



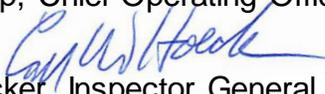
OFFICE OF
INSPECTOR GENERAL

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

M E M O R A N D U M

August 19, 2016

TO: Jeffery Heslop, Chief Operating Officer

FROM: Carl W. Hoecker, Inspector General 

SUBJECT: *Final Closeout Memorandum: Audit of the SEC's Hiring Practices*

On November 30, 2015, the U.S. Securities and Exchange Commission (SEC or agency) Office of Inspector General (OIG) announced an audit to determine whether the SEC's hiring process facilitated the efficient selection of high-quality candidates. Specifically, we sought to determine whether (1) the Office of Human Resources' (OHR) hiring policies and procedures complied with applicable Federal laws and regulations, (2) OHR's internal controls for ensuring timeliness and quality of hires were operating effectively, and (3) OHR used hiring data to monitor the SEC's hiring process and identify improvements in timeliness and quality of hires. Because OHR has not fully implemented systems to reliably monitor the timeliness and quality of agency hiring, and because in September 2016, OHR plans to reassess the SEC's hiring process and predetermined hiring timelines, we are terminating the audit. Although we did not complete an audit in accordance with generally accepted government auditing standards, we are reporting to management observations based on the work completed. We are also requesting additional information to help us determine whether further action is necessary.

Executive Summary

In the last few years, OHR has improved the SEC's hiring process. For example, in response to a May 2010 Presidential Memorandum (Presidential Memorandum),¹ OHR developed a Service Level Commitment (SLC) that established the service levels (that is, hiring timelines), monitoring methods, and organizational responsibilities for the SEC's hiring process. OHR also developed quality-of-new-hire surveys and implemented the Workforce Transformation Tracking System (WTTS) to monitor agency hiring from end to end.² However, we identified opportunities for further improvements. Specifically, we determined that OHR did not have an effective method for assessing the timeliness of the SEC's hiring process, including maintaining reliable hiring data and monitoring hiring actions according to timelines established

¹ The *Presidential Memorandum—Improving the Federal Recruitment and Hiring Process*, issued in May 2010, initiated a hiring reform in the Federal Government focused on improving the quality and timeliness of agency hiring.

² WTTS is a U.S. Department of the Interior system that integrates in real-time with the Federal Personnel Payroll System, automated staffing solutions such as the Office of Personnel Management's USA Staffing system, and the Office of Personnel Management's Electronic Official Personnel Folder system.

in the SLC. In addition, OHR did not analyze quality-of-new-hire survey results to improve the SEC's hiring process. The U.S. Government Accountability Office (GAO) reported in 2004 that, when the SEC faces challenges in hiring, the agency struggles to meet mission requirements.³ Therefore, as part of OHR's upcoming reassessment of the agency's hiring process, we urge OHR to implement an effective system based on reliable data to conduct comprehensive assessments of the SEC's hiring process. Doing so could further improve the hiring process and increase the likelihood that SEC divisions and offices hire highly qualified candidates in a timely fashion to meet mission requirements.

Background

The Presidential Memorandum called on executive departments and agencies to overhaul the way they recruit and hire civilian workers. Among other things, the Presidential Memorandum required agency heads to provide the Office of Personnel Management (OPM) and the Office of Management and Budget timelines and targets to improve the quality and speed of agency hiring by (1) reducing substantially the time it takes to hire mission-critical and commonly filled positions, (2) measuring the quality and speed of the hiring process, and (3) analyzing the causes of agency hiring problems and actions that will be taken to reduce problems. In support of the Presidential Memorandum, OPM developed an end-to-end hiring initiative that encouraged agencies to complete the hiring process within 80 calendar days. OPM recognized that agencies may need to adjust the number of days for each step in the hiring process based on agency practices and procedures.

To carry out its mission at its Washington, DC Headquarters and its 11 regional offices, the SEC employs over 4,600 staff with a range of skills and backgrounds, including staff in the following 5 mission-critical occupations: (1) accountant, (2) attorney, (3) economist, (4) information technology specialist, and (5) securities compliance examiner.⁴ Attracting, engaging, and retaining a technically proficient and diverse workforce is one of the SEC's strategic objectives,⁵ and, as Table 1 demonstrates, the number of hiring actions requested by SEC managers has more than doubled since fiscal year (FY) 2013.⁶ SEC hiring managers requested over 900 hiring actions in FY 2015 alone.

