

EXECUTIVE DIGEST

OFFICE OF HUMAN RESOURCES

INTRODUCTION

This report, issued in December 2000, contains the results of our performance audit* of the Office of Human Resources (OHR), Department of State.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

OHR's mission* is to support the overall human resource needs of the Department's employees, managers, and executives and strive to foster a positive, productive work environment where employees are valued and managers effectively lead their organizations.

The primary functions of OHR include recruitment and appointment of applicants, contract administration and grievance handling for a large unionized work force, coordination and delivery of employee training, administration of classification and compensation, payroll and benefit data entry, disability management, and other traditional programs. OHR is also responsible for ensuring that the Department of Civil Service rules and regulations

are followed and sound personnel practices are observed throughout the Department.

For the fiscal year ended September 30, 1999, OHR's expenditures totaled approximately \$1.6 million. As of February 29, 2000, OHR employed 21 permanent employees, 2 limited-term employees, and 1 student.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness and efficiency of OHR in meeting its responsibilities.

Conclusion: We concluded that OHR was generally effective and efficient in meeting its responsibilities. However, we noted reportable conditions* related to the training program, monitoring of vacancies, timeliness of processing grievances, and limited-term appointments* (Findings 1 through 4).

Noteworthy Accomplishments: OHR contracted with the IBM Corporation to develop a three-year strategic business plan to align OHR's mission, goals*, and objectives* with the Department's overall strategy and to develop implementation project plans for streamlining selected OHR business processes. OHR issued its three-year strategic business plan in February 2000.

In addition, we conducted a stakeholder survey addressing the pay-for-performance, hiring, and training programs. The results of our survey of the stakeholders indicated that they were generally satisfied with the services provided by OHR.

Audit Objective: To evaluate the internal control* established by OHR for the Department's payroll and personnel functions.

Conclusion: We concluded that OHR's internal control for the Department's payroll and personnel functions was generally effective and efficient. However, we noted a reportable condition related to the Data Collection and Distribution System (DCDS) time and attendance reporting (Finding 5).

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of the Office of Human Resources. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our methodology included examination of OHR records and activities for the period October 1, 1997 through February 29, 2000. We conducted a preliminary review of OHR's operations to gain an understanding of its activities. This included interviews of OHR staff and management and a survey of stakeholders. Also, we reviewed OHR's goals and objectives, organizational structure, internal policies and procedures, and business plans. We assessed OHR's ability to meet its mission, goals, and objectives. Also, we evaluated OHR's monitoring of the training program.

AGENCY RESPONSES
AND PRIOR AUDIT
FOLLOW-UP

Our audit report includes 5 findings and 5 corresponding recommendations. The Department's preliminary

response indicated that it agreed with all of the recommendations.

The Department complied with both of the prior audit recommendations included within the scope of our current audit.