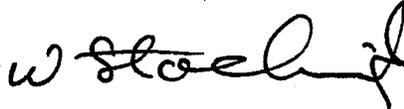

MEMORANDUM

To: Brian Cartwright
Jeff Risinger
Diego Ruiz
Linda Thomsen
Peter Uhlmann

From: Walter Stachnik



Date: February 8, 2007

Re: Enforcement Performance Management (Audit no. 423)

Attached is our audit report on Enforcement Performance Management. The report reflects the comments we received on prior drafts.

We would appreciate receiving any additional comments you have concerning this audit and the report. In particular, we would like to know whether you found the audit useful. We also welcome any suggestions from you concerning how we could improve future audits.

The courtesy and cooperation of you and your staff are greatly appreciated.

Attachment

Cc: Joan McKown
Darlene Pryor
Jayne Seidman

Rick Hillman, GAO

ENFORCEMENT PERFORMANCE MANAGEMENT

EXECUTIVE SUMMARY

We reviewed the Division of Enforcement's (Enforcement) compliance with required performance management procedures. Enforcement did not consistently perform parts of the performance appraisal process, especially for new, reassigned and detailed staff. Enforcement also did not consistently retain performance documentation for the required time. The Commission's written policies and procedures did not provide adequate guidance on certain requirements of the performance management process and document retention requirements.

We are recommending that Enforcement ensure its supervisors perform all required performance management steps and that the Office of Human Resources (OHR) improve its written guidance and provide additional training. We are also recommending that OHR issue guidance on retention of performance management documents.

Enforcement management suggested that our findings are typical of the Commission as a whole. The Executive Director indicated that the current performance management program needs significant improvements and starting in fiscal year 2008, the Commission will adopt a new program to address its deficiencies.

OBJECTIVES, SCOPE AND METHODOLOGY

Our objectives were to evaluate the Division of Enforcement's compliance with the Commission's performance management policies and procedures and to determine whether improvements were needed. We began the audit after learning that a second-level supervisor prepared an undated supplemental memorandum regarding the performance of two employees the manager did not directly supervise. Supplemental memoranda are not addressed in the Commission's policies and procedures.

Our scope was limited to the Division of Enforcement's two most recent performance management cycles (ending on April 30, 2006, and April 30, 2005, for most employees and September 30, 2005, and September 30, 2004, for Senior Officers). We interviewed Enforcement, OHR and other Commission staff. We also reviewed written guidance and performance documentation and tested whether required steps were completed and, if so, whether they were completed properly and timely.

Our judgment sample included 34 of the 440 (7.7%) eligible staff for the cycle that ended on April 30, 2005, and 39 of the 421 (9.3%) eligible staff for the cycle that ended on April 30, 2006. We believed that selecting at least 30 staff from each review cycle would be sufficient. In selecting this sample, we included several categories of Enforcement employees in different grade levels and positions, including experienced, probationary, detailed and reassigned employees, supervisors, non-supervisors, and separated employees.¹

Our judgment sample also included six of Enforcement's nine senior officers (SOs) for the period sampled. Because there were so few SOs, we sampled the majority of the SOs.

We chose our sample by relying on OHR data, which identified Enforcement staff by several categories listed above. We also relied on Enforcement data identifying Enforcement headquarters staff. We verified whether the staff in our sample were actually in the category assigned by OHR, but we did not perform this verification for staff outside our sample.

We conducted this audit from July 2006 to October 2006 in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that provides a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.²

BACKGROUND

The Commission changed its Performance Management program in 2003, giving employees an opportunity to increase their salary based on their performance. According to the Commission's written policies and procedures,³ the objectives of the Commission's performance management program are to:

- 1) Establish fair and equitable performance expectations and goals that are tied to improving organizational effectiveness in the accomplishment of the agency's mission and goals;
- 2) Encourage and facilitate communication between supervisors and employees;
- 3) Effectively evaluate employee performance, identifying strengths and weaknesses; and
- 4) Provide a mechanism to address deficient performance effectively.

