



**U.S. Office of Personnel Management
Office of the Inspector General
Office of Audits**

Final Audit Report

**Audit of the U.S. Office of Personnel Management's
Human Resources Solutions Controls Over Its
Requisition, Examining Services, and Interagency
Agreement Review Processes**

**Report Number 4A-HR-00-21-031
September 14, 2022**

Executive Summary

Audit of the U.S. Office of Personnel Management's Human Resources Solutions Controls Over Its Requisition, Examining Services, and Interagency Agreement Review Processes

Report No. 4A-HR-00-21-031

September 14, 2022

Why Did We Conduct the Audit?

The objectives of our audit were to determine whether the U.S. Office of Personnel Management's Human Resources Solutions Center for Leadership Development's internal controls over its requisition process are effective; the Federal Staffing Center's Staff Acquisition Group is following its Quality Assurance policies and procedures over its examining services; and Human Resources Strategy and Evaluation Solutions is following its policies and procedures for the Interagency Agreement Quality Control/Quality Assurance review process.

What Did We Audit?

The Office of the Inspector General completed a performance audit of Human Resources Solutions' requisition, examining services, and Interagency Agreement review processes. Our audit was conducted virtually from November 10, 2021, through April 13, 2022.



Michael R. Esser
Assistant Inspector General for Audits

What Did We Find?

We determined that Human Resources Solutions did not follow its policies and processes for preparing requisitions, completing examining services, and completing Interagency Agreement reviews. Specifically, the:

- Center for Leadership Development lacks controls over its requisition review and approval process. They did not provide 14 out of 30 purchase requisition approval forms that we requested, and we noted deficiencies in the remaining 16 samples that we tested.
- Staff Acquisition Group did not follow its Quality Assurance Plan for completing examining services. We noted that 83 out of 164 Case Review Checklists were not provided; 3 out of 81 Case Review Checklists we reviewed were incomplete; and there were deficiencies noted in their Project Vacancy Reviews.
- Human Resources Strategy and Evaluation Solutions Group did not follow its Quality Control/Quality Assurance policies and procedures for reviewing Interagency Agreements. In addition, their policies and procedures need to be updated.

Abbreviations

CLD	Center for Leadership Development
FY	Fiscal Year
HRS	Human Resources Solutions
HRSES	Human Resources Strategy and Evaluation Solutions
OIG	Office of the Inspector General
OPM	U.S. Office of Personnel Management
SOP	Standard Operating Procedure

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I. Background

This final report details the findings, conclusions, and recommendations resulting from our performance audit of the U.S. Office of Personnel Management's (OPM) Human Resources Solutions (HRS) Controls Over its Requisition, Examining Services, and Interagency Agreement Review Processes. The audit was performed by OPM's Office of the Inspector General (OIG), as authorized by the Inspector General Act of 1978, as amended.

HRS provides customized human capital and training products and services to Federal agencies to maximize their organizational and individual performance and drive their mission results. HRS operates under the provisions of the Revolving Fund, 5 United States Code 1304 (e)(1), that authorizes OPM to perform personnel management services for Federal agencies on a cost reimbursable basis. HRS is comprised of four practice areas which offer a complete range of tailored and standardized human resources products and services: the Center for Leadership Development; the Federal Staffing Center's Staff Acquisition Group; Human Resources Strategy and Evaluation Solutions; and Human Capital Industry Solutions¹.

Center for Leadership Development

The mission of the Center for Leadership Development (CLD) is to develop visionary leaders to transform Government by offering education programs and learning management system solutions that are grounded in leadership theories and address the Executive Core Competencies. CLD provides leadership and executive training through its three solutions:

- Leadership Development, which includes the Federal Executive Institute, Eastern Management Development Center, Western Management Development Center, and Senior Executive Service Leading Edge.
- Professional Development, which includes the Presidential Management Fellows, Federal Human Resources Institute, Integration Lab, and Process and Performance Improvement Program.
- USALearning®, which provides assisted acquisition of Learning Management systems/solutions to Federal agencies.

As part of their process to provide leadership training, CLD employees request goods and services for these training sessions through a requisition process. The requisition process starts with a CLD employee completing a *Center for Leadership Development Center for Leadership Capacity Services Request for Supplies and Services* (purchase requisition approval) form. The purpose of this form is to document purchases for recordkeeping and auditing. The form includes a justification and a description of the product or service being requested. The form is then signed by the requestor and sent to a requisition approver. Once approved, the purchase

¹ We did not conduct fieldwork testing in this area for our audit.

requisition approval form is sent to a CLD purchase card holder to purchase the product or service being requested.

