

# In Brief

## Human Resource Management: Smithsonian Needs to Strengthen Its Procedures for Hiring Trust Employees When Not Using the Federal Process

Report Number OIG-A-21-01, October 9, 2020

### What OIG Did

This audit examined to what extent the Office of Human Resources (OHR) and the units comply with Smithsonian policies and procedures for hiring employees funded by the Smithsonian Trust, not federal appropriations (Trust employees). Trust employees hired by Smithsonian Enterprises and Smithsonian Astrophysical Observatory were not addressed in this audit.

To perform this audit, the Office of the Inspector General (OIG) reviewed applicable policies and procedures and interviewed officials in OHR, 27 units, and the Office of Equal Employment and Supplier Diversity. To assess compliance, OIG used two samples of Trust employees hired by OHR from May 2017 through May 2018: a statistical sample (85 of the 437 Trust employees hired without using the federal process) and a judgmental sample (10 of 55 Trust employees hired using the federal process).

### Background

OHR is responsible for implementing human resources policies throughout the Smithsonian. With approximately 50 staff, OHR supports the recruitment and hiring of about 5,200 of the Smithsonian's 6,700 employees. The Smithsonian's units (museums, research centers, and offices) assign staff to coordinate with OHR to hire federal and Trust employees.

### What Was Found

Smithsonian Directive (SD) 213 states that Trust positions to be filled for longer than 1 year must be advertised using the procedures for filling federal positions unless they meet the criteria for specific exceptions. Of the 492 Trust employees hired by OHR from May 2017 through May 2018, a total of 437 (89 percent) were hired without using the federal advertising process.

Based on OIG analysis, all 437 Trust positions were properly exempted from the federal advertising process in accordance with Smithsonian policy (such as for temporary appointments of 1 year or less). Although the positions were exempted from the federal advertising process, unit staff told OIG that they used other means to advertise 47 of the 85 sampled positions but had documentation for advertising only 32. For these 32 unit-advertised Trust positions, OIG found that OHR did not comply with SD 213 requirements that it receive all applications, evaluate the qualifications of the applicants, and provide the units with a selection list of the better-qualified applicants. Rather, since at least 2009, OHR has been allowing the units to receive and evaluate all applications and to submit the applications only of the selected individuals to OHR. OHR has limited its role to determining whether the unit-selected applicant met the minimum qualifications for the position. In addition, OHR has not monitored how the units receive, evaluate, and select candidates.

OIG also found that the Smithsonian is not in compliance with Equal Employment Opportunity Commission's (EEOC) requirements to gather data on race, national origin, sex, and disability status of these applicants and to track their progress through the Trust hiring process. As a result, the Smithsonian has no information to ensure that a fair and consistent process was followed to fill Trust positions.

In contrast, OIG found that a sample of 10 of the 55 Trust positions that used the federal advertising process fully complied with SD 213 and EEOC's requirements. Also, OHR has not ensured that its Trust hiring policies and procedures, which are decades old, are current and complete.

### What Was Recommended

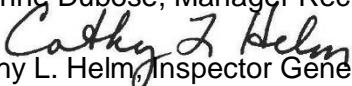
To help ensure a fair and consistent process for hiring Trust employees when not using the federal process, OIG made three recommendations: 1) update Trust hiring policies and procedures; 2) establish a system that collects and tracks applicant's race, national origin, sex, and disability status; and 3) develop and implement procedures to monitor compliance with OHR policies and procedures.



Date: October 9, 2020

To: Lonnie Bunch, Secretary

Cc: Meroe Park, Deputy Secretary and Chief Operating Officer  
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From:   
Cathy L. Helm, Inspector General

Subject: *Human Resource Management: Smithsonian Needs to Strengthen Its Procedures for Hiring Trust Employees When Not Using the Federal Process*  
(OIG-A-21-01)

This memorandum transmits our final audit report on the Office of Human Resources' (OHR) process for hiring Trust employees. The objective of this audit was to determine the extent to which OHR and the units comply with Smithsonian policies and procedures for hiring Trust employees.