¹ We planned to select staff who were on a Performance Improvement Plan (PIP), but no Enforcement staff were on a PIP during the two review cycles included in our sample.

² OIG Audit and Inspection Manual, page 15.

³ Issued through a memorandum to all employees from Jayne L. Seidman, dated May 2003.

Performance Appraisal Period

The performance appraisal period for most employees is from May 1 through April 30 of the following year. If an employee begins employment near the end of the appraisal period, the performance appraisal period may be adjusted.

The appraisal process is documented on Commission Form 2494 for non-supervisory staff and Form 2495 for supervisory staff (see appendices 1 and 2). These forms contain three parts:

- 1) Performance Planning;
- 2) Monitoring and Feedback; and
- 3) Evaluation.

An employee must have worked a minimum of 120 days to receive a performance rating under an established performance plan.

Performance Planning

At this stage, the supervisor and the employee meet to discuss the performance plan, expectations about what is to be accomplished, and the performance level to be achieved by the employee over a given period of time.

A supervisor should provide a performance plan to an employee within 30 days of the beginning of the performance appraisal period or the employee's assumption of a new position. The supervisor is responsible for assuring the employee understands the Commission's performance standards. The Commission has established four performance elements that apply to non-supervisory staff and eight performance elements that apply to supervisory staff. The supervisor and employee must sign and date the performance plan (Form 2494 or 2495) to acknowledge their discussion.

Monitoring and Feedback

During this stage, the supervisor consistently measures performance and provides ongoing feedback to the employee. The supervisor and the employee are to maintain an ongoing dialogue regarding what accomplishments are expected of the employee.

Additionally, on an ongoing basis, the supervisor must discuss any deficient performance with an employee, and explain what the employee must do to improve performance to an acceptable level. According to Commission policy, this discussion should take place as soon as possible after the deficient performance is identified, normally not less than 30 days prior to giving the final evaluation at the end of the rating period.

The supervisor should provide an employee with a mid-year review within 45 days before or after the mid-point of the performance appraisal period. For most employees, the mid-point is November 1, and the mid-year review should take place between September 17 and December 16.

The mid-point for a new employee is halfway between the employee's start date and April 30. The mid-year review should take place within 45 days before or after the employee's mid-point. For example, if an employee starts at the Commission on August 30, that employee's mid-point would be January 1, and the mid-year review should take place between November 17 and February 15.

The supervisor and employee should sign and date Form 2494 or 2495 to acknowledge the mid-year review.

Evaluation

The evaluation measures actual work performance against the performance criteria established at the beginning of the appraisal period. The supervisor assigns a rating of "acceptable" or "unacceptable" to each performance element and an overall rating of "acceptable" or "unacceptable." If an employee receives an "unacceptable" rating for any element, the overall rating will be "unacceptable."

The employee and supervisor should meet to discuss the evaluation and sign and date Form 2494 or 2495 to acknowledge their discussion. This meeting should take place within 60 days after the end of the appraisal period (typically by June 30) and the employee should receive a copy of Form 2494 or 2495.

Merit Increase

An employee who receives an overall "acceptable" rating is eligible to be considered for a merit increase. An eligible employee has the option of writing a summary of his or her contributions and providing it to the supervisor. The supervisor is required to write a summary of contributions for each employee with an overall "acceptable" rating. The supervisor also completes a transmittal form (see appendix 3) to indicate the level of contributions the supervisor believes the employee provided ("highest quality," "high quality," "quality" or "no significant contributions beyond an acceptable level of performance").

Enforcement's Compensation Committee (composed of senior level Enforcement staff) reviews all performance documentation and recommends to Enforcement's Director any proposed merit increase for each eligible employee. The Director makes the final determination.

Merit increases are one, two or three steps. For employees already at the top of a step range, an equivalent cash bonus is awarded.

Supplemental Memoranda

Supplemental memoranda include documents describing an employee's performance, other than those documents specifically required in the Commission's written policies and procedures.