Staff Acquisition Group

The Staff Acquisition Group is one of four programs under the Federal Staffing Center. The Federal Staffing Center partners with agencies to hire high-quality and diverse talent to meet their missions by providing a full range of talent acquisition products and services. The Staff Acquisition Group provides talent acquisition assistance, including examining and Human Resources consulting, strategic staffing, onboarding, recruitment and branding, and Human Resources technical training. The Staff Acquisition Group's operating model includes services primarily provided by Federal staffing specialists.

The Staff Acquisition Group also provides examining services for some of its customers. When a customer needs a position filled, the Staff Acquisition Group initiates quality control at various points in the examining process and quality assurance during Staff Acquisition's annual internal audit. These processes ensure that the positions are filled in accordance with customer agencies' standards and legal requirements. Once the positions are filled, the following two quality assurance reviews are completed:

- **Project Vacancy Review** – Project vacancy reviews are abbreviated case audits completed by Staff Acquisition's Human Resources Specialists to evaluate key aspects of the examining process on completed recruitment actions. This review is documented on a *Project Vacancy Review – Audit Form*, by a Human Resources Specialist accessing the USA Staffing system to verify that completed cases meet hiring rules and regulations. As part of the audit process, the Human Resources Specialist conducts a review to ensure vacancy case file documents were uploaded, the announcement and assessment was completed, a case audit was conducted, and that an applicant notice was issued.
- **Case Review** – Case reviews are performed by a senior Human Resources Specialist as a quality control inspection and are intended to ensure job opportunity announcements are accurate, based on customer agency requests, and prospective candidates are properly reviewed and considered for the open position. The review is documented by completing the *Examining Services Case Review Checklist*, which has 76 specific attributes for the Human Resources Specialist to review for jobs posted to USAJOBS.

Case reviews are only completed for two types of Human Resources Specialists: newly hired Human Resources Specialists and Human Resources Specialists inconsistently meeting quality standards. Case reviews for new employees at the General Schedule 05/07/09/11 grade levels continue at 100 percent for a minimum of six months and case reviews for new employees at the General Schedule 12/13 grade levels continue at 100 percent for a minimum of three months. New employees with prior staffing experience may be removed from case review sooner with documented demonstration of technical competence. If errors are identified during the project

vacancy reviews or case reviews, the Human Resources Specialist will attempt to rectify the issue within the USA Staffing[®] system or with the customer agency.

The case reviews are tracked on the *Examining Tracking Sheet*, which is a Microsoft Excel spreadsheet that the Staff Acquisition Group uses to track workload and timeliness. Data entered into the spreadsheet is manual; however, the spreadsheet is stored on a secure OPM drive, and an employee must be granted access to the drive to access the spreadsheet.

Human Resources Strategy and Evaluation Solutions

Human Resources Strategy and Evaluation Solutions (HRSES) provides strategic Human Resources management consulting services to Federal agencies in the areas of individual and organizational assessment; performance management; workforce and succession planning; employee and labor relations; and organization design and position classification. These services are obtained through Interagency Agreements that are included in a project file² for each customer agency requesting HRSES services. These Interagency Agreements are prepared in accordance with HRSES' *Quality Control/Quality Assurance Program Standard Operating Procedure (SOP)*.

HRSES' Quality Control/Quality Assurance Program's SOP ensures that project files created by HRSES meet quality standards. As part of the quality control process documented in the SOP, a *HRSES Quality Control/Quality Assurance Approval Form* must be completed for all Interagency Agreements and Work Products³, along with any supporting documentation required for each project file. The form has the following three levels of reviews:

- Tier 1 requires a peer review. This review can be from a Human Resources Consultant, Psychologist, and/or Management Analyst, as applicable.
- Tier 2 requires a Tier 1 review and a supervisor review.
- Tier 3 requires Tier 1 and 2 reviews, along with reviews completed by HRSES management, the Executive Officer, and the HRSES Deputy Associate Director. All Interagency Agreements that are deemed to be high priority, such as Interagency Agreements and Work Products valued over \$100,000, automatically receive a Tier 3 designation.

² A project file is a file prepared by HRSES for customer agencies that request Human Resources services. The file includes all necessary documentation such as an Interagency Agreement and Statement of Work and Quality Assurance/Quality Control form.

³ HRSES defines a Work Product as research and development, presentations, project deliverables, or Business Development Materials.