To help ensure a fair and consistent process for hiring Trust employees when not using the federal process, OIG made three recommendations: 1) update Trust hiring policies and procedures; 2) establish a system that collects and tracks applicant's race, national origin, sex, and disability status; and 3) develop and implement procedures to monitor compliance with OHR policies and procedures.

We appreciate the courtesy and cooperation of all Smithsonian management and staff during this audit. If you have any questions, please call me or Joan Mockeridge, Assistant Inspector General for Audits, at (202) 633-7050.



# OFFICE OF THE INSPECTOR GENERAL



## **Human Resource Management: Smithsonian Needs to Strengthen Its Procedures for Hiring Trust Employees When Not Using the Federal Process**



Smithsonian Institution Building  
(The Castle)

OIG-A-21-01  
October 9, 2020

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## Abbreviations

AV	Audio visual
EEOC	Equal Employment Opportunity Commission
HRMS	Human Resources Management System
MD-715	Management Directive 715
OCIO	Office of the Chief Information Officer
OHR	Office of Human Resources
OIG	Office of the Inspector General
OPM	Office of Personnel Management
SAO	Smithsonian Astrophysical Observatory
SD	Smithsonian Directive
SE	Smithsonian Enterprises
Smithsonian	Smithsonian Institution
STRI	Smithsonian Tropical Research Institute
STARS	Smithsonian Tracking and Applicant Referral System

## Introduction

The Smithsonian Institution is one of the largest museum complexes in the world, made up of 19 museums, numerous research centers, and the National Zoo. Carrying out its mission requires a dedicated workforce of approximately 6,700 employees funded by either federal appropriations or the Smithsonian Trust.<sup>1</sup> Of that total, approximately 2,500 are Trust employees.

The Office of Human Resources (OHR) is responsible for hiring nearly all of Smithsonian's federal employees and 60 percent of the Trust employees.<sup>2</sup> OHR's Trust hiring process includes some elements of the federal hiring process, but there are differences. Federal entities use an automated process to help ensure that all applicants receive fair and equal opportunity and use the USAJOBS website to advertise openings and facilitate the hiring process. Smithsonian policy states that Trust positions to be filled for longer than 1 year must be advertised unless they meet the criteria for specific exceptions. The method of advertising will generally follow the procedures for filling federal positions. Smithsonian employees in Trust-funded positions are similar to private sector employees and are not part of the federal civil service.

The Office of Personnel Management (OPM) requires that OHR undergo reviews of its federal hiring operations annually.<sup>3</sup> However, the Trust hiring process is not subject to these periodic reviews.

The Office of the Inspector General (OIG) conducted this audit to determine to what extent OHR and the units comply with Smithsonian policies and procedures for hiring Trust employees. This audit did not review the hiring of Trust employees in Smithsonian Astrophysical Observatory and Smithsonian Enterprises.

To perform this audit, OIG identified and reviewed policies and procedures applicable to hiring Trust employees and interviewed officials in OHR, 27 units, and Smithsonian's Office of Equal Employment and Supplier Diversity (OEESD), which has responsibilities related to reporting

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<sup>1</sup> Federal employees are paid from funds appropriated by Congress directly to the Smithsonian and are subject to the applicable provisions of the U.S. Code and the Code of Federal Regulations. Trust-funded employees are appointed under the provisions of Trust-fund human resources policies and paid from Trust funds. Trust funds are provided by endowment income, income from Smithsonian business activities, grants and contracts for sponsored projects, and gifts and grants from individuals, corporations, and foundations.

<sup>2</sup> The Secretary has delegated all hiring authority for the remaining federal and Trust employees to two Smithsonian units: Smithsonian Astrophysical Observatory (SAO) and Smithsonian Enterprises (SE). SAO Human Resources Office hires both federal and Trust employees for SAO. SE is made up solely of Trust employees, and SE's Human Resources office performs all hiring for the unit. A third unit, the Smithsonian Tropical Research Institute (STRI), in the Republic of Panama has responsibility for locally hired Panamanian employees; OHR handles the hiring of Trust and federal employees at STRI.