Table 1. SEC Hiring Actions by FY

FY	Hiring Actions Requested
2013	438
2014	715
2015	967
Total	2,120

Source: OIG-generated based on hiring data provided by OHR.

³ U.S. Government Accountability Office, *Securities and Exchange Commission Review of Fiscal Year 2003 and 2004 Budget Allocations* (GAO-04-818, July 2004).

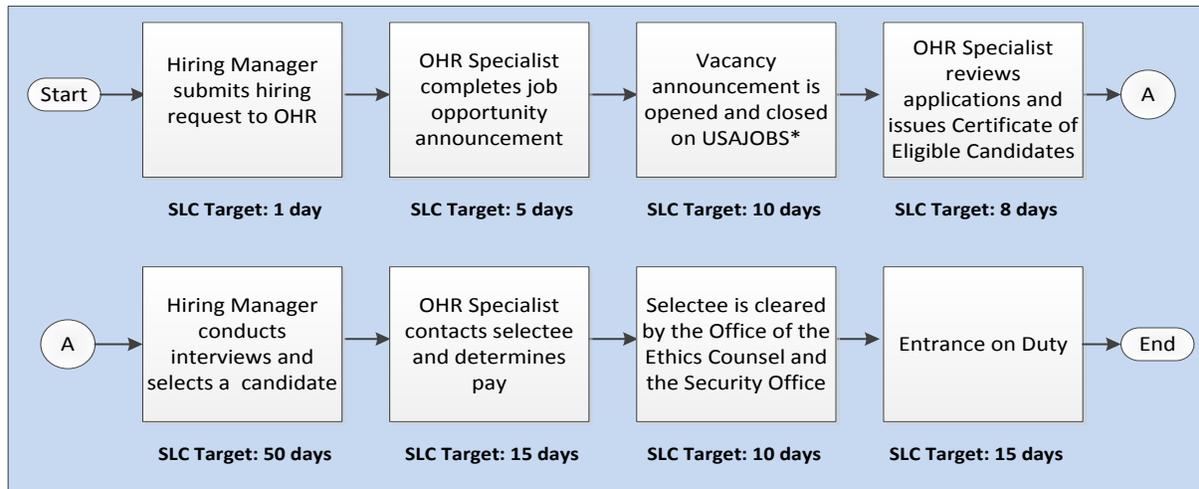
⁴ Collectively, these occupations composed about 78 percent of the agency's workforce.

⁵ U.S. Securities and Exchange Commission Strategic Plan, Fiscal Years 2014-2018.

⁶ A hiring action refers to the hiring of one employee. Hiring managers submit to OHR hiring action requests to start the hiring process.

The SEC's hiring process begins when a hiring manager contacts OHR to request a hiring action for a vacancy. The hiring manager and OHR work together to determine the appropriate strategy to fill the vacancy. Figure 1 illustrates key steps in the SEC's hiring process and the number of days allotted for each step.

Figure 1. SLC Targets for Key Steps in the SEC's Hiring Process



Source: OIG-generated based on OHR's July 2015 SLC.

*Note: USAJOBS is the Federal Government's website for job announcements and employment information.

Since FY 2013, OHR has sought new ways to improve the SEC's hiring process and reduce its hiring timelines. For example, OHR developed several new policies and procedures for managing human capital that coincide with provisions of the Presidential Memorandum and the Chief Human Capital Officers Act of 2002.⁷ Although the SEC is not required to comply with the Chief Human Capital Officers Act of 2002 or its implementing regulations,⁸ the agency has implemented certain provisions as best practices. In addition, although the Presidential Memorandum applied only to hiring under delegated examining authority, OHR adopted best practices to the SEC's hiring under all authorities.⁹ Specific actions OHR has taken include:

- implementing in FY 2013 a process and workflow management tool that monitors hiring activity from end to end – WTTS;
- developing in FY 2014 a survey to determine whether the SEC hires the right people and deploys them effectively; and
- developing in FY 2015 an SLC to establish service levels (that is, hiring timelines), monitoring methods, and organizational responsibilities for the SEC's hiring and pay matrix processes.

⁷ The Chief Human Capital Officers Act requires Federal agencies to establish a human capital accountability system to annually assess human capital management progress and results. Pub. L. 107-296, 116 Stat. 2287 (2002).

⁸ 5 Code of Federal Regulations Part 250.