Previous Office of the Inspector General Reports

In FY 2016, the OIG conducted an audit of *Human Resources Solutions' Pricing Methodologies* and issued Report Number 4A-HR-00-13-055 on June 2, 2015. All recommendations for this audit have been closed.

II. Objective, Scope, and Methodology

Objectives

The objectives of our audit were to determine if:

- CLD's internal controls over its requisition process are effective;
- the Staff Acquisition Group is following its Quality Assurance policies and procedures over its examining services; and
- HRSES is following its policies and procedures for the Interagency Agreement Quality Control/Quality Assurance review process.

The recommendations included in this final report address the audit objectives.

Scope and Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards as established by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

We performed our audit fieldwork virtually from November 10, 2021, through April 13, 2022.

The scope of our audit covered:

- CLD's requisition process from October 1, 2020, through September 30, 2021.
- The Staff Acquisition Group's project vacancy reviews and examining case reviews conducted by newly hired Human Resources Specialists from October 1, 2020, through September 30, 2021; and
- HRSES project files signed from October 1, 2020, through September 30, 2021.

To accomplish our audit objectives noted above, we:

- reviewed applicable HRS policies and procedures;
- interviewed program representatives from CLD, the Staff Acquisition Group, and HRSES;
- reviewed CLD's requisition forms, policies and procedures for the Staff Acquisition Group's job opening review, and HRSES' Interagency Agreement quality review process and Quality Assurance/Quality Control Forms; and

- sampled and tested CLD’s requisition forms, HRSES project files, and Staff Acquisition’s *Project Vacancy Review - Audit Form*, *Examining Case Review Checklist*, and *Examining Case Review Checklist* for new hires.

In planning our work and gaining an understanding of the internal controls over HRS’ requisition, examining services, and Interagency Agreement review processes, we considered, but did not rely on HRS’ internal control structure to the extent necessary to develop our audit procedures. These procedures were substantive and analytical in nature. We gained an understanding of management procedures and controls to the extent necessary to achieve our audit objectives. The purpose of our audit was not to provide an opinion on internal controls but merely to evaluate controls over the requisition, examining services, and Interagency Agreement review processes. Our audit included such tests and analysis of HRS policies, procedures, and quality assurance controls, and other applicable information, as we considered necessary under the circumstances.

In conducting our audit, we relied to varying degrees on computer-generated data. To assess the reliability of computer-processed data, we verified the Staff Acquisition Group’s data generated by the systems involved. Errors found in the computer-generated data (Microsoft Excel spreadsheets) for the Staff Acquisition Group caused us to doubt its reliability. Therefore, we traced data such as the Vacancy Identification Number, reviewer, and Human Resource Specialist on the spreadsheet to the USA Staffing® system and believe that the data was sufficient to achieve our audit objective. We did not evaluate the effectiveness of the general application controls over computer-processed performance data.

We selected the following samples from our audit universes.

Audit Area	Audit Universe	Sample Size	Sample Selection Methodology
CLD Purchase Requisition Transactions	561	30	Using IDEA, we separated the 561 transactions into 5 different categories and randomly selected 30 samples catching all categories
Staff Acquisition Project Vacancy Reviews	542	30	Using IDEA, we randomly selected 30 samples out of 542
Staff Acquisition New Human Resources Specialists	8	8	Using Microsoft Excel, we selected the entire universe
HRSES Project Files	556	25	Using Microsoft Excel, we randomly selected 25 out of 556 projects

We selected the entire universe of 164 Staff Acquisition Case Review Checklists for fieldwork testing.

The samples selected during our review were not statistically based. Consequently, the results from our samples were not projected to the populations.

III. Audit Findings and Recommendations

The OIG appreciates HRS's cooperation with the audit team in providing requested information and their openness to implementing recommended improvements to operations. The sections below detail the results of our audit of HRS's controls over its requisition, examining services, and Interagency Agreement review processes.

A. The Center for Leadership Development Lacks Controls Over Its Requisition Process

We selected 30 out of 561 purchase requisition transactions for goods and services purchased from October 1, 2020, to September 30, 2021, to determine if CLD accurately processed requisition requests. CLD did not provide documentation for 14 of the transactions we selected. For the remaining 16 transactions that we tested, we found that for:

CLD did not provide 14 out of 30 purchase requisition approval forms we requested.