Performance Improvement Plans

Employees rated "unacceptable" in at least one performance element are normally placed on a Performance Improvement Plan (PIP). A PIP provides an employee with a formal notice that he or she is performing below an acceptable level and gives the employee an opportunity to improve over a period of time (usually 60-120 calendar days). If the employee's performance does not improve to an acceptable level, the employee may be demoted or removed. Typically, only employees who have worked at the Commission for more than one year and have completed their probationary periods are placed on a PIP.

Reassigned and Detailed Staff

Staff who were reassigned or detailed during a review cycle should still be evaluated based on their work over the 12-month review cycle, regardless of whether the employee reported to more than one supervisor.

For reassignments, the new supervisor should discuss expectations with the employee within 30 days of the reassignment. The new supervisor should obtain the employee's "Performance Plan and Evaluation" (Form 2494 or 2495) from the former supervisor and base the employee's year-end evaluation on input from all supervisors to whom the employee reported during the review cycle.

For details, the original (permanent) supervisor is normally responsible for rating the employee. The permanent supervisor should obtain input from all other supervisors to whom an employee reported during the rating period and base the employee's evaluation on input from all supervisors.

Senior Officers

The performance appraisal period for Senior Officers (SOs) is from October 1 to September 30 of the following year (*i.e.*, the fiscal year).

Senior Officers are rated using a Performance Plan document. According to the Commission's SO written policy,⁴ the supervisor should develop a Performance Plan with the SO at or before the beginning of the rating period and conduct at least one progress review during the rating period. The supervisor and SO should sign the Performance Plan to document these meetings.

At the end of the appraisal period, both the SO and the supervisor are required to develop a written summary of the SO's contributions. The supervisor assigns a rating to the SO of "satisfactory," "unsatisfactory," or "minimally satisfactory" for each performance element. The supervisor and SO should sign the Performance Plan document to note the review.

The supervisor then makes a recommendation to the Commission's Performance Review Board (PRB) on the amount of any proposed merit increase. The PRB is comprised of the Executive Director, the General Counsel and the Chairman's Chief of Staff. The PRB meets to review all of the recommendations on merit increases and submits their final recommendations to the Chairman for final approval. If the SO being rated is a member of the PRB or reports directly to the Chairman, the Chairman alone makes the merit increase determination.

Document Retention

Performance appraisal documentation must be retained for a defined period of time. The National Archives and Records Administration (NARA) provides guidance on the retention period and how documents are handled when an employee transfers to another Federal agency or separates.⁵ The Commission's Office of Filings and

⁴ Securities and Exchange Commission Senior Officer Program manual, July 16, 2002.

⁵ NARA General Records Schedule 1, Civilian Personnel Records, Transmittal No. 12 (July 2004), §§ 1(b) and 23.

Information Services (OFIS) is currently responsible for Commission record retention policies.⁶

New Performance Management Program

The Executive Director informed us that the Commission's performance management program was the subject of union negotiations and a review by the Federal Services Impasse Panel (FSIP), and the Commission was prohibited from making changes to the program during the negotiations and review. FSIP recently issued a decision⁷ requiring the implementation of changes to the performance management program, and management has begun implementing this decision.

As part of the implementation of the FSIP decision, the SO performance plans will be restructured and managed in the same way as those for other employees and the rating cycle for all employees will be the fiscal year.

In addition, OHR has been experimenting with a pilot program under which its staff are rated on a five-level system. The program includes a written performance work plan and individual development plan, training provisions, and a year-end evaluation for each employee. This new program is expected to be adopted throughout the Commission starting in fiscal year 2008.

To improve accountability, OHR plans to purchase a computerized system to manage the appraisal process. The system is expected to help supervisors ensure they perform all parts of the process for their staff. The system will identify steps that need to be performed and timely remind supervisors to perform remaining steps with staff members.

AUDIT RESULTS

Enforcement did not consistently perform required parts of the performance appraisal process, especially for new, reassigned and detailed staff. Enforcement also did not consistently retain performance documentation for the required time. The Commission's written policies and procedures did not provide adequate guidance on certain requirements of the performance management process and accurately document retention requirements. The lack of adequate guidance may have contributed to Enforcement's non-compliance.