<sup>3</sup> OPM serves as the chief human resources agency and personnel policy manager for the federal government. OPM does not have responsibility related to Trust hiring policies and procedures.

equal employment opportunity data.<sup>4</sup> To assess compliance with these policies and procedures, OIG used two samples of Trust employees hired by OHR from May 2017 through May 2018: a random sample of 85 of the 437 employees hired without using the federal advertising process, and a sample of 10 of the 55 employees hired using the federal process. For more information on the scope and methodology, see Appendix I.

OIG conducted this audit in Washington, D.C., from May 2018 to October 2020 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on its audit objective.

## Background

OHR is responsible for implementing human resources policies throughout the Smithsonian. It has approximately 50 staff and provides support for about 5,300 of the Smithsonian's approximately 6,700 employees.<sup>5</sup> The Recruitment, Staffing, and Classification Branch of OHR provides guidance on federal rules and regulations and Trust policies and procedures related to hiring. OHR had one staff member in this branch to support units in hiring all Trust employees, except senior-level employees, who did not use the federal advertising process. From May 2017 through May 2018, OHR processed the hiring of 371 federal employees and 492 Trust employees.

The Smithsonian's museums, research centers, and offices assign staff to coordinate with OHR to facilitate the hiring process for federal and Trust employees. Larger units such as the National Air and Space Museum and the National Museum of Natural History dedicate full-time personnel to this task, while smaller units designate support staff to perform human resources duties as needed.

Smithsonian Directive (SD) 100, *Smithsonian Directives*, provides guidance for the issuance of written policies governing operations. Smithsonian Directives serve as the authoritative source for policy information about the management, administrative and programmatic operations.

The Smithsonian has established policies and procedures for Trust hiring in SD 213, Chapter 300 *Employment (General)*.<sup>6</sup> OHR is responsible for implementing these policies and procedures and for coordinating all proposed changes to them.

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<sup>4</sup> In June 2020, the Office of Equal Employment and Minority Affairs changed its name to the Office of Equal Employment and Supplier Diversity.

<sup>5</sup> Approximately 1,400 Smithsonian employees are supported by human resources offices at SAO, SE, and STRI.

<sup>6</sup> SD 213, Chapter 300 *Employment (General)*, May 1988.

SD 213 requires Trust positions that are to be filled for longer than 1 year to be advertised unless certain conditions are met. It also states that any position may be advertised when necessary to attract high-quality candidates and achieve equal opportunity objectives.

Generally, the method of advertising and the length of time for accepting applications follows the procedures for filling federal positions.<sup>7</sup> SD 213 also requires OHR to evaluate the qualifications of the applicants and to create a selection list of the better-qualified applicants.

On June 8, 1998, the then-Undersecretary of the Smithsonian issued a *Delegation of Personnel Authorities* memorandum to Museum, Research Institute, and Office Directors that allowed new delegations of personnel authorities to unit directors for Trust hiring. For example, this authority allowed the unit directors to waive advertising for both indefinite and temporary Trust appointments of 1 year or more.<sup>8</sup> A second memorandum, *Delegation of Additional Personnel Authorities*, was issued on June 19, 1998, which provided specific procedural instructions for implementation of the unit directors' new delegation of advertising for Trust hiring until Smithsonian Directives could be revised to reflect the changes. These instructions required units advertising for Trust positions, to take the following actions:

- Include in the advertisement a statement that all applications be sent to OHR.
- Forward all applications received by the unit to OHR before a selection list of eligible candidates is prepared and issued.
- Include a statement that the Smithsonian is an equal opportunity employer, and specify a closing date for submission of job applications.
- Send copies of advertisements and the name of publications where the advertisements appeared to OHR.

OEESD oversees an equal employment opportunity program based on Management Directive 715 (MD-715) of the U. S. Equal Employment Opportunity Commission (EEOC).<sup>9</sup> The intent of MD-715 is to ensure that all employees and applicants for employment enjoy equal opportunity in the federal workplace regardless of race, sex, national origin, color, religion, disability, or reprisal for engaging in prior protected activity. OEESD relies on OHR to maintain a system that tracks applicant flow data to identify applicants by race, national origin, sex and disability status and report the disposition of all federal and Trust applications, as required by MD-715.

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<sup>7</sup> To fill federal positions, OHR uses an automated system to advertise vacancies on the USAJOBS website and receives applications through the Smithsonian Tracking and Applicant Referral System (STARS). With these two systems, OHR manages the application process and seeks to gather data on race, national origin, sex, and disability status from applicants to comply with federal requirements.

