agency-led evaluations	0	3	5	4	4	8
12. OPM providing assistance on PME through OPM's Office of Agency Compliance and Evaluation "agency analyst" function	3	9	4	3	1	4
13. Other (Please specify.) _____ _____	0	0	0	0	0	0

Opinion Survey - 5

17. How adequate or inadequate have OPM's activities been in providing <u>overall support</u> for your agency's PME program (e.g., responding to your agency's requests for information)? *(Check one.)* (N=23)

1. [5] Very adequate

2. [4] Generally adequate

3. [9] Neither adequate nor inadequate

4. [4] Generally inadequate

5. [0] Very inadequate
- - - - - - - - - - - - - - - - -
6. [1] Not sure

18. In your opinion, how adequate or inadequate is OPM's performance in exercising leadership for PME? *(Check one.)* (N=23)

1. [0] Very adequate

2. [8] Generally adequate

3. [4] Neither adequate nor inadequate

4. [9] Generally inadequate

5. [2] Very inadequate
- - - - - - - - - - - - - - - - -
6. [0] Not sure

C. Interagency Advisory Group

The Interagency Advisory Group (IAG) was established to provide communication and consultation between OPM and federal agencies to facilitate sound administration of civil service laws and regulations. IAG committees, like the Personnel Management Evaluation (PME) Committee, are formed to address specific issues relating to federal personnel management.

19. In your opinion, to what extent, if at all, is the IAG PME Committee <u>accomplishing</u> the following actions? *(Check one box in each row.)* (N=24)

	Very great extent (1)	Great extent (2)	Moderate extent (3)	Some extent (4)	Little or no extent (5)	No basis to judge (6)
1. Establishing open lines of communication between OPM and your agency regarding PME matters	1	2	8	3	6	4
2. Studying and reporting on specific matters of concern regarding PME	0	3	7	3	7	4
3. Providing your agency with adequate information to ensure your agency's understanding of changes and developments in OPM's PME program	1	4	7	3	4	5
4. Communicating OPM's expectations for your agency's internal PME efforts	0	3	4	3	10	4
5. Responding to feedback from your agency regarding PME	1	2	4	4	4	9
6. Other *(Please specify.)* _____ _____	1	0	0	0	0	0

Opinion Survey - 6

20. Overall, in the last 3 years, to what extent, if it all, has the IAG PME Committee been useful to your agency? *(Check one.)* (N=24)

1. [0] Very great extent

2. [0] Great extent

3. [7] Moderate extent

4. [5] Some extent

5. [8] Little or no extent
- - - - - - - - - - - - - - -
6. [4] No basis to judge

D. Follow-up Information

Please provide your name, title, and telephone number so that we can recontact you if we have any questions about your response to the survey.

21. Respondent Information:

Name: _____

Organizational Title: _____

_____

Phone Number: (_____) _____-_____

E. Comments

22. Please describe at least three examples of improvements in your department/agency that are a direct result of your department/agency PME program. *(Describe examples below. You may attach additional sheets. If none, write "none.")*

(21 with comments; 3 with no comments.)

Opinion Survey - 7

23. In your opinion, what actions, policy changes, etc., if any, by your department/agency and/or OPM would benefit your PME program? *(Describe below. If none, write "none.")*

(14 with comments; 10 with no comments.)

24. If you have any comments on this Opinion Survey, your agency's PME program, or OPM's leadership or support for your PME program, please use the space provided below. If necessary, you may attach additional sheets.

(10 with comments; 14 with no comments.)

Thank you for your time and assistance.

GGD KJ 8/91

Opinion Survey - 8

1969 Presidential Memorandum Requiring Agency PME Programs

THE WHITE HOUSE

WASHINGTON

October 9, 1969

MEMORANDUM TO THE HEADS OF EXECUTIVE
    DEPARTMENTS AND AGENCIES

The increasing complexities and responsibilities of Government
critically challenge every Federal manager. If we are to achieve
our national goals we must have the kind of personnel management
in Government that fully taps the creative and productive capacity
of our workforce. We must also be in a position to assure ourselves
and the country that our personnel resources in Government are
being utilized efficiently and economically.

To achieve these objectives will tax the full capacity of top manage-
ment, every line manager, directors of personnel and personnel
specialists. It is therefore essential to encourage the development
of the highest order of expertise and competence among those to whom
professional personnel management responsibilities are assigned. It
is also essential that heads of Executive departments and agencies
clearly establish the important role of the director of personnel,
making maximum use of his expertise in formulating and implementing
personnel management policies. Managers at all levels must consider
the personnel management implications of management decisions and
assure that the full impact of personnel management policies and
practices are taken into account.