- 12 transactions there were handwritten notations (e.g., notes that changed the project code number) on the signed purchase requisition approval form and we could not determine if the notes were made by the preparer/requestor, Program Director or Account Manager, Purchase Card Approving Official, Supervisor, or Purchasing Agent.
- three transactions we could not determine if the preparer/requestor identified on the purchase requisition approval form was the same individual that made the request because there was no documentation, such as emails or screenshots, identifying who made the request;
- two transactions the requestor listed on the purchase requisition approval form was the same individual that signed as the Purchase Card Approving Official or Supervisor resulting in the requestor approving his or her own request; and
- one transaction the requestor was not a name of an individual, instead the request was made by Facilities, Security and Emergency Management, which resulted in us not being able to identify who made the request.

Some of the transactions had more than one exception. Details of our results regarding each exception were provided to HRS separately from this report.

CLD has no written policies and procedures for preparing the purchase requisition approval form; however, CLD informed us that a purchase requisition approval form is used when making all CLD purchases. In addition, the purchase requisition approval form states that "This form is used to document purchases for recordkeeping and auditing."

CLD stated that the 14 missing forms were for reoccurring charges (e.g., phone and internet bills) and expressed that there are some exceptions to using the purchase requisition approval form as it relates to ongoing recurring charges where the purchase requisition approval forms are

not required. CLD was unable to provide any documentation to support when exceptions to completing the form are warranted.

The U.S. Government Accountability Office's, *Standards for Internal Control in the Federal Government*, principle 10 - Design Control Activities states, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

Without policies and procedures for the requisition process, including preparing the purchase requisition approval form, there is a potential risk that unauthorized supplies and services may have been purchased.

Recommendation 1:

We recommend that CLD develop policies and procedures for preparing the purchase requisition approval form for supplies and services.

OPM's Response:

HRS concurs with the recommendation. "CLD agrees with the recommendation and has developed policies and procedures for preparing the purchase requisition approval forms for supplies and services. The policies and procedures were implemented in May 2022 through the CLD Standard Operating Procedures for Purchase Requests (May 2022)⁴. CLD provided communication of the policies and procedures via email."

OIG Comment:

We reviewed the CLD *Purchase Request Instructions for Procurement Actions under \$10,000 by Government Purchase Card Standing Operating Procedures*, May 2022. As a result, this recommendation is considered resolved; however, closure will be determined during the audit resolution process once it is determined that the control has been implemented, including verifying that the supporting documentation is being maintained.

Recommendation 2:

We recommend that CLD develop policies and procedures for its requisition approval process to include procedures on preparing, approving, and reviewing requisitions.

⁴ Documents attached with transmittal, zip file "HRS Recommendations 1&2 Supporting Docs."

OPM’s Response:

HRS concurs with the recommendation. “CLD agrees with the recommendation and has developed policies and procedures for its requisition approval process, including procedures on preparing, approving, and reviewing requisitions as documented in the CLD Standard Operating Procedures for Purchase Requests (May 2022)⁵.”

OIG Comment:

We reviewed the CLD *Purchase Request Instructions for Procurement Actions under \$10,000 by Government Purchase Card Standing Operating Procedures, May 2022*. As a result, this recommendation is considered resolved. However, closure will be determined during the audit resolution process once it is determined that the control has been implemented and verified, including verifying that the supporting documentation is being maintained.

B. The Staff Acquisition Group Did Not Follow Its Quality Assurance Plan for Examining Services

1. Missing Case Review Checklists

We selected all eight new Human Resource Specialists that were hired from October 1, 2020, through September 30, 2021, to determine if the completed *Examining Services Case Review Checklists* were reviewed.

83 out of 164 Examining Services Case Review Checklists requested were not provided.

The Staff Acquisition Group did not provide 83 out of a total of 164 *Examining Services Case Review Checklists* for the eight Human Resources Specialists that we selected. Details were provided to HRS separately from this report.

According to the Staff Acquisition Group’s *Quality Assurance Plan for Examining Services*, new employees with prior staffing experience may be removed from case review sooner with consensus agreement documented from the Quality Assurance Lead, Examining Solutions Manager, and Branch Manager. The Staff Acquisition Group stated that the selected Human Resource Specialists’ examining products demonstrated quality standards are consistently met; however, they did not provide documentation to support when the new employees were removed from case review.

⁵ Documents attached with transmittal, zip file “HRS Recommendations 1&2 Supporting Docs.”

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*, principle 10 - Design Control Activities states, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

The Office of Personnel Management Reminder of Records Management Obligations for All OPM Employees states, "All OPM personnel have a legal responsibility to take appropriate measures to collect, retain, and preserve all documents, communications, and other records in accordance with federal law, including the Federal Records Act and related regulations."