<sup>8</sup> An indefinite appointment is made with no specified time limit. A temporary appointment has a specified time limit of one year or less.

<sup>9</sup> U. S. Equal Employment Opportunity Commission, Management Directive 715 (MD-715) *Equal Employment Opportunity* (Washington D.C.: October 1, 2003).

## Results of Audit

### Trust Hiring Practices Do Not Comply with Smithsonian and EEOC Requirements When the Federal Process Is Not Used

SD 213 states that Trust positions to be filled for longer than 1 year must be advertised using the procedures for filling federal positions unless they meet the criteria for specific exceptions. Of the 492 Trust employees hired by OHR from May 2017 through May 2018, a total of 437 (89 percent) were hired without using the federal process, and 55 (11 percent) were hired with the federal process.

To assess compliance with the applicable policies and procedures for hiring Trust employees, OIG analyzed a sample of 85 of 437 Trust employees hired without using the federal advertising process and found that all 85 sampled positions were properly exempted from the federal advertising process in accordance with Smithsonian policy. However, when the units used other means than the federal process to advertise these Trust positions in OIG's sample, OHR did not comply with SD 213 requirements that it receive all applications, evaluate the qualifications of the applicants, provide the units with a selection list of the better-qualified applicants, or gather data on applicants as required by EEOC. Staff in 27 units told OIG that they advertised 47 of the 85 sampled positions, but they could provide documentation for advertising only 32 positions. Since at least 2009, OHR has been allowing the units to advertise these Trust positions, receive and evaluate applications, and select candidates; OHR has limited its role to ensuring that the selected candidates meet the minimum qualifications for the position. In addition, OHR has not provided the units with guidance on how to perform these tasks and has not monitored to determine how the units receive, evaluate, and select candidates.

OIG also found that the Smithsonian is not in compliance with EEOC's requirements to gather data on race, national origin, sex, and disability status of these applicants and to track their progress through the hiring process. As a result, the Smithsonian has no information to ensure that a fair and consistent process was followed to fill these Trust positions. In contrast, OIG found that a sample of 10 of the 55 Trust positions that used the federal advertising process was fully compliant with SD 213 and EEOC's requirements. Finally, OIG found that OHR has not made sure that its Trust hiring policies and procedures, which are decades old, are kept current and complete.

#### Advertising Was Not Required or Was Properly Waived for All 85 Sampled Trust Employees Hired Without Using the Federal Process

To assess compliance with the applicable policies and procedures for hiring Trust employees, OIG analyzed a statistical sample of 85 of 437 employees hired for Trust positions by OHR from May 2017 through May 2018 without using the federal advertising process. OIG found that all of



the 85 sampled Trust positions met one of the conditions in SD 213 Chapter 300 for not being advertised or had a waiver from advertising requirements.<sup>10</sup> For additional information on the 85 sampled Trust positions, see Appendix II.

Sixty of the 85 Trust positions (approximately 70 percent) did not require any advertising because of the type of appointment:

- Most (47) were temporary appointments for 1 year or less.
- Six positions were reassignments with no known promotion potential.
- Six were non-competitive promotions.
- One position was funded by a grant.

The remaining 25 positions received waivers from advertising that were properly granted. OIG estimates that all of the 437 Trust positions hired without using the federal process from May 2017 through May 2018 did not require any advertising in accordance SD 213.<sup>11</sup>

Although the units were not required to use the federal advertising process to hire the 85 sampled Trust employees, the units interviewed by OIG said they advertised 47 of the 85 sampled Trust positions, but they were able to provide documentation to support advertising only 32 positions.<sup>12</sup> The advertising for these 32 positions ranged from formal advertisements in professional journals to job postings on the unit's website to announcements sent to electronic mailing lists. OIG also observed that units treated the advertising of similar positions differently. For example, one unit used prudent management waivers to not use the federal advertising process to hire two audio visual (AV) production specialists, while another unit used the federal advertising process to hire an AV production specialist. OIG believes that the lack of, and differences in, advertising Trust positions can hinder Smithsonian's ability to identify a pool of diverse, well-qualified candidates for Trust positions. Moreover, internal and external candidates can be challenged in identifying job openings for Trust positions that do not use the federal advertising process. In addition, OIG observed that the Office of Advancement and Secretary's Scholar positions generally had a presence on the Smithsonian's central OHR website, while other unit-advertised positions did not.