⁹ The SEC uses the following five hiring authorities: (1) delegated examining, (2) merit promotion, (3) direct-hire, (4) excepted service, and (5) the SEC's excepted service hiring authority (See 5 U.S. Code § 3114 - Appointment of candidates to certain positions in the competitive service by the Securities and Exchange Commission).

Objectives, Scope, and Methodology

The objective of our audit was to determine whether the SEC's hiring process facilitated the efficient selection of high-quality candidates to help SEC divisions and offices meet mission requirements. We conducted our work at the SEC's Headquarters between October 2015 and August 2016. We interviewed personnel from the SEC's OHR (including the Chief Human Capital Officer), the SEC's Office of Records Management Services, and OPM. We reviewed relevant policies and procedures, OHR's FY 2015 management assurance statement, and documents used to monitor the timeliness and quality of agency hiring. We also obtained access to WTTS and analyzed hiring data from FY 2013 through FY 2015. Finally, we reviewed a sample of hiring case files to assess the reliability of WTTS data.

We are terminating the audit because OHR has not fully implemented systems to reliably monitor the timeliness and quality of agency hiring, and because in September 2016 OHR plans to reassess the SEC's hiring process and predetermined hiring timelines. Although we did not complete an audit in accordance with generally accepted government auditing standards, we are reporting to management observations based on the work completed.

Results

In the last few years, OHR has improved the SEC's hiring process. However, we identified opportunities for further improvements. Specifically, we determined that OHR did not have an effective method for assessing the timeliness of the SEC's hiring process, including maintaining reliable hiring data and monitoring hiring actions according to timelines established in the SLC. In addition, OHR did not analyze quality-of-new-hire survey results to improve the SEC's hiring process.

OHR Did Not Have an Effective Method for Assessing the Timeliness of the SEC's Hiring Process

According to OHR's FY 2015 risk control matrix,¹⁰ if the SEC's hiring process is not monitored properly candidates may not be timely hired. To mitigate this risk, the Assistant Director, Branch Chiefs, and OHR Specialists in the Talent Acquisition Group review all hiring actions weekly. However, we analyzed SEC hiring data from FY 2013 through FY 2015 and determined that OHR did not have an effective method for assessing the timeliness of the SEC's hiring process. Specifically, WTTS may not reliably reflect key dates for hiring actions due to data entry errors and other anomalies, and OHR did not monitor hiring actions according to timelines established in the SLC.

WTTS Data May Not Be Reliable. We performed limited testing of WTTS data and determined that the data may not be reliable to measure the timeliness of the SEC's hiring process. First, we found that WTTS lacks logical relationship checks or controls to ensure that data – namely, key dates in the hiring process – are entered correctly, and OHR did not control for other date-related anomalies potentially caused by approved but non-standard hiring practices. Second, we identified discrepancies between the data in WTTS and the data in source documents.

¹⁰ The risk control matrix contains information about each control in the hiring process, including control description, risks mitigated, and frequency of occurrence.

OHR uses WTTS to monitor the SEC's hiring activity from end to end. For example, OHR uses data and workflow reports from WTTS to monitor the average number of days it takes to fill a position at the SEC.¹¹ For each step in the hiring process, OHR Specialists manually enter into WTTS key dates using documents created during each hiring action.¹² As previously shown in Figure 1, a hiring manager cannot interview and select a candidate until OHR opens a vacancy announcement and issues a certificate of eligible candidates. However, WTTS does not have logical relationship checks or controls to ensure OHR Specialists enter the dates for each step correctly. We identified anomalies in data supporting the 2,120 SEC hiring actions that occurred between FY 2013 and FY 2015, including the following:

- 543 (or about 26 percent) of the hiring actions reflected vacancy announcement close dates that came before corresponding hiring manager request dates,
- 103 (or about 5 percent) of the hiring actions indicated that hiring managers selected candidates before OHR issued certificates of eligible candidates,
- 32 (or about 2 percent) of the hiring actions showed that OHR issued certificates of eligible candidates before the corresponding vacancy announcements closed, and
- 31 (or about 2 percent) of the hiring actions showed that OHR sent candidate names to the Security Office for background checks before hiring managers selected the candidates.

To verify the reliability of WTTS data, we sought to compare the data to source documents maintained in case files. However, OHR management stated that about 60 percent of the FY 2013 and FY 2014 case files had been purged. Depending on the hiring authority used for each hiring action, OHR is required to maintain case files for up to 3 years. Although OHR management stated they could reconstruct the case files if needed, they noted that the process would be time-consuming.