By not reviewing *Case Examining Checklists* completed by newly hired Human Resources Specialists, the Staff Acquisition Group may be providing examining services that do not meet quality standards to its Federal partners.

Recommendation 3:

We recommend that the Staff Acquisition Group develop guidance on maintaining the completed *Examining Services Case Review Checklists*.

OPM's Response:

HRS concurs with the recommendation. "Staff Acquisition agrees with the recommendation to develop guidance on maintaining the completed Examining Services Case Review Checklists"

Recommendation 4:

We recommend that the Staff Acquisition Group maintain documentation to support when a Human Resources Specialist is removed from case reviews.

OPM's Response:

HRS concurs with the recommendation. "Staff Acquisition agrees with the underlying findings and the recommendation. Staff Acquisition identified this issue and addressed it in an update to the 'Staff Acquisition Quality Assurance Plan' that went into effect on July 1, 2022. All Staff Acquisition offices are now required to track the status of employees under review and provide supporting documentation when the manager or team lead removes an individual from review."

2. Incomplete Case Review Checklists

We reviewed 81 out of 164 case review checklists completed from October 1, 2020, through September 30, 2021, by newly hired Human Resources Specialists, to determine if they

completed the case review according to the Staff Acquisition Group's Quality Assurance Plan for Examining Services. We noted that a Human Resource Specialist did not complete the Vacancy, Assessment, and Announcement sections in 3 out of the 81 *Examining Services Case Review Checklists* tested. Details of our results were provided to HRS separately from this report.

The Staff Acquisition Group stated that the Vacancy, Assessment, and Announcement sections in the Case Review Checklists were left blank because a Human Resource Specialist, who was not a new hire and not under Staff Acquisition's review, completed the Vacancy, Assessment, and Announcement sections of the Examining Services Case Review Checklists, and as a result, these sections were not reviewed. The Staff Acquisition Group could not provide documentation to support that the Human Resource Specialist that completed these sections was not under review.

The Staff Acquisition Group's *Quality Assurance Plan for Examining Services* states that case reviews are conducted to verify that job opportunity and applicant referral lists align with rules, regulations, and industry best practices. The *Quality Assurance Plan for Examining Services* also conveys quality standards to new employees during initial on-the-job training and provide mentors a consistent format for relaying feedback. The *Case Review Checklist* is one of multiple management and procedural controls in place to ensure that the Staff Acquisition Group's customer agencies receive high-quality examining services. Additionally, the Staff Acquisition Group audits Certificates of Eligibles to validate selections, conduct annual internal audits, and query customers bi-annually.

The *Quality Assurance Plan for Examining Services* also states, "Mentors conduct case reviews during on-the-job training to ensure rules, regulations, and Staff Acquisition standards are demonstrated. ... Case reviews apply to individual HR [Human Resource] specialists in two categories – new employees (Tier I) and those inconsistently meeting quality standards (Tier II)."

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*, principle 10 – Design Control Activities states, "Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained."

By not thoroughly documenting the review of the job opportunity and applicant referral lists prepared by Human Resource Specialists, there is a risk that Federal partners may not be receiving timely, accurate, and quality examining services to make selections of prospective employees.

Recommendation 5:

We recommend that all sections of the Examining Services Case Review Checklist, used to document the reviews conducted by Human Resources Specialists, be completed.

OPM's Response:

HRS concurs with the recommendation. "Staff Acquisition agrees with the recommendation that all the appropriate sections of the Examining Services Case Review Checklists used to document reviews should be completed. This will be completed in accordance with the protocols specified in the Quality Assurance Plan for Examining Services."

Recommendation 6:

We recommend that the Staff Acquisition Group revise their *Quality Assurance Plan for Examining Services* to include documenting reviews of all *Examining Services Case Review Checklists*.

OPM's Response:

HRS concurs with the recommendation. "Staff Acquisition agrees with the recommendation to revise their Quality Assurance Plan for Examining Services to include documenting reviews of all Examining Services Case Review Checklists. The revisions will include documenting the protocols for controlling the storage, documentation, and maintenance of all required checklists to ensure the documentation is reviewed and preserved."