Each Executive department and agency shall also establish a system to
review periodically the effectiveness of personnel management in his
organization so that he can assure himself and me that his organization
is striving continuously to achieve the best possible use of personnel
resources.

The U. S. Civil Service Commission will exercise leadership for
effective personnel management evaluation by:

1. Establishing standards for adequate evaluation systems,

2. Conducting research in and developing methods for
    evaluating personnel management.

2

3. Insuring that persons who engage in personnel management
evaluation are properly qualified and receive the necessary
training,

4. Assessing the adequacy of agency evaluation systems and
requiring necessary improvement,

5. Maintaining its own capability to make independent evaluation
of agency personnel management effectiveness sufficient to
evaluate the adequacy of agency efforts and to supplement and
complement such efforts, and

6. Collaborating and coordinating with the Bureau of the Budget
in its overall responsibility for evaluating organization and
management in the Executive Branch.

The head of every department and agency shall (1) fully implement the
broad Government-wide personnel policies and programs established
by law, Executive order, and the Civil Service Commission, (2) be
responsible for developing personnel policies for his agency which
apply these policies and programs to the needs of his own organization,
(3) evaluate the application of these policies, assigning responsibility
for the establishment and review of the effectiveness of the personnel
management evaluation system at the level of the Under Secretary or
principal deputy to insure objective assessment of the total management
impact of personnel policies and practices, and (4) take follow-through
action to correct problems identified.

The Chairman of the Civil Service Commission will report to me
periodically on the implementation of this memorandum.

Audit, Evaluation, and Inspection Standards

We identified four organizations that have published audit, evaluation, or inspection standards that may be helpful to OPM in setting standards for agency PME activities. They are the following:

- The American Evaluation Association (AEA), formerly the Evaluation Research Society, publishes a series entitled New Directions for Program Evaluation that identifies six types of evaluations ranging from front-end analysis and evaluability assessments to impact evaluations and program monitoring. The 6 evaluation types are covered by 55 separate standards. The standards are used by businesses and other nongovernmental organizations.
- Government program audits, although not PMES, generally are required to adhere to the generally accepted government auditing standards (GAGAS) developed by the Comptroller General. GAGAS, commonly referred to as the "yellow book," contains general, fieldwork, and reporting standards.
- The President's Council on Integrity and Efficiency (PCIE) has issued Interim Standards for Inspections for use by agency inspectors general. They contain general standards as well as standards for conducting inspections, reporting, and following up.
- The American Institute of Certified Public Accountants (AICPA) has issued generally accepted auditing standards and a series of statements on auditing standards, which members of AICPA should follow in doing audits. Like GAGAS, these standards include general, fieldwork, and reporting standards.

Table VII.1 shows that the four organizations' standards contain similar specific standards.

Table VII.1: Audit, Evaluation, and Inspection Standards

Standard	Organization creating standard			
	GAO	PCIE	AICPA	AEA
Qualifications	X	X	X	X
Independence	X	X	X	X
Due professional care	X	X	X	X
Scope impairments	X	X	X	X
Quality control	X		X	X
Planning	X	X	X	X
Data collection & analysis	X	X		X
Supervision	X	X	X	X
Legal and regulatory requirements	X	X	X	
Internal control	X		X	X
Evidence	X	X	X	X
Working papers	X	X	X	X
Form	X	X		X
Timeliness	X	X		X
Report contents	X	X	X	X
Report presentation	X	X		X
Oral presentation		X		X
Report distribution	X	X		X
Follow-up	X	X		X

Relationship Between PMEs and Federal Managers' Financial Integrity Act of 1982

Because PMEs evaluate the elements of agency personnel programs, PMEs can be a valuable source of information on the condition of internal controls in those personnel programs. Although some agencies have reported problems with their personnel programs as material weaknesses under the Federal Managers' Financial Integrity Act (FMFIA), the relationship between personnel programs, PME programs, and agency internal control programs has only recently been recognized by OPM.

PME and Internal Control Requirements Not Well Coordinated

FMFIA, enacted in 1982, requires agencies to establish internal accounting and administrative controls to provide reasonable assurance that funds, property, and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation. The act requires the head of each agency to report annually to the president and Congress on the condition of the agency's internal control systems. To guide agencies in implementing the act, OMB issued guidelines and revised Circular A-123, Internal Control Systems, and we issued Standards for Internal Controls in the Federal Government.

The OMB guidance recognizes that while agency management is ultimately responsible for the condition of the internal controls in place within an agency, it is acceptable for management to use the work of others in evaluating the internal controls. Reviews done by others are considered a type of alternative internal control review.

