

# Office of Inspector General

## Human Capital Management Plan

### Mission

The Office of Inspector General's (OIG) mission, as stated in its statutory framework, is to promote the effective, efficient, and economical operation of the Department and all of its components. In addition to requirements under the IG Act of 1978, other mandated and anticipatory functions of the OIG include:

Government Performance and Results Act (GPRA) of 1993. Continuous review of the Department's implementation.

Executive Order 12863, "President's Foreign Intelligence Advisory Board" 1993. Reports to the Intelligence Oversight Board as required quarterly and "as necessary or appropriate." This includes reviews to ensure the Department's intelligence activities are conducted in accordance with existing requirements of Executive Order 12333, "United States Intelligence Activities."

Government Management Reform Act (GMRA) of 1994. Annual audit of Department-wide and designated component financial statements. This effort currently requires approximately 24 percent of the OIG's resources, including contractual assistance from an external audit firm.

National Defense Authorization Act of 2000. Annual review of Department policies and procedures with respect to the export of sensitive U.S. military technologies and information to countries and entities of concern.

Reports Consolidation Act of 2000. Annual audit to identify the most significant management and performance challenges facing the Department.

Federal Information Systems Management Act (FISMA) of 2002. Annual review of Department information security systems.

Section 522 of the Consolidated Appropriations Act of 2005. Biennial review of the actions of the Department's Chief Privacy Officer.

OMB Circular No. A-123, Management Accountability and Control. New and expanded audit requirements are anticipated.

Department of Energy Orders. Audits of statements of costs incurred and claimed by the Department's integrated contractors.

## **Business Vision**

As mandated by the Inspector General Act of 1978, as amended, the OIG promotes the effective operation of the Department of Energy, including the NNSA and the FERC. The OIG will continue to promote the effective, efficient, and economical operation of the Department, by performing audits, investigations, inspections, and other reviews and detecting and preventing fraud, waste, abuse, and violations of law. The OIG also serves as a positive agent of management reform by evaluating the performance of the Department's programs and operations as they relate to the President's key Management Initiatives, the Department's and Secretary's mission priorities, and the most serious management challenges facing the Department.

## **Human Capital Management Strategy**

The Federal Inspector Generals in their "FY 2004 President's Council on Integrity and Efficiency (PCIE) Progress Report to the President," reported Strategic Management of Human Capital as one of the most significant, widespread challenges facing Federal agencies. The report stated that agencies should address their human capital issues through advocating and implementing human resources programs to aid in recruiting and retaining a highly skilled and well-trained staff for the future. Recommendations included: (1) continuing to create effective hiring processes and to use flexibilities and incentives to retain talent and reshape workforces, and (2) reforming performance management systems so that pay and awards are linked to performance and organizational results.

The Department, along with the Office Inspector General, has steadily progressed in addressing this critical challenge. For example, the Department has implemented a comprehensive human capital management strategy; created a new Department-wide performance management policy for non-supervisory employees to provide a more consistent application of performance measurement principles, and is in the process of developing a new Human Capital Accountability system for all program offices.

The OIG also has taken steps to ensure full implementation of this important human capital initiative. During FY 2006, the OIG continued its efforts to use available recruitment and retention tools to identify, hire, and maintain a knowledgeable, diverse, and high-performing workforce to carry out its mission. The OIG has used the Federal Career Intern Program to hire 33 entry-level employees, over half of whom are minorities or women. Other examples of hiring tools currently used by the OIG include: (1) extensive use of career and college fairs; (2) recruitment, relocation, and retention initiatives; (3) training agreements allowing for one-time accelerated promotion for entry-level hires; and, (4) tuition for training preparation courses for certified public accountants and certified fraud examiners. To address changing work requirements and initiatives such as the President's Management Agenda, the OIG also offered early outs/buy outs in FY 2005 to eligible employees to ensure the OIG has the mission-critical skills and qualifications in place for the future. Additional future flexibilities being considered as funds permit include: (1) payment of costs associated with job-related

credentials and licenses; (2) increased use of telecommuting; and, (3) payment of student loans.

During FY 2007, the OIG will continue to aggressively implement and update, as necessary, its human capital management initiatives contained in its 5-Year Strategic Plan. For example, the OIG will continue to: (1) streamline its operations, redirect positions to the front-line, increase spans of control, and reduce the number of managers and organizational layers; (2) make use of all available Federal recruitment flexibilities to effectively staff vacant and critical positions with the right skill mix, including partnering with universities to utilize student and college graduate appointing authorities; (3) refine its succession planning efforts for leadership recruitment, including the identification, development, and succession of potential leaders within the organization, which includes specific objectives, actions, and timetables and an analysis of candidate pools; (4) integrate human capital management initiatives with all planning and budget documents; (5) establish effective learning tools to train, develop, and retain employees; and, (6) expand the use of automated human resources systems. To ensure effective organizational alignment, the OIG will continue to assess the size of its workforce and make decisions on deployment of staff based on changes in the Department's mission and current initiatives at specific sites.