3. Lack of Controls over Project Vacancy Reviews

The Staff Acquisition Group did not follow its *Quality Assurance Plan for Examining Services* for conducting project vacancy reviews. We selected 30 out of 542 *Project Vacancy Review – Audit Forms*, completed and reviewed from October 1, 2020, to September 30, 2021, to determine if they were reviewed according to the Staff Acquisition Group's *Quality Assurance Plan for Examining Services*. We noted that 22 out of the 30 forms were completed and reviewed properly; however, we noted the following issues for the remaining 8 forms:

- three forms did not have documentation to support that a job analysis was completed;
- the job analyses for three forms were not dated;
- for two forms the certificates were not audited;
- one form's Checklist had one attribute not completed; and

- a Checklist attribute’s information did not match the information in the USA Staffing® system for one form.

The results for each exception are independent of each other. Details of our results regarding each exception were provided to HRS separately from this report.

The Staff Acquisition Group’s *Quality Assurance Plan for Examining Services* states, “The audit form [Project Vacancy Review – Audit Form] was developed to ensure the most critical examining functions have been completed”

The Delegated Examining Operation Handbook: A Guide for Federal Agency Examining Offices states “Document thoroughly any job analysis that you conduct. Date the results and keep them in a file that is maintained exclusively for the position(s) in question. This practice will help you to ensure your selection methodologies are current and valid. a job analysis is the key to any rational approach to qualifying, assessing, and selecting employees.” The handbook also states, “It is essential that certificates are audited before a selectee’s first day of work”

By not thoroughly completing and documenting the review of the Work Products prepared by Human Resource Specialists, the Staff Acquisition Group may be providing examining services to its Federal partners that do not meet quality standards.

Recommendation 7:

We recommend that the Staff Acquisition Group strengthen controls to ensure the *Project Vacancy Review – Audit Form* is completed in its entirety and reviewed to ensure it meets the quality standards required by the *Quality Assurance Plan for Examining Services Staff and the Delegated Examining Operations Handbook*.

OPM’s Response:

HRS concurs with the recommendation. “Staff Acquisition agrees with the recommendation to strengthen controls to ensure the Project Vacancy Review – Audit Form is completed in its entirety and reviewed to ensure it meets the quality standards.”

C. Human Resources Strategy and Evaluation Solutions Did Not Follow Its Interagency Agreement Quality Control/Quality Assurance Review Process

We selected 25 out of 556 project files completed from October 1, 2020, to September 30, 2021, to determine if HRSES followed its Quality Control/Quality Assurance review process for Interagency Agreements.

We determined that HRSES did not follow their Quality Control/Quality Assurance policies and procedures for reviewing Interagency Agreements. Specifically, out of the 25 project files selected for testing, we noted:

- Nine Interagency Agreements were missing an Interagency Agreement number.
- Two Interagency Agreements, each with an estimated cost of over \$100,000, were missing evidence of a review by the Enhanced Projects Suite⁶ Entry Point of Contact and Executive Officer.
- The Deputy Associate Director signed one Quality Control/Quality Assurance form before the Project Lead and Peer Reviewer. The Deputy Associate Director should have been the last reviewer to sign.

The results for each exception are independent of each other. Details of our results regarding each exception were provided to HRS separately from this report.

In addition, we found that HRSES has not updated their March 2016 *Quality Control/Quality Assurance Program* SOP. Specifically, we noted the following:

- The former Deputy Associate Director's name is in the SOP; however, that person is no longer with OPM.
- In 2017, HRSES sent out an email to the staff containing updated information for preparing Interagency Agreements and Work Products but did not update the SOP to incorporate those changes.

HRSES's *Quality Control/Quality Assurance Approval Form* requires all Interagency Agreements and Work Products with an estimated cost over \$100,000 be reviewed by the HRSES Deputy Associate Director, Executive Officer, and the Enhanced Projects Suite Entry Point of Contact. In addition, the Enhanced Projects Suite Entry Point of Contact must conduct their review before submitting for final signature. According to the Interagency Agreement review process, which was explained during the audit, the HRSES Deputy Associate Director is the last reviewer to sign the Quality Control/Quality Assurance form.

The U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government*, principle 3.11 states, "Management documents internal control to meet operational needs. Documentation of controls, including changes to controls, is evidence that controls are identified, capable of being communicated to those responsible for their performance, and capable of being monitored and evaluated by the entity."

⁶ The Enhanced Projects Suite is an Oracle based software that is used to enter and track customer agreements and funding, initiate procurement activities, and manage customer billing and revenue recognition.

Not following policies and procedures or updating them to include current processes increases the risk that errors may occur while preparing Interagency Agreements and Work Products.

Recommendation 8:

We recommend that HRSES update their policies and procedures to fully document their review process of all documentation within the project file, including but not limited to changes made within the program.