Enforcement management and OHR's Director suggested that our findings are typical of the Commission as a whole. The Executive Director indicated that the current performance management program needs significant improvements and starting in fiscal year 2008, the Commission will adopt a new program to address its deficiencies.

Our detailed findings and recommendations for improvement are set forth below.

⁶ OFIS is in the process of being dissolved and the records retention function will move to the Office of the Secretary.

⁷ In re SEC and NTEU, Case No. 06 FSIP 54 (Oct. 19, 2006).

PERFORMANCE APPRAISAL PROCESS

Performance Plan and Evaluation (Form 2494 or 2495)

We found that parts of the appraisal process were not completed or were completed late for certain employees in our sample. The following table summarizes the results of our review of Form 2494 or 2495 for sampled employees.

	2005			2006		
	Performance Planning	Mid-Year Review	Evaluation/ Rating	Performance Planning	Mid-Year Review	Evaluation/ Rating
Performed Timely	7	13	23	10	14	24
Not Timely	5	8	1	8	9	1
Not Performed	14	7	3	10	5	1
Incomplete Documentation on Form 2494/2495 *	4	2	2	0	0	2
N/A **	0	0	1	1	1	1
Total	30	30	30	29	29	29

* Refers to a Form 2494/2495 where an item was not signed or dated by the supervisor and/or employee.

** Refers to employees who were no longer at the Commission when an element of the performance appraisal process was to be performed.

Enforcement was unable to locate Form 2494 or 2495 for 14 employees in our sample of 73 (four in 2005 and ten in 2006). As a consequence, we could not determine if Enforcement complied with the performance appraisal process for these 14 employees.

Nine of the 14 missing Forms were for separated employees and five were for current employees. Enforcement said it discarded some Form 2494s or 2495s or mailed them to employees after they separated from the Commission. Enforcement officials indicated that parts of the appraisal process were conducted in some instances, even though Form 2494 or 2495 was not available.⁸

Recommendation A

Enforcement should develop appropriate procedures to ensure all required performance appraisal steps are completed.

Supervisory Contribution Statements

The following table summarizes our results on whether supervisors wrote a summary of employee contributions, as required by Commission policy.

	Written Summary of Contributions by Supervisor	
	2005	2006
Completed	31	29
Not Completed	1	0
N/A *	2	10
Total	34	39

* N/A refers to employees who were no longer at the Commission at the time the written summary of contributions was due.

⁸ Document retention is discussed on pages 11-12.

Supervisory summaries were due on June 29th of 2005 and 2006. Enforcement's Compensation Committee initially met to recommend each employee's merit increase on July 18th in 2005 and July 25th in 2006.⁹

Most of the supervisory summaries were not dated. In 2005, 11 supervisory summaries were dated, nine of which were completed by June 29th. In 2006, 12 supervisory summaries were dated, seven of which were completed by June 29th. All except one of the dated summaries were written before Enforcement's Compensation Committee's initial meeting. The remaining summary was written two days after the initial meeting.

Recommendation B

Enforcement should develop procedures to ensure that all supervisory summaries of employee contributions are completed timely and dated to indicate when they were completed.

Mid-year Review Certifications

Each year, OHR e-mails a memorandum to Division/Office Administrative Contacts asking them to certify that mid-year reviews were conducted. OHR requested that the memorandum be certified and returned by December 15, 2004, and January 13, 2006, for the 2005 and 2006 review cycles, respectively.

Enforcement returned the certifications to OHR after their due dates, on January 26, 2005 and January 19, 2006. In addition, the required mid-year review did not occur for four people in our sample (all of whom were at the Commission for the entire review cycle), as of the dates that Enforcement certified the memoranda.

Recommendation C

Enforcement should develop procedures to ensure that its certification of mid-year reviews is timely, and that all applicable mid-year reviews are conducted by the certification date.^{10, 11}

The mid-year review certification does not specifically provide for new employees who should receive a mid-year review later than the normal time (see "*Monitoring and Feedback*" section of the Background). Additionally, the certification was due or returned before the deadline for performing the related mid-year reviews for many new employees.