In June 2016 and as a result of our review, OHR management provided the OIG a multi-step corrective action plan to improve OHR's management of hiring case files. As part of the plan, OHR notified the National Archives and Records Administration of OHR's purging and loss of case files. As of August 19, 2016, OHR had not completed all steps in the corrective action plan.

Because case files were incomplete for FY 2013 and FY 2014, we reviewed a non-statistical sample of 7 case files corresponding to 10 SEC hiring actions¹³ completed between September 2014 and November 2015. We used WTTS data and source documents from the selected case files to calculate the number of days it took to fill each position.¹⁴ As Table 2

¹¹ According to the Presidential Memorandum, the complexity and inefficiency of the Federal hiring process deters highly qualified candidates from seeking and obtaining Federal Government jobs.

¹² Hiring documentation is compiled into a hiring case file. Before December 2015, OHR maintained hard-copy case files. In December 2015, OHR transitioned to electronic case files.

¹³ Because multiple employees can be hired from a single vacancy announcement, one case file can document several hiring actions.

¹⁴ We calculated the total time to fill each position as the difference between (1) the date the hiring manager confirmed with OHR that the manager was ready to proceed with the hiring action, and (2) the date the employee entered on duty.

demonstrates, we identified discrepancies between the dates in WTTS and the dates in the source documents for 5 of the 10 hiring actions we reviewed. For all five discrepancies we identified, WTTS underreported the number of days needed to fill the position. In one instance, the difference between dates in WTTS and dates in the case file was 150 days. In three other instances, WTTS reflected a negative number of days needed to fill the positions. As a result, the average number of days it took to fill the positions we reviewed was underreported by 39 days.

Table 2. Comparison of Number of Days to Fill Positions – WTTS versus Case Files

Hiring Action	Number of Days to Fill Position Based on WTTS	Number of Days to Fill Position Based on Case File	Difference
1	181	331	150
2	122	122	0
3	(3)	82	85
4	52	52	0
5	(1)	125	126
6	76	76	0
7	(2)	25	27
8	156	156	0
9	172	174	2
10	125	125	0
Average	88 Days	127 Days	39 Days

Source: OIG-created based on WTTS data and select OHR case files.

According to GAO’s *Standards for Internal Control in the Federal Government*, monitoring is a key control to help ensure organizational goals and objectives are met. However, for monitoring to be effective, information systems such as WTTS must produce reliable reports.

OHR management acknowledged that WTTS data is manually entered and contains some data entry errors and omissions. In addition, OHR management stated that some anomalies in the data may be due to approved but non-standard hiring practices such as selecting a candidate before the hiring manager submits a formal hiring request. However, OHR management acknowledged that they did not adjust or annotate the data to control for such situations. Nonetheless, OHR management told us that the data is sufficiently reliable to identify hiring actions that are not progressing timely through the SEC’s hiring process. We note, however, that OHR has reported WTTS data to stakeholders external to OHR. For example, OHR regularly provides the SEC’s Chief Operating Officer with WTTS hiring timeliness reports. Furthermore, the SEC reported in its FY 2014 Agency Financial Report that the agency reduced its hiring timeline by 10 percent – a calculation that was based on WTTS data, according to the Chief Human Capital Officer.

In June 2016, as a result of our review, OHR developed a corrective action plan to improve the reliability of WTTS data. As part of its corrective action plan, OHR (1) developed a WTTS data entry job aid, (2) provided WTTS training to OHR Specialists, and (3) designed a procedure for team leads to weekly review WTTS reports to identify erroneous and missing information.

OHR Did Not Monitor Hiring Actions According to Timelines Established in the SLC.

The SLC established 29 hiring process steps and targets for when each step should be completed. The SLC states that on a regular basis OHR will compare actual levels of service to committed target levels.¹⁵ However, after establishing the SLC in FY 2015, OHR did not use the SLC to monitor hiring timelines by comparing actual levels of service to established target levels. In addition, OHR tracked in WTTS only 10 of the SLC's 29 hiring process steps. Finally, OHR did not document in its policies and procedures the steps that OHR personnel should take if OHR or the hiring manager does not meet SLC targets.

The Presidential Memorandum states that the complexity and inefficiency of the Federal hiring process deters highly qualified candidates from seeking and obtaining Federal Government jobs. Therefore, the hiring reform required executive departments and agencies to improve the timeliness of hiring actions. Because (1) agency hiring data maintained in WTTS may not be reliable, and (2) OHR did not monitor hiring actions according to timelines established in the SLC, OHR may be unable to accurately assess the timeliness of the SEC's hiring process and take corrective actions to reduce delays, as needed. Without an effective method for assessing the timeliness of the hiring process, the hiring program may not bring candidates into the SEC in an appropriate amount of time to increase the likelihood that SEC divisions and offices are able to meet mission requirements.