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<sup>10</sup> The conditions excepted from advertising include (1) temporary appointments of 1 year or less; (2) reassignments to positions with no known promotion potential; (3) noncompetitive promotions; (4) appointments to positions which have no established work schedule; (5) appointments, reassignments, and promotions to Secretary-designated positions; and (6) positions paid directly from contract or grant funds. In addition, the OHR director could use "prudent management," which is not defined in the policy, to waive the advertising requirement in certain situations. In the 1998 interim guidance, unit directors also were delegated the authority to approve "prudent management" waivers but were required to prepare a brief written justification for the waiver.

<sup>11</sup> OIG's confidence in the precision of the sample results is a 95 percent confidence interval (plus or minus 5 percentage points).

<sup>12</sup> The 32 positions for which units were able to provide advertising documentation were: 20 temporary positions, 2 reassignments, and 10 positions that had prudent management waivers to using the federal advertising process.

### OHR Is Not Complying with Its Own Policies to Receive and Evaluate Applications When the Federal Process Is Not Used for Trust Hiring

Under SD 213 Chapter 300, OHR is responsible for hiring Trust employees, which includes receiving and evaluating all the applications, preparing selection lists of better-qualified candidates, and providing those selection lists to units. From May 2017 through May 2018, OHR hires about 60 percent of the Trust employees at the Smithsonian. However, according to OHR specialists, since at least 2009, contrary to SD 213 requirements—OHR has not been performing these tasks when Trust employees are hired without using the federal process, which OIG analysis showed was 89 percent of the Trust hires in the year reviewed. Instead, OHR has limited its role to determining only whether the selected applicants meet the minimum qualifications for the positions. OHR recruitment staff said, and unit personnel confirmed, that units were performing the following OHR tasks:

- receiving all applications,
- evaluating the qualifications of the applicants,
- selecting the applicant to be hired.

OIG's analysis of the advertising documentation for 32 Trust positions in our sample confirmed that the units instructed candidates for all 32 positions to send the applications to them, rather than OHR, as required.

Moreover, OHR has improperly delegated tasks to the units without providing any written guidance or monitoring to ensure that the units are consistently and fairly evaluating all applications and selecting from the better-qualified applicants. OHR also has not provided written guidance to the units on what documentation to retain so appropriate monitoring could be performed. As a result, OHR has no assurance that the units it supports are following a consistent process in hiring Trust employees and that applicants are being treated fairly if the federal advertising process is not used. Federal internal control guidance provides that management should establish and operate monitoring activities and remediate identified internal control deficiencies on a timely basis.<sup>13</sup>

### The Smithsonian Is Not Complying with the EEOC Requirement to Collect Data and Track Applicants When the Federal Process Is Not Used for Hiring Trust Employees

OIG found that when units advertised Trust positions without using the federal process neither OHR nor the units are collecting applicant's data (race, national origin, sex and disability status) as required by MD-715. The federal hiring process has automated systems that collect these data on applicants and tracks the progress of all applications through the hiring process.

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<sup>13</sup> GAO, Standards for Internal Control in the Federal Government, GAO-14-740G (Washington, D.C., September 2014).

Without this information, OEESD cannot determine whether race, ethnicity, gender, or disability affected hiring decisions. Furthermore, OEESD does not have data that could identify and address potential barriers to Trust employment opportunities.

Prior to this audit, OHR and OEESD officials were not aware that applicant information was not being collected for these Trust positions and that there was a gap in the applicant data being collected. In fact, OHR did not know whether the units advertised any of the Trust positions that were exempt from being advertised through the federal process, even though it is responsible for ensuring that the data are collected. According to the OEESD Director, the data collection and tracking systems for these Trust employees need to be electronic to create an audit trail and facilitate OEESD's ability to comply with EEOC reporting requirements.