Recommendation D

OHR should develop procedures to ensure that mid-year reviews are

⁹ Enforcement told us that the Committee meets more than once to review all employees and the Committee will not make a recommendation on an employee's merit increase until all required performance documentation is present.

¹⁰ The implementation of OHR's automated system should make the mid-year certification process more efficient and effective.

¹¹ In January 2007, Enforcement changed its mid-year review certification process by requiring all senior offices to certify that mid-year reviews were performed for all of their staff. Prior to this, Enforcement's administrative contact informed senior officers of their responsibility to perform mid-year reviews and to report any exceptions. The administrative contact assumed the mid-year reviews were performed timely unless he was notified of exceptions.

conducted for all new employees. For example, OHR could revise its existing certification to discuss mid-year review requirements for new employees and/or develop a separate certification.

SUPPLEMENTAL MEMORANDA

We identified two staff members for whom a supplemental memorandum was written. The memorandum was written by the employees' second-level supervisor and was not dated. We did not review any performance appraisal documents of these employees to avoid interfering with ongoing investigative work within the Office of Inspector General.

We did not find that supplemental memoranda were written for any other employees in our sample. Enforcement's Director and other senior level Enforcement staff were not aware of any other supplemental memoranda prepared by Division supervisors. Enforcement management stated that supplemental memoranda are not typically prepared.

The Commission's policies and procedures do not discuss supplemental memoranda, and no policies expressly allow or disallow these memoranda in the performance appraisal process.¹²

EMPLOYEES WITH PERFORMANCE PROBLEMS

Enforcement management told us that supervisors are not comfortable giving "unacceptable" ratings to their staff, especially to new employees on their one-year probationary periods.¹³ Enforcement management also told us that supervisors sometimes do not rate probationary employees when Enforcement expects to terminate the employees during their probationary periods. As a consequence, employees with performance problems may not receive accurate assessments of their performance and suggestions for improvement during their appraisal.

In the two most recent rating periods, only two employees received an "unacceptable" rating on Form 2494. One was a probationary employee¹⁴ and the rating was not shared with this employee, as Commission policy requires. This employee was terminated during his probationary period.¹⁵ The second, a non-probationary employee, was rated in accordance with Commission policy.

A third, non-probationary employee's Form 2494 did not reflect a rating. However, an Enforcement rating spreadsheet indicated this employee was rated "unacceptable." Enforcement management could not explain this inconsistency.

¹² Recommendation K refers to supplemental memoranda.

¹³ Newly-appointed Federal government employees generally must serve a probationary period, which is typically one year. The purpose of the probationary period is to provide the Government with an opportunity to evaluate the individual's conduct and performance to determine whether the appointment should become final.

¹⁴ Our sample included 16 probationary employees.

¹⁵ Although the rating was not shared with this employee, Enforcement management discussed this employee's poor performance with him on more than one occasion prior to his separation.

Recommendation E

Enforcement should develop procedures to ensure that all employees are rated in accordance with Commission policy and the rating is shared with the employee.

Recommendation F

OHR, in consultation with Enforcement, should provide guidance and training to Enforcement supervisors on rating employees with performance problems. The guidance should discuss what constitutes “unacceptable” performance, how to document and manage performance problems, and how to communicate the rating to the employee.

SENIOR OFFICER APPRAISALS

We selected for review, the two most recent review cycles for Enforcement Senior Officers (October 1, 2003 – September 30, 2004 and October 1, 2004 – September 30, 2005).¹⁶

We reviewed six of the nine Enforcement Senior Officer (SO) performance appraisals and related documents for the cycle that ended on September 30, 2004. In each instance, only the final year-end evaluation was documented. The “Plan” and “Progress Review” sections were not documented, as required by the appraisal form and the Commission’s SO policy.¹⁷ Employee and supervisor contribution statements were written in all six instances.

Performance review documents were not prepared for the cycle that ended on September 30, 2005, because the Chairman did not approve any SO merit increases for this cycle. While the performance appraisal process supports a merit increase for the SOs, it also helps SOs review their performance and identify organizational goals, expectations, objectives and accomplishments.