OHR Did Not Analyze Quality-of-New-Hire Survey Results To Improve the SEC's Hiring Process

In FY 2014, OHR developed a survey to assess the quality of most newly-hired employees.¹⁶ However, we found that OHR did not analyze quality-of-new-hire survey results to improve the SEC's hiring process. The survey consists of 18 questions related to the employee's demographics and competency, and the supervisor's overall assessment of the employee. The survey asks supervisors of newly-hired employees to what extent the supervisors agree with the following statements:

- "Overall, this employee was a good hire for this position."
- "Given the opportunity, I would hire this employee again for this position."

We reviewed the results of all 261 quality-of-new-hire surveys submitted to OHR between the second quarter of FY 2014 (the inception of the surveys) and the first quarter of FY 2015. As Table 3 shows, we found that about 85 percent of survey respondents indicated that the new employee being assessed was a good hire and the supervisor would hire the employee again.

¹⁵ According to the SLC, OHR is responsible for monitoring service levels, producing periodic reports for services provided, and sharing the results with appropriate stakeholders, including division, office, and regional directors.

¹⁶ At the start of each quarter, OHR compiles a list of employees hired within the previous six months to identify those supervisors who will receive a survey. OHR does not send surveys for the following types of employees: Senior Officers, Administrative Law Judges, student trainees, reemployed annuitants, or employees who report to the SEC Chair or Commissioners.

About 9 percent of survey respondents were neutral or did not respond to the questions, whereas the remaining 6 percent reported that the new employee being assessed was not a good hire.

Table 3. Results of Quality-of-New-Hire Surveys Since FY 2014

Timeframe	Surveys			Employee Was a Good Hire		I Would Hire the Employee Again	
	Sent	Completed	Percentage	Number	Percentage	Number	Percentage
2 nd Quarter FY 2014	27	21	78	17	81	18	86
3 rd Quarter FY 2014	95	73	77	68	93	66	90
4 th Quarter FY 2014	144	96	67	84	88	83	86
1 st Quarter FY 2015	120	71	59	54	76	51	72
Total	386	261	68 Percent	223	85 Percent	218	84 Percent

Source: OIG-generated based on OHR quality-of-new-hire survey results.

According to OHR’s standard operating procedures, the results of quality-of-new-hire surveys assist with (1) identifying areas for improvement in the recruitment and hiring process, and (2) developing strategies to improve the SEC’s ability to attract talent. Furthermore, OHR’s FY 2015 internal control risk matrix states that OHR should monitor scores and take action if scores fall below targets. However, we did not identify any specific targets for the surveys, and OHR does not have a defined process for analyzing survey results.

In the first quarter of FY 2016, OHR coordinated with the SEC’s Office of General Counsel to address five new employees’ conduct or performance issues. These five new employees were among those rated by supervisors as not being a good hire for their positions. However, once the Office of General Counsel was notified, OHR was not part of the conversation between the Office of General Counsel and supervisors regarding why the employees were not good hires. Without analyzing the results of quality-of-new-hire surveys or further assessing situations when they arise, OHR may not be able to determine why new employees are not viewed favorably by their supervisors and implement corrective action, where appropriate, in the SEC’s hiring process.

We urge OHR, as part of its upcoming reassessment of the agency’s hiring process, to implement an effective system based on reliable data to conduct comprehensive assessments of the SEC’s hiring process. Doing so could further improve the process and increase the likelihood that SEC divisions and offices hire highly qualified candidates in a timely fashion to meet mission requirements. To help us determine whether further action by the OIG is warranted, we request that management provide to the OIG the results of OHR’s September 2016 review of the SEC’s hiring process within 45 days of completing the review. Additionally, we request the following by January 6, 2017:

1. Evidence that OHR has completed its corrective action plan to improve the management of hiring case files, and that actions taken are working effectively.

2. Evidence that OHR has completed its corrective action plan to improve the reliability of WTTS data, and that actions taken are working effectively.
3. OHR's plan to analyze quality-of-new-hire survey results to improve the SEC's hiring process.

On August 5, 2016, we provided SEC management with a draft of our management letter for review and comment. In its August 17, 2016, response, management noted steps it has taken to improve the hiring process. Management's comments are included as an attachment to this memorandum.