**Expanded Electronic Government.** The OIG continues to partner with the Department to implement those Federal electronic Government (e-government) initiatives that support the Management Agenda's e-government goal. During this past year, the OIG made significant progress in implementing these initiatives. For example, the OIG successfully implemented the Department's new e-travel system called GovTrip as well as Hiring Management, the Department's automated web-based hiring system linked with USAJobs. The OIG also developed an Intranet website for all its employees. Additionally, the OIG is in the process of implementing a Government-wide e-OPF initiative that provides desktop access to employment records via the internet, and standardized the layout of its public website to conform to the Department's new website design. The OIG scored "green" in all areas of the Department's internal E-government scorecard for all quarters of FY 2006. Those areas include cyber security, enterprise architecture, and capital planning and investment control.

**Budget and Performance Integration.** The OIG aligns budget priorities with its overarching strategic goal and the Department's mission priorities. The linkage of budget costs to performance helps to ensure that the OIG prioritizes its spending of the funding Congress allocates. In addition, budget and performance integration helps the OIG make more efficient and effective planning decisions. The OIG is committed to achieving this important initiative and will continue to refine and strengthen the integration of its budget and performance goals. In FY 2005, the OIG submitted its first integrated budget to the Office of Management and Budget.

## Workforce Plan

Workforce Review – The OIG periodically conducts an analysis of its workforce with regard to current and future needs required to fulfill its statutory mission. By maintaining adequate staff, its auditors, investigators, and inspectors can continue to effectively detect and prevent fraud, abuse, and violations of law and promote economy, efficiency, and effectiveness in the operations of the Department.

Skill Gaps in Mission Critical Areas – Skill gaps for mission critical positions are identified in Attachment A. The top three organizational critical skills are auditing, investigations and inspections.

New audit requirements imposed on the Inspector General community as a result of the Sarbanes-Oxley Act of 2002, created an inadequate skill mix within the OIG. To help address critical skill gaps (specifically to acquire employees with financial audit experience), the OIG offered early outs/buy outs in FY 2005 to eligible employees to ensure the OIG has the mission-critical skills and qualifications in place for the future. Fourteen (14) eligible employees accepted a buyout during FY05 which allowed the OIG to hire financial auditors needed to accomplish statutory mission requirements.

Progress is being made each quarter in closing our critical skill gaps; however, as losses occur, the OIG traditionally hires at the entry-level (GS-7) for our non-supervisory positions (with FPL at the GS-13 level) and has used the Federal Career Intern Program (FCIP) extensively since FY 2004. Hires from the FCIP represent 10% of our workforce. This practice, along with the FY05 buyouts, has helped the OIG in restructuring its workforce and increase span of control by reducing layers and number of supervisory positions. The OIG will continue to implement a variety of human capital improvement initiatives including making maximum use of all flexibilities available to us to recruit, develop, and retain talent and leadership.

Hiring Time Goals – OIG is currently meeting hiring time goals set by the Office of Personnel Management in their 45 day Hiring Model for GS positions. During FY 2006, the OIG's average for GS positions in which a selection was made was 30 business days.

Knowledge Management – In FY 2005, the Inspector General community implemented a pilot on-line training program called IG E-Learning at <http://igel.skillport.com> to assist in its succession planning efforts to train, develop and retain OIG employees. This automated training tool is available to all OIG employees and is designed to provide targeted training of core competencies in each employee's area of specialty. By implementing and participating in this training program, the IG community expanded its use of automated human resource systems at a time when Government agencies must operate more efficiently and cost-effectively. The IG E-Learning Steering Committee, in collaboration with all IG offices, will monitor usage statistics and evaluate pilot results on an ongoing basis to continue to identify ways to enhance training/career development opportunities for OIG employees and ensure a highly qualified workforce for the future.

Succession Planning – In preparation for a potential loss of 23 percent of OIG staff to retirement over the next five years, the OIG will continue to implement a variety of human capital improvement initiatives to mitigate the loss of institutional knowledge, and continue to overcome the effects of a 30 percent reduction of its workforce since 1994. The OIG recruits professional auditors, criminal investigators, inspectors, program analysts and administrative support personnel. Since the skill mix required for many of these positions is in such high demand, the OIG faces the daunting challenge of recruiting entry-level talent to fill these positions in a very competitive market. At the same time, additional skills not historically required, such as the financial auditing mentioned elsewhere in this plan, are now statutorily required. Consequently, the OIG will continue make use of all available Federal recruitment flexibilities to effectively staff critical positions with the right skill mix; establish effective learning tools to train, develop, and retain employees; and refine its succession planning efforts for leadership recruitment, including the identification, development, and succession of potential leaders within the organization.

Diversity – The OIG’s diversity breakdown is presented in Attachments B, C, D, & E. In its mission critical positions, the OIG is successfully attracting and recruiting women and minorities, especially Hispanics, a group historically under-represented in the Federal workforce. Continued use of hiring flexibilities such as the FCIP; recruitment, relocation and retention incentives; and one-time accelerated promotions will help the OIG’s ability to meet its goal to develop and maintain a well-qualified and diverse workforce to successfully accomplish its mission objectives.

Incorporating Mission Objectives into Performance Plans – All OIG Performance Plans incorporate at least one organizational standard linked to the OIG mission.

Restructuring Improvements – The Office of Investigations was realigned in FY 2006 along programmatic lines to provide a structure more supportive to investigative operations in the field. This change will improve the OIG’s efficiency and effectiveness in meeting its statutory mission. To ensure effective organizational alignment, the OIG will periodically assess the size of its workforce and make decisions on deployment of staff based on changes in the Department’s mission and initiatives.