Recommendation G

Enforcement, in consultation with the PRB (the Executive Director, the General Counsel, and the Chairman’s Chief of Staff), should develop procedures to ensure that the required steps of the SO performance appraisal process are conducted in accordance with Commission policy, even when merit increases are not awarded.

The SO manual states: “Periodically the effectiveness of the Senior Officer Program will be assessed. Improvements will be implemented as appropriate.”¹⁸ Because the “Plan” and “Progress reviews” were not consistently completed for Enforcement SOs in accordance with Commission policy, changes to the policy, appraisal process, or

¹⁶ Performance documentation for the rating period that ended on September 30, 2006 was not available at the time of our review. In accordance with Commission policy, this documentation should be completed by January 2007.

¹⁷ Securities and Exchange Commission Senior Officer Program manual, July 16, 2002, pages 5 and 7.

¹⁸ Section XIII, page 12.

both may be necessary. The SO policy has not been assessed since it was written in July 2002.

Recommendation H

The Executive Director, in consultation with other members of the PRB (the General Counsel, and the Chairman's Chief of Staff), should review the Commission's SO manual and actual practice, and consider possible improvements to the SO appraisal process. The manual should be revised to reflect any changes to the appraisal process.

DOCUMENT RETENTION

We identified the following inconsistencies between NARA's guidance on document retention and the Commission's Personnel Operating Policies and Procedures (POPSS) Manual:

NARA's guidance on document retention states that agencies should generally retain performance appraisal documentation for current employees (except SES employees) for four years. If an employee transfers to another Federal agency or separates from Federal service, the records should be placed in the employee's OPF (Official Personnel File). Upon transfer, the OPF should be forwarded to the gaining agency. Upon separation from Federal service, the OPF should be transferred to the National Personnel Records Center in Missouri.¹⁹

In contrast to NARA's four-year retention requirement, the Commission's POPSS Manual states that employee performance appraisals are typically retained for only three years.²⁰ Additionally, the POPSS manual states that performance appraisal documentation will be destroyed no later than 30 days after the employee separates from the Commission.²¹

We identified the following inconsistency between the Commission's written policy and actual Commission practice:

The Commission's guidance on the Performance Management Program states that SEC Form 2494/2495 should be sent to OHR each year, where it will be maintained in an employee's OPF for four years.²²

In practice, SEC Form 2494/2495 and related documentation is retained by the Divisions/Offices, as OHR no longer accepts performance documents unless an employee separates from the Commission or there is an unusual circumstance (*e.g.*, an employee has a labor-relations issue).

¹⁹ NARA General Records Schedule 1, Civilian Personnel Records, Transmittal No. 12 (July 2004), §§ 1(b) and 23.

²⁰ POPSS 6-293.C, September 9, 1991, § 11(a), pages 4-5. According to the Associate Executive Director for Human Resources, this manual will be replaced by mid-2007 with human capital directives.

²¹ POPSS 6-293.C, September 9, 1991, §11(c), page 5.

²² Issued through a memorandum to all employees from Jayne L. Seidman, dated May 2003, part 2-5, page 8.

Our sample included 14 sets of performance documents related to Enforcement staff who left the Commission during the two most recent appraisal periods. Performance documents were not available in nine of 14 instances.

Enforcement's Administrative Contact retains performance documents for current employees while they are still with Enforcement. Three to four months after an employee leaves the Commission, Enforcement may discard Forms 2494 or 2495 that do not contain an evaluation because the employee left before the evaluation due date. Enforcement sometimes mails the former employee his or her performance documents. This practice does not comply with NARA's guidance.

Recommendation I

OHR should update the Commission's guidance on retention of performance management documentation to conform to NARA's guidance and current practice. OHR should issue the revised guidance and provide appropriate training to the Commission's Divisions and Offices.

Recommendation J

Enforcement should implement procedures to retain performance documentation of separated employees for the appropriate time period.

OHR GUIDANCE

We found OHR's written guidance on the performance appraisal process difficult to understand. OHR staff agreed that the guidance can be improved and assisted us in interpreting the guidance.