We appreciate management's cooperation and look forward to receiving the requested information. If you have questions, please contact Rebecca L. Sharek, Deputy Inspector General for Audits, Evaluations, and Special Projects.

Attachment

cc: Mary Jo White, Chair
Andrew Donohue, Chief of Staff, Office of the Chair
Michael Liftik, Deputy Chief of Staff, Office of the Chair
Nathaniel Stankard, Deputy Chief of Staff, Office of the Chair
Michael S. Piwowar, Commissioner
Jaime Klima, Counsel, Office of Commissioner Piwowar
Kara M. Stein, Commissioner
Robert Peak, Advisor to the Commissioner, Office of Commissioner Stein
Anne K. Small, General Counsel
Jeff Rosenblum, Deputy General Counsel
Keith Cassidy, Director, Office of Legislative and Intergovernmental Affairs
John J. Nester, Director, Office of Public Affairs
Lacey Dingman, Chief Human Capital Officer, Office of Human Resources
Darlene L. Pryor, Management and Program Analyst, Office of the Chief Operating Officer

**MEMORANDUM FOR REBECCA SHAREK, DEPUTY INSPECTOR GENERAL FOR
AUDITS, EVALUATIONS, AND SPECIAL PROJECTS**

FROM: Jeff Heslop, Chief Operating Officer /signature on file/
DATE: August 17, 2016
SUBJECT: Audit of the SEC's Hiring Practices

Thank you for the opportunity to review and comment on the Office of Inspector General's (OIG) memorandum on the audit of the SEC's hiring practices. We believe the memorandum contains useful recommendations that will help strengthen hiring practices at the SEC.

We are pleased that the OIG acknowledged the steps the Agency has taken to improve the SEC's hiring process by adopting best practices under the provisions of the Chief Human Capital Officers Act of 2002. We believe our effort has produced significant improvements. In particular, the overall quality of the agency's candidate pools has been enhanced without compromising our adherence to the legal and regulatory compliance requirements of the Federal hiring process. We recognize that improvement opportunities still exist within some areas of the process and we are committed to ensuring that progress continues.

As noted in your memorandum, the Workforce Transformation Tracking System (WTTS) is a U.S. Department of Interior (DOI), Interior Business Center (IBC) system. DOI/IBC is the shared service provider for approximately 47 federal agencies. Federal customers use WTTS as a tracking tool to support individual business requirements which may vary based on agency systems and processes. While we desire a system customized to meet our specific needs that includes more business logic, we are constrained by the limitations of the service provider's implementation of WTTS. DOI/IBC requires that members from all of the customer agencies vote on proposed WTTS changes. We have been strong advocates within the DOI/IBC customer base in encouraging the myriad of government agencies utilizing WTTS to approve additional controls for the system, as you recommend in your memorandum. However, to date we have been unable to generate the votes necessary for their development. We will continue to advocate the recommendations highlighted in your memorandum to the WTTS user community, and our CHCO will be speaking at a user community conference in September on this topic. Until we are successful, OHR will need to rely upon manual entry within WTTS. To the extent the SEC OIG can serve as an advocate for the improvements recommended among the Federal Agency OIG network, their collective voice may serve as a catalyst for system change, and we would be deeply appreciative of the support.

In the short term, OHR has taken steps to improve the reliability of hiring data to enhance our ability to monitor hiring actions through various stages of the process. Recent corrective measures include:

- *Develop a WTTS data entry job aid.* OHR developed a visual job aid that provides step-by-step instructions for entering information into WTTS. This includes clear definitions

for each data field within WTTS and provides greater clarity on the dates that are to be used for each field.

- *Provide training to HR specialists and assistants.* Upon completion of the WTTS data entry job aid, OHR provided training to HR specialists and assistants to ensure they understand their role and how information should be entered into the system.
- *Conduct frequent quality reviews of WTTS data.* Lead HR specialists perform bi-weekly reviews of WTTS data to validate the accuracy of data entered. If erroneous or missing information is identified, it is communicated to the responsible HR Specialist for correction. In addition, OHR developed a tracker to monitor errors and/or omissions in WTTS data to mitigate occurrences.
- *Maintain an organized and accurate records management process for hiring case files.* OHR has established additional controls and processes over the record keeping process. To avoid any records issues in the future, records custodians are using more rigorous control procedures to detail transfer of record custody in accordance with disposition instructions of the SEC's approved records retention schedules. Training was provided to all records custodians assigned to