OPM's Response:

HRS concurs with the recommendation. "HRSES agrees with the recommendation to update the policies and procedures to address errors identified" and "to update the Quality Control/Quality Assurance Program's SOP to reflect changes within the program." HRSES issued updated policies and procedures in May 2022.

OIG Comment:

We reviewed the updated HRSES *Interagency Agreement Quality Control Assurance* procedures. As a result, this recommendation is considered resolved; however, closure will be determined during the audit resolution process once it is determined that the control has been implemented, including verifying that the supporting documentation is being maintained.

Appendix I




Human Resources
Solutions

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

May 27, 2022

Memorandum for: Nicole Brown-Fennell
Chief, Internal Audits Group
Office of Personnel Management
Office of the Inspector General

From: Peter Bonner  Digitally signed by
Peter C. Bonner
Date: 2022.05.27
13:14:19 -04'00'
Associate Director
Office of Personnel Management
Human Resources Solutions

Subject: Audit of the U.S. Office of Personnel Management's
Human Resources Solutions Controls over its Requisition,
Examining, and Interagency Agreement Review Process,
Report number 4A-HR-00-21-031

Thank you for providing OPM the opportunity to respond to the Office of the Inspector General (OIG) draft report, Audit of the U.S. Office of Personnel Management's Human Resources Solutions Controls over its Requisition, Examining, and Interagency Agreement Review Process, 4A-HR-00-21-031.

Responses to your recommendations including planned corrective actions, as appropriate, are provided below.

Recommendation #1: We recommend that CLD develop policies and procedures for preparing the purchase requisition approval form for supplies and services.

Management Response: We concur.

CLD agrees with the recommendation and has developed policies and procedures for preparing the purchase requisition approval forms for supplies and services. The policies and procedures were implemented in May 2022 through the CLD Standard Operating Procedures for Purchase Requests (May 2022)ⁱ. CLD provided communication of the policies and procedures via email.

Recommendation #2: We recommend that CLD develop policies and procedures for its requisition approval process to include procedures on preparing, approving, and reviewing requisitions.

Management Response: We concur.

CLD agrees with the recommendation and has developed policies and procedures for its requisition approval process, including procedures on preparing, approving, and reviewing requisitions as documented in the CLD Standard Operating Procedures for Purchase Requests (May 2022).

Recommendation #3: We recommend that Staff Acquisition develop guidance on maintaining the completed *Examining Services Case Review Checklists*.

Management Response: We concur.

Staff Acquisition agrees with the recommendation to develop guidance on maintaining the completed *Examining Services Case Review Checklists* and the following actions are planned:

No later than the end of the third quarter of fiscal year 2022-

- The Staff Acquisition Quality Assurance Lead will issue guidance through an update of the Quality Assurance Plan for Examining Services to remind employees of their records management obligations and specify the protocol for collecting and maintaining completed Case Review Checklists ensuring they are readily available for examination.
- The Staff Acquisition Quality Assurance Lead will further issue guidance by communicating the updated Quality Assurance Plan with Staff Acquisition during the all-hands meeting and publish it to all Staff Acquisition employees.
- Staff Acquisition will begin storing the Case Review Checklists completed after the above actions are complete in accordance with protocols specified in the Quality Assurance Plan.

Recommendation #4: We recommend that all sections of the *Examining Services Case Review Checklist*, used to document the reviews conducted by Human Resources Specialists. **“Deleted by OIG. Not Relevant to the Audit Report.”**

Management Response: We concur.

Staff Acquisition agrees with the recommendation that all the appropriate sections of the *Examining Services Case Review Checklists* used to document reviews should be completed. This will be completed in accordance with the protocols specified in the Quality Assurance Plan for Examining Services. Staff Acquisition has the following actions planned:

No later than the end of the third quarter of fiscal year 2022-

- Staff Acquisition Quality Assurance Lead will update the guidance in the Quality Assurance Plan to require the full checklist is completed by the reviewing official.
- The Staff Acquisition Quality Assurance Lead will communicate the updated Quality Assurance Plan with Staff Acquisition during the all-hands meeting and publish it to all Staff Acquisition employees.

- The Staff Acquisition Quality Assurance Lead will review the Case Review Checklists submitted for completeness.

Recommendation #5: We recommend that Staff Acquisition revise their Quality Assurance Plan for Examining Services to include documenting reviews of all *Examining Services Case Review Checklists*.

Management Response: We concur.