Personnel is a major activity in agencies and as such must be reviewed as part of an agency's FMFIA program. A FMFIA review may address the personnel activity as a separate and distinct program area or as part of an agency component's total mission. Because a PME evaluates the elements of a personnel program (elements such as the position classification program or the staffing program), a PME can be a valuable source of information to both agencies and OMB on the condition of the internal controls in place in the personnel program. As such, agency officials should consider PME results during the annual FMFIA process.

OPM Said FMFIA Did Not Apply to PMEs

Because the agency personnel activity must be reviewed under FMFIA, and we found that many agencies had done few or no PMEs over 3 fiscal years, we asked OPM if Circular A-123 applied to PMEs. OPM replied that it did not because the circular was providing agencies with procedures for establishing internal control regulations for accounting purposes and as such did not play any role in personnel management procedures. We then

asked OMB, the issuer of the circular, if the circular applied to the PME process. OMB replied that PMEs are alternative internal control reviews, and if material weaknesses are identified during PMEs, those weaknesses should be reported in an agency's required FMFIA annual report. Subsequently, OPM changed its position and said it agreed with OMB that the circular does apply to PMEs in that PMEs can be viewed as an alternative process for internal control review.

Some Agencies Understood the Relationship

Since 1983, some agencies have issued FMFIA annual reports in which they reported material weaknesses in their personnel programs, thus demonstrating they understood the relationship between personnel and FMFIA. And at least one agency reported under FMFIA that its PME system was not effective. In 1983, the U.S. Mint reported that its personnel management evaluation program needed review; again in 1989, the Mint reported that the lack of on-site evaluations and reviews by the headquarters personnel office made local and Mint-wide personnel programs vulnerable to regulatory and procedural violations.

Comments From the Office of Personnel Management

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON. D.C. 20415

OCT 1 4 1992

OFFICE OF THE DIRECTOR

Honorable Charles A. Bowsher
Comptroller General of the
  United States
General Accounting Office
441 G Street NW.
Washington, DC 20548

Dear Mr. Bowsher:

We have received your draft report on the Office of Personnel
Management's personnel management evaluation (PME) program and
appreciate the opportunity to comment.

The draft report offers some useful observations on the value of
PME programs and recommends steps that can be taken to improve
PME in OPM and the agencies. Before we comment on the specific
recommendations, we would like to clarify the goals and purposes
of the program, as we see them, and the balance we are striving
to achieve among competing priorities.

We view our personnel evaluations program as serving essentially
three goals:

> 1) to monitor and enforce adherence to civil service laws,
> rules, regulations, and requirements;
>
> 2) to promote mission accomplishment through effective
> personnel management; and
>
> 3) to provide important feedback to OPM and agency personnel
> policymakers.

Prior GAO reports concluded that OPM placed too little emphasis
on direct oversight of agency compliance with law, rule, and
regulation. In 1989, we made major structural changes in the
program in response to GAO criticism. We significantly increased
our emphasis on and resources devoted to direct OPM compliance
activities. A recent report by the Merit Systems Protection
Board (MSPB) recognizes this effort and states that OPM's
evaluations "are probably doing all that can reasonably be
expected in terms of ensuring compliance with specific
regulations and standards."

We still rely, of course, on agencies to exercise proper
supervision over the administration of their own personnel
programs. In a Government as large as ours this is necessarily
the case and we would not have it otherwise. We agree with you,
however, that personnel evaluation programs in agencies generally

Honorable Charles A. Bowsher   2.

need strengthening. We have been working towards this end and,
as noted in your report, some progress has been made. If we have
devoted less effort to this activity than you believe warranted,
our decision was based on two factors. First, our own compliance
reviews have revealed problem areas, but not widespread patterns

of abuse of personnel authorities generally. Second, we have
learned from experience that the quality of personnel management
in agencies is not solely a result of oversight, whether by OPM
or by an internal personnel evaluation unit. Rather, other
factors come into play, such as internal agency guidance, staff
training, work quality controls, and OPM's response to agency
informational needs through published guidance and ongoing
technical assistance. Thus, while we place great value on
internal PME programs, we feel they must be pursued in the
context of a balanced program that serves our several goals.

I would like to turn now to the specific recommendations in the
draft report. There are three recommendations, the first two of
which are similar enough in substance that we will treat them
together. They are that the OPM Director strengthen agency PME
programs by:

   o Issuing regulations that (1) require agencies to establish
      and implement PME programs, (2) provide agencies standards
      to follow in structuring PME programs and conducting
      evaluations, and (3) require agencies to apply those
      standards; and

   o Considering, in developing regulations, published standards,
      audits, and inspections.