OHR staff also provided us with additional information not included in the Commission's written procedures. For example,

- Staff who start at the Commission during a review cycle should have a mid-year review performed at a later time than staff who were present for an entire review cycle (see the Background section).
- When an employee is reassigned, the new supervisor should discuss the expectations for the new position with the employee within 30 days of the reassignment. The new supervisor should obtain the "Performance Plan and Evaluation" (Form 2494 or 2495) from the former supervisor and base the employee's year-end evaluation on input from all supervisors to whom the employee reported during the review cycle.
- For reassigned and detailed staff, the timing of the mid-year evaluation is unaffected by the reassignment or detail, provided the employee was a Commission employee for the entire rating cycle.
- When a supervisor separates from the Commission, the supervisor should prepare a memorandum for each employee he or she supervised for use in the employee's evaluation.
- Probationary employees are not generally placed on PIPs. An employee typically will have worked for at least one year before a PIP is used.

- There is no policy on whether supplemental memoranda (see Background) can be used in the performance management process, and under what circumstances they might be appropriate and when they must be submitted.

Recommendation K

OHR should update the Commission's performance management guidance to address the issues listed above and provide appropriate training to the Commission's Divisions and Offices.

**U. S. Securities and Exchange Commission
Performance Plan and Evaluation**

Employee Information	Performance Evaluation Period			
Name	From		To	
	Month	Year	Month	Year
Title	Period Covered by this Evaluation			
Division/Office/ Field Office	<input type="checkbox"/> Entire Performance Evaluation Period			
Pay Plan, Series, Grade, Step	<input type="checkbox"/> Detail (From: To:)			
SK- _____	<input type="checkbox"/> Other (specify) _____			

Certification of Performance Appraisal Process

Performance Planning (To be held within 30 days of the beginning of the performance evaluation period)

Employee Signature _____ Date _____

Supervisor/Rating Official Signature _____ Date _____

Mid-Year Review (To be held within 45 days of the mid-point of the performance evaluation period)

Employee Signature _____ Date _____

Supervisor/Rating Official Signature _____ Date _____

Evaluation (To be completed within 60 days after the end of the performance evaluation period)

Employee Signature _____ Date _____

Supervisor/Rating Official Signature _____ Date _____

Performance Rating

Acceptable

Unacceptable

Performance Assessment "X" the most appropriate level for each element		
Critical Elements and Acceptable Standards	Results	
	Acceptable	Unacceptable
Knowledge of Field or Occupation Maintains and, with few exceptions, demonstrates technical skills essential to performing duties of the position, including knowledge of pertinent laws, standards, regulations, rules, policies, procedures, and technologies.		
Planning and Organizing Work - With few exceptions recognizes and solves problems, meets objectives, and considers priorities when planning work assignments. Efficiently uses time and resources to produce a quality product with appropriate guidance and completes assignments within agreed upon time frames.	☐	☐
Execution of Duties - With few exceptions, thoroughly and carefully analyzes and researches assignments. Effectively applies necessary knowledge and technical skills in order to perform duties of the position in an acceptable manner. Final work products meet established need, reflect appropriate attention to detail, and are well organized.	☐	
Communications Oral and written communications further agency objectives and with few exceptions, are clear, concise, well organized, accurate, grammatically correct, and appropriate for the intended audience. Required personal interactions with internal and external constituencies/ counterparts are generally responsive to the needs of these individuals or entities. Keeps these entities and management apprised of relevant issues, changes, and problems as directed.	☐	☐

SEC 2494 (3/03)