### Hiring of Trust Employees Through the Federal Process Complied with SD 213 and EEOC Reporting Requirements

OIG selected 10 of the 55 Trust employees hired by OHR through the federal process and found that the positions met the requirements of SD 213 Chapter 300. Specifically, OIG's analysis showed the following:

- All applications were sent to OHR.
- OHR evaluated the qualifications of all applicants and developed a selection list of the better qualified.
- All hired employees were on the list of better qualified applicants.

In addition, according to OEESD the Smithsonian has a process in which applicants were asked to provide equal employment opportunity data that identify the applicant's race, national origin, sex, and disability status in compliance with federal reporting requirements.

### OHR's Trust Hiring Policies and Procedures Are Not Current and Complete

SD 100 states that managers should review directives, associated manuals, and supplementary information every 3 years, or more often if necessary, to determine whether changes are needed.<sup>14</sup> However, OIG found that OHR has not updated the Trust hiring policies in decades. SD 213 Chapter 300, the directive that establishes policy for Trust hiring, was issued in 1988 and has not been updated in more than 30 years. In 1998, Smithsonian management issued interim guidance to delegate additional personnel authority to the unit directors and provide procedural instructions on Trust hiring until SD 213 could be revised. But more than 20 years later, SD 213 has not been revised to incorporate the interim guidance; moreover OHR has not implemented those procedures and has directed units to perform the tasks on their own since at least 2009.

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<sup>14</sup> SD 100, *Smithsonian Directives*, (Washington, D.C. May, 2017).

GAO's *Standards for Internal Control in the Federal Government*<sup>15</sup> emphasize the importance of developing detailed policies and procedures to guide an entity's operations, as well as the need to train staff to ensure that these requirements become an integral part of operations. The standards also require periodic reviews of policies and procedures for continued relevance and effectiveness and must be updated as needed.

OHR has not provided written procedures or training to the unit staff performing the hiring tasks and does not monitor their actions, except for reviewing the selected candidates' qualifications.

## Conclusion

Trust employees are an integral part of the Smithsonian's workforce, and OHR is responsible for hiring most of them and for ensuring that the process for recruiting and hiring all employees is fair and consistent. OIG identified that 89 percent of the Trust employees hired by OHR from May 2017 through May 2018 did not use the federal process. In addition, OIG found that OHR was not complying with its written policy and procedures to receive and evaluate applications for Trust positions advertised by the units without using the federal process. Rather, OHR improperly delegated these tasks to the units. Moreover, OHR did not monitor whether units were consistently and fairly evaluating the applications or selecting from the better-qualified applicants. OHR also has not provided written guidance to the units on what documentation to retain so that appropriate monitoring could be performed. As a result, OHR has no assurance that the units that it supports are following a consistent process in hiring Trust employees and that applicants are being treated fairly when the federal advertising process is not used. Smithsonian's ability to identify a pool of diverse, well-qualified candidates for Trust positions is hindered because of the ad hoc approach and lack of monitoring by OHR when Trust employees are hired without the federal process.

When units chose to advertise some of these positions exempted from the federal process, OHR did not comply with its policy or interim guidance when it improperly allowed the units to perform key OHR responsibilities. OHR has stopped following its own procedures and has directed units to perform these tasks on their own without guidance or monitoring. In addition, OHR's policies are decades old and do not ensure that OHR is effectively monitoring dozens of units or itself when Trust employees are hired. The current practices for hiring Trust employees without using the federal process are also not complying with federal EEOC reporting requirements to collect data on these Trust applicant's race, national origin, sex, and disability status. As a result, the Smithsonian has no assurance when it hires Trust employees without using the federal process that (1) it is attracting a pool of diverse and qualified candidates for the Trust positions hired by OHR, (2) the individuals selected for those jobs are the best qualified applicants, or (3) the process being used does not pose potential barriers to Trust employment opportunities. In contrast, OIG found that the 10 selected Trust hires that used the federal process complied with SD 213 and EEOC requirements.

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<sup>15</sup> GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C., September, 2014).