We are not convinced that issuing regulations would provide an
effective stimulus to the development or improvement of agency
PME programs or even add materially to the requirements already
in place. We attribute the lack or inadequacy of PME activity in
some agencies to a failure to comply with existing requirements
sometimes due to a scarcity of resources and/or a failure to
appreciate its usefulness. A new regulatory requirement will not
cure these conditions. An equally effective approach might be a
memorandum from the Director of OPM reminding agencies of the
existing requirements for PME programs and pointing out the
benefits in terms of effectiveness as well as assurance of
meeting legal requirements that can be derived from them.

It is also not clear at this point that a detailed set of
standards covering the full range of PME activities would be
useful, given the diverse environments, missions, workforces, and
associated personnel program requirements of agencies. OPM's
Strategic Plan for Federal Personnel Management identifies PME as

Honorable Charles A. Bowsher   3.

a primary vehicle for both improving agency performance and
creating a link between good personnel policy and mission
accomplishment. We believe support for the PME at the agency
level depends heavily on establishing that link between the
personnel program and mission accomplishment. Our work thus far
in helping agencies develop or improve their PME programs
suggests that different evaluation approaches and resources may
be required in different settings to highlight that link.

We are certainly willing to make agencies aware, if they are not
already, of published standards for evaluations, audits, and
inspections. We are also willing to explore whether at least
some aspects of their evaluation programs may be appropriate for
the application of uniform, Governmentwide standards. We would
like to explore this topic at our 1993 PME Leadership Conference
which GAO is helping us plan. If it appears that a useful set of
Governmentwide standards can be formulated to cover specific
aspects of agency evaluations, we will be glad to work with the
agencies to develop them.

The third recommendation in the draft report is that OPM improve
its PME efforts by:

   o   Consulting with OMB and then providing guidance to agencies
       on the relationships that should exist among agency
       personnel programs, agency PME programs, and agency internal
       control programs. Issues that should be addressed are the
       use of PME's as alternative internal control reviews and the
       reporting of identified material weaknesses in the agencies'
       FMFIA annual reports.

We believe this recommendation may have merit and warrants
consideration. We have discussed this issue with our agency
working groups and plan for it also to be a specific agenda item
at the 1993 Leadership Conference.

We look forward to your participation in the conference and to
debating many of the issues you have raised with the Federal
evaluations community. We appreciate the time and effort that
went into your report and we thank you for this opportunity to
comment.

                                        Sincerely,

                                        Douglas A. Brook
                                        Acting Director

The following are GAO's comments on the Office of Personnel
Management's October 14, 1992, letter.

GAO Comments

1. One factor OPM says has influenced its current approach to agency PME
programs is that its own compliance reviews have not revealed
widespread patterns of abuse. However, as we discuss on page 6, GAO
reports issued in recent years have shown that there are widespread
problems among agencies in using various personnel authorities. In the
compliance reports it cites in its response, OPM found what we consider to
be high error rates in agencies' decisions on personnel actions.

In 1990, OPM reported that in taking nine different types of personnel
actions, agencies as a whole had an error rate of between 9 percent and
10.5 percent. The types of errors included legal, regulatory, procedural,
and record-keeping. OPM reported that less than 1 percent of the errors it
found were "fatal," that is, legal or regulatory errors. However, the report
did not identify the percentage of errors that were procedural. As OPM
stated in the report, "many of the procedural requirements [that were]
violated furnish important merit system protections."

In its 1991 compliance report, OPM studied five different types of personnel
actions and did report on the extent of procedural errors. OPM found an
overall error rate of 17.5 percent, with 7.1 percent of the actions having
procedural errors and an additional 1.5 percent of the actions having legal
or regulatory errors. The remaining errors found were record-keeping
errors. A conclusion of the 1991 report was that: "In general, erroneous
actions are caused by shortfalls in the servicing personnel office or agency
PME program."

2. OPM says its current approach to agency PME programs is that PME is only
one of many factors affecting personnel management in agencies. We
agree that PME programs are one of many factors that shape personnel
management within agencies. However, effective agency PME coverage, in
our view, gives agencies a significant means with which to test and
promote accountability within their personnel management activities. The
primary purpose of agency PME programs, in our view, is to ensure that
other personnel programs, such as position classification and staffing, are
operating effectively and within the law. In our view, the stronger an
agency's PME program, the more likely it is that the agency's overall
personnel program will be effective, efficient, and in compliance with

personnel requirements. For this reason, we believe it is important for OPM to insist on strong and effective agency PME programs.