U. S. Securities and Exchange Commission Performance Plan and Evaluation (For Supervisors)					
Employee Information Name _____ Title _____ Division/Office/Field Office _____ Pay Plan, Series, Grade, Step _____ SK- _____	Performance Evaluation Period <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">From</td> <td style="text-align: center;">To</td> </tr> <tr> <td style="text-align: center;">Month Year</td> <td style="text-align: center;">Month Year</td> </tr> </table>	From	To	Month Year	Month Year
From	To				
Month Year	Month Year				
Period Covered by this Evaluation <input type="checkbox"/> Entire Performance Evaluation Period <input type="checkbox"/> Detail (From _____ To _____) <input type="checkbox"/> Other (specify) _____					
Certification of Performance Appraisal Process					
Performance Planning (To be held within 30 days of the beginning of the performance evaluation period)					
Employee Signature _____	Date _____				
Supervisor/Rating Official Signature _____	Date _____				
Mid-Year Review (To be held within 45 days of the mid point of the performance evaluation period)					
Employee Signature _____	Date _____				
Supervisor/Rating Official Signature _____	Date _____				
Evaluation (To be completed within 141 days after the end of the performance evaluation period)					
Employee Signature _____	Date _____				
Supervisor/Rating Official Signature _____	Date _____				
Performance Rating					
<input type="checkbox"/> Acceptable	<input type="checkbox"/> Unacceptable				
SEC 2495 (2/07)					

Performance Assessment "X" the most appropriate level for each element		
Critical Elements and Acceptable Standards	Results	
	Acceptable	Unacceptable
Knowledge of Field or Occupation - Maintains and, with few exceptions, demonstrates technical skills essential to performing duties of the position, including knowledge of pertinent laws, standards, regulations, rules, policies, procedures, and technologies.	<input type="checkbox"/>	<input type="checkbox"/>
Planning and Organizing Work - With few exceptions, recognizes and solves problems, meets objectives, and considers priorities when planning work assignments. Efficiently uses time and resources to produce a quality product with appropriate guidance and completes assignments within agreed upon time frames.	<input type="checkbox"/>	<input type="checkbox"/>
Execution of Duties - With few exceptions, thoroughly and carefully analyzes and researches assignments. Effectively applies necessary knowledge and technical skills in order to perform duties of the position in an acceptable manner. Final work products meet established need, reflect appropriate attention to detail, and are well organized.	<input type="checkbox"/>	<input type="checkbox"/>
Communications - Oral and written communications further agency objectives and, with few exceptions, are clear, concise, well organized, accurate, grammatically correct, and appropriate for the intended audience. Required personal interactions with internal and external constituencies' counterparts are generally responsive to the needs of these individuals or entities. Keeps these entities and management apprised of relevant issues, changes, and problems as directed.	<input type="checkbox"/>	<input type="checkbox"/>

For Managerial Employees Only (in addition to the elements above)

Critical Elements and Acceptable Standards	Performance	
	Acceptable	Unacceptable
Manages People - With few exceptions, uses available financial, material, and human resources effectively and efficiently to accomplish mission/organizational goals. Reacts effectively to changing priorities and re-directs work and resources in response.	<input type="checkbox"/>	<input type="checkbox"/>
Effective Leadership - With few exceptions, develops and clearly communicates goals to subordinates, delegates authority to the appropriate level, and sets priorities, as necessary, to ensure the work of the unit is accomplished within established time frames.	<input type="checkbox"/>	<input type="checkbox"/>
Developing and Counseling Staff - Routinely provides constructive guidance, instruction, and feedback to employees on an on-going basis, encouraging two-way communications. Accurately and timely evaluates employees' contributions to mission accomplishments. Provides recognition and discipline fairly and consistently, when appropriate, within established guidelines.	<input type="checkbox"/>	<input type="checkbox"/>
Support for Diversity and EEO Programs - Applies agency management practices that support EEO and diversity principles.	<input type="checkbox"/>	<input type="checkbox"/>

SEC 2495 (05/00)

Merit Pay

Supervisory Transmittal Form

Employee Name: _____

Supervisor Name: _____

Supervisor Recommendation: This employee has:

_____ made contributions of the highest quality

_____ made contributions of high quality

_____ made contributions of quality

_____ made no significant contribution beyond an acceptable level of performance

Supervisor's Signature _____ Date _____

This recommendation is provided as guidance to the Compensation Committee and does not correlate to a level of merit pay increase.

Compensation Committee Recommendation:

_____ Merit Increase(s)