## Recommendations

To ensure a fair and consistent process for hiring Trust employees when not using the federal process, OIG recommends that the Acting Director of OHR:

1. Update SD 213 Chapter 300 to include a process for hiring Trust employees with written policies and procedures to ensure a fair and consistent process for advertising positions, evaluating applications, and selecting the best qualified candidate.
2. Establish a system that collects and tracks data on applicants by race, national origin, sex, and disability status and tracks progress of all applications through the hiring process, as required by MD-715, for Trust positions advertised without using the federal process.
3. Develop and implement procedures to periodically monitor OHR and the units' compliance with policies and procedures and to help identify poorly designed or ineffective internal controls for hiring Trust employees. Results should be periodically reported and timely action taken to redesign or improve those controls as needed.

## Management Comments

OIG provided the Smithsonian a draft of this report for review and comment. Smithsonian management did not provide comments on the draft report.

## Appendix I

## Objective, Scope, and Methodology

The objective of the audit was to examine the extent to which the Smithsonian Office of Human Resources (OHR) complied with Smithsonian policies and procedures for hiring trust employees.

To determine whether OHR complied with policies and procedures, the Office of the Inspector General (OIG) identified and reviewed the Smithsonian policies relevant to hiring trust employees include the following:

- Smithsonian Directive (SD) 213, *Trust Personnel Handbook*, Chapter 300 *Employment* (May 2, 1988),
- Chapter 335, *Promotion*, (January 11, 1981), and
- *Non-competitive Reassignment of Employees*, (April 23, 1998); and Chapter 310, *Employment of Relatives*, (October 27, 1994).

OIG also reviewed the two *Delegation of Personnel Authorities* memoranda from the then-Under Secretary of the Smithsonian. The first was issued on June 8, 1998, to Museum, Research Institute, and Office Directors, which granted new delegations of personnel authorities to unit directors. The other was issued on June 19, 1998, to administrative officers. In addition, OIG reviewed Management Directive 715 (MD-715) of the Equal Employment Opportunity Commission; SD 214, *Equal Employment Opportunity Handbook*, July 29, 2009; and SD 214, *Equal Employment Opportunity Program*, April 26, 2018.

OIG interviewed management and staff in OHR and the Smithsonian's Office of Equal Employment and Supplier Diversity (OEESD).<sup>16</sup> At OHR, OIG met with the then-Director, Acting Director, Associate Director, Recruitment Branch Manager, and Human Resources Specialists. From OEESD, OIG met with the Director and Affirmative Employment Manager. OIG also interviewed staff involved with hiring Trust employees from 27 units across the Smithsonian.

To assess compliance with these policies, OIG obtained access to the Human Resources Management System (HRMS) and identified 492 trust employees hired by OHR from May 2017 through May 2018. OIG then identified that 55 were hired using the federal process and that 437 were hired without using the federal process.

OIG used its judgment to sample 10 of the 55 trust employees hired under the federal process to determine whether OHR adhered to the applicable Trust hiring policies and procedures. OIG is not able to project the results of this judgmental sample to the population.

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<sup>16</sup> In June 2020, the Office of Equal Employment and Minority Affairs changed its name to the Office of Equal Employment and Supplier Diversity.

OIG used a statistical sampling software to select a sample of 85 of the 437 Trust employees hired without using the federal process. OIG was able to project the results of this sample to the population.<sup>17</sup> OIG reviewed data in HRMS and other documents for each hire to assess, for example, whether a selection certificate was completed, OHR conducted a minimum qualification review, and Equal Employment Opportunity data was collected.

OIG conducted this performance audit in Washington, D.C., from May 2018 to October 2020 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on its audit objective.

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<sup>17</sup> OIG randomly selected a probability sample from the population of Trust employees hired from May 2017 through May 2018 without using the federal process. Because OIG followed a probability procedure based on random selections, the sample is only one of a large number of samples that OIG might have drawn. Because each sample could have provided different estimates, OIG expresses its confidence in the precision of our particular sample's results as a 95 percent confidence interval (for example, plus or minus 5 percentage points). This interval would contain the actual population value for 95 percent of the samples OIG could have drawn. As a result, OIG is 95 percent confident that the confidence intervals in this report will include the true values in the study population. All percentage estimates from the sample of Trust employees hired have a sampling error (confidence interval widths) of plus or minus 5 percentage points or less.