3. We modified our recommendation on placing PME standards in regulation. We recommend that OPM publish PME standards but no longer say the standards themselves should be placed in regulation. We changed our recommendation to make it easier for OPM to issue and revise standards as needed. However, we continue to recommend that agencies be required by regulation to follow standards that OPM publishes. We believe that is the only effective way OPM can ensure that agencies realize that the standards must be followed.

Federal Recruiting and Hiring: Making Government Jobs Attractive to Prospective Employees (GAO/GGD-90-105, Aug 22, 1990)

Senior Executive Service: Training and Development of Senior Executives (GAO/GGD-89-127, Sept. 29, 1989)

Federal Workforce: Temporary Appointments and Extensions in Selected Federal Agencies (GAO/GGD-89-15, Feb. 23, 1989)

Managing Human Resources: Greater OPM Leadership Needed to Address Critical Challenges (GAO/GGD-89-19, Jan. 19, 1989)

Federal Workforce: OPM's Approach for Conducting Personnel Management Evaluations (GAO/GGD-88-11, Nov. 4, 1987)

Federal Workforce: New Authority to Make and Extend Temporary Appointments (GAO/GGD-86-111BR, July 28, 1986)

Federal Workforce: How Certain Agencies Are Implementing the Grade Reduction Program (GAO/GGD-86-33, Jan. 3, 1986)

Information on the Administration's Program to Reduce Grade 11-15 Positions (GAO/GGD-85-48, Mar. 28, 1985)

Retrenchment and Redirection at the Office of Personnel Management (GAO/GGD-83-95, Aug 22, 1983)

Delegated Personnel Management Authorities: Better Monitoring and Oversight Needed (GAO/FPCD-82-43, Aug 2, 1982)

Personnel Conversions During Presidential Transition: Improved Monitoring Needed (GAO/FPCD-81-51, May 27, 1981)

Government Earns Low Marks on Proper Use of Consultants (GAO/FPCD-80-48, June 5, 1980)

Management of Civilian Personnel in the Federal Government: The Present Situation and Proposals for Improvements (GAO/FPCD-77-36, June 6, 1977)

Agencies' Personnel Management Can Be Enhanced by Improving the Evaluation Process (B-179810, Sept. 17, 1974)

Major Contributors to This Report

General Government Division, Washington, D.C.

Steven J. Wozny, Assistant Director, Federal Human Resource
  Management Issues
Carmen M. Rivera-Lowitt, Assignment Manager
Michael J. O'Donnell, Evaluator-in-Charge
Kenneth E. John, Social Science Analyst
Andrew Marshall, Jr., Staff Evaluator

Denver Regional Office

Thomas R. Kingham, Senior Evaluator

Norfolk Regional Office

Henry Arzadon, Senior Evaluator
Ruth M. Winchester, Staff Evaluator

Related GAO Products

Personnel Practices: Details of Schedule C Employees to the White House (GAO/T-GGD-92-28, Apr. 9, 1992)

Employee Conduct Standards: Some Outside Activities Present Conflict-of-Interest Issues (GAO/GGD-92-34, Feb. 10, 1992)

GSA: A Central Management Agency Needing Comprehensive Congressional Oversight (GAO/T-GGD-92-3, Oct. 29, 1991)

Federal Recruiting and Hiring: Authority for Higher Starting Pay Useful But Guidance Needs Improvement (GAO/GGD-91-22, Sept. 10, 1991)

Merit Systems Protection Board: Time-and-Attendance and Personnel Practices Need Attention (GAO/GGD-91-104, Aug 8, 1991)

U.S. Department of Agriculture: Strengthening Management Systems to Support Secretarial Goals (GAO/RCED-91-49, July 31, 1991)

Internal Revenue Service: Employee Views on Integrity and Willingness to Report Misconduct (GAO/GGD-91-112FS, July 24, 1991)

Federal Workforce: Inappropriate Use of Experts and Consultants at Selected Civilian Agencies (GAO/GGD-91-99, July 17, 1991)

Experts and Consultants: Weaknesses in Hiring Process at State's Office of Inspector General (GAO/GGD-91-60, June 24, 1991)

The President's Commission on Executive Exchange (GAO/T-GGD-91-38, June 10, 1991)

General Services Administration: Status of Management Improvement Efforts (GAO/GGD-91-59, Apr. 3, 1991)

Performance Management: How Well Is the Government Dealing With Poor Performers? (GAO/GGD-91-7, Oct. 2, 1990)

Arms Control and Disarmament Agency: Stronger Actions Needed to Improve Personnel Management (GAO/NSIAD-90-259, Sept. 12, 1990)

Federal Workforce: Selected Sites Cannot Show Fair and Open Competition for Temporary Jobs (GAO/GGD-90-106, Sept. 5, 1990)

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General Accounting Office
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