Staff Acquisition agrees with the recommendation to revise their Quality Assurance Plan for Examining Services to include documenting reviews of all *Examining Services Case Review Checklists*. The revisions will include documenting the protocols for controlling the storage, documentation, and maintenance of all required checklists to ensure the documentation is reviewed and preserved. Staff Acquisition has the following actions planned:

No later than the end of the third quarter of fiscal year 2022-

- The Staff Acquisition Quality Assurance Lead will update the guidance in the Quality Assurance Plan to ensure all Case Review Checklists are readily available for examination.
- The Staff Acquisition Quality Assurance Lead will communicate the updated Quality Assurance Plan with Staff Acquisition during the all-hands meeting and publish it to all Staff Acquisition employees.

Recommendation #6: We recommend that Staff Acquisition strengthen controls to ensure the Project Vacancy Review– Audit Form is completed in its entirety and reviewed to ensure it meets the quality standards required by the Quality Assurance Plan for Examining Services Staff and the Delegated Examining Operations Handbook.

Management Response: We concur.

Staff Acquisition agrees with the recommendation to strengthen controls to ensure the Project Vacancy Review– Audit Form is completed in its entirety and reviewed to ensure it meets the quality standards. Staff Acquisition has the following actions planned:

No later than the end of fiscal year 2022-

- Staff Acquisition will update the Quality Assurance Plan for Examining Services and remind employees of their internal audit documentation obligations in accordance with the Office of Personnel Management, Delegated Examining Operations Handbook requirements and specify the protocol for reviewing completed Project Vacancy Review Audit Forms, including how to document the reviewer's name.

Recommendation #7: We recommend that HRSES update their policies and procedures “Deleted by OIG. Recommendations #7 and #8 were combined in the Final Report.”

Management Response: We concur.

HRSES agrees with the recommendation to update the policies and procedures to address errors identified. In response to OIG's findings, HRSES undertook a top-to-bottom review of its quality assurance policies and procedures related to Interagency Agreement documents. HRSES completed this review and issued updated policies and procedures to all staff and managers in May 2022. These updates address the situations and errors identified by OIG.

Recommendation #8: We recommend that HRSES update their Quality Control/Quality Assurance Program's SOP to reflect changes made within the program.

Management Response: We concur.

HRSES agrees with the recommendation to update the Quality Control/Quality Assurance Program's SOP to reflect changes within the program. In response to the recommendation, HRSES undertook a top-to-bottom review of its quality assurance process, and integrated improvements to ensure quality, encourage appropriate delegations, streamline work processes, and document accountability. In May 2022, HRSES issued revised Interagency Agreement Quality Control/Quality Assurance guidance to all staff and managers via email which disestablished all previous guidance and superseded all former formal and informal direction issued by the previous Deputy Associate Director⁷. HRSES now has in place an updated Quality Control/Quality Assurance guidance that addresses the OIG findings.

I appreciate the opportunity to respond to this draft report. If you have any questions regarding our response, please contact the HRS RMO, "**Deleted by OIG. Not Relevant to the Audit Report.**"

⁷ Documents attached with transmittal, zip file "HRS Recommendations 7 & 8 Supporting Docs."

Appendix II

From: Toman-Jones, Susan M.
To: Conteh, Labilow H.; Bonner, Peter
Cc: Marshall, Curt D; Longmore, Kimberly; Davis-Williams, Mary; Colon, Juanita U.
Subject: RE: HRS Audit - New Recommendation for Missing Case Review Checklist Finding (Finding 3 from Draft Report)
Date: Wednesday, August 10, 2022 8:44:17 AM
Attachments: HRS Audit - New Recommendation #4 FSC_20220810-managementresponse.docx

Good morning Labilow,

Please find attached the management response to the new recommendation.

Best,
Suzi
Susan (Suzi) Toman-Jones, MBA
Pronouns: she/her
Supervisory Financial Specialist
OPM HR Solutions – Resource Management Office

“Deleted by OIG. Not Relevant to the Audit Report.”

[Attachment]

Additional Recommendation

“Deleted by OIG.”

Recommendation 4:

We recommend that Staff Acquisition maintain documentation to support when a Human Resources Specialist is removed from case reviews.

Management Response:

Concur, Staff Acquisition agrees with the underlying findings and the recommendation. Staff Acquisition identified this issue and addressed it in an update to the ‘Staff Acquisition Quality Assurance Plan’ that went into effect on July 1, 2022. All Staff Acquisition offices are now required to track the status of employees under review and provide supporting documentation when the manager or team lead removes an individual from review.



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