## Appendix II

### Details on Sampled Trust Positions

Type of Exemption (Number of Trust Positions)	Position Title	Trust Pay Grade Level (IS <sup>a</sup> )	Was the position advertised by the Unit?	Was the individual a Smithsonian employee prior to this action?
<b>Temporary appointments of less than 1 year (47)</b>	Various	Various	Yes – 20 positions	Yes, 6 positions.
<b>Reassignments (6)</b>	Advancement Program Specialist	IS 12	Yes	Yes
	Special Assistant to the Director	IS 11		Yes
	Advancement Associate	IS 09		Yes
	Public Programs Assistant	IS 07	Yes	Yes
	Exhibits Specialist	IS 07		Yes
	Assistant Registrar	IS 07		Yes
<b>Noncompetitive Promotions (6)</b>	Ecologist	IS 15		Yes
	Administrative Officer	IS 13		Yes
	Grant and Contract Administrator	IS 12		Yes
	Communications Specialist	IS 11		Yes
	Marketing Assistant	IS 07		Yes
	Administrative Coordinator	IS 07		Yes
<b>Position funded by a grant or contract (1)</b>	Chemist	IS 09		
<b>Prudent Management Waiver (25)</b>	Senior Advancement Program Officer	IS 14	Yes	
	Associate Director for Advancement	IS 14	Yes	
	International Field Program Manager/One Health Scientist	IS 13	Yes	
	Human Resource Specialist	IS 13		Yes
	Program Manager	IS 12		Yes
	Research Scientist	IS 12	Yes	
	Trust Collections Documentation Manager	IS 12		Yes
	Advancement Program Specialist	IS 12	Yes	
	Research Geologist	IS 12	Yes	



Type of Exemption (Number of Trust Positions)	Position Title	Trust Pay Grade Level (IS <sup>a</sup> )	Was the position advertised by the Unit?	Was the individual a Smithsonian employee prior to this action?
	International Project Specialist	IS 12		Yes
	Advancement Program Manager	IS 12	Yes	
	Advancement Specialist	IS 11		
	Exhibits Specialist	IS 11		Yes
	Special Events Coordinator	IS 11	Yes	
	Visual Information Specialist	IS 11		Yes
	IT Specialist	IS 09		
	Producer (Media)	IS 09	Yes	
	Visual Information Specialist	IS 09		Yes
	Writer Editor	IS 09		Yes
	Audio Visual Production Specialist	IS 09		
	Audio Visual Production Specialist	IS 09		Yes
	Advancement Assistant	IS 07		
	Financial Management Assistant	IS 07		
	Education Technician (Tours)	IS 07		Yes
	Visitor Services Assistant	IS 05	Yes	
<b>Totals (85)</b>			<b>32</b>	<b>22</b>

Source: OIG analysis of Smithsonian data.

<sup>a</sup> IS represents the pay plan for trust positions paid on an annual basis, according to the Smithsonian Institution Salary Schedule.

## Appendix III

### Major Contributors to Report

Brian Lowe, Supervisory Auditor  
Teena Propst, Auditor-in-Charge  
Mary Dickerson, Auditor

# OFFICE OF THE INSPECTOR GENERAL



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## OIG's Mission

Our mission is to promote the efficiency, effectiveness, and integrity of the Smithsonian Institution's programs and operations through independent and objective audits and investigations and to keep stakeholders fully and currently informed.

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## Reporting Fraud, Waste, and Abuse to OIG Hotline

OIG investigates allegations of waste, fraud, abuse, gross mismanagement, employee and contractor misconduct, and criminal and civil violations of law that have an impact on Smithsonian Institution programs and operations.

If requested, anonymity is assured to the extent permitted by law. Although you may remain anonymous, we encourage you to provide us with your contact information. The ability to gather additional information from you may be the key to effectively pursuing your allegation.

To report fraud and other serious problems, abuses, and deficiencies, you can do one of the following:

Call 202-252-0321.

Send an email to: [oighotline@oig.si.edu](mailto:oighotline@oig.si.edu).

Visit OIG's website: <https://www.si.edu/oig>.

Write to:

Office of the Inspector General

Smithsonian Institution

P.O. Box 37012, MRC 524

Washington, D.C. 20013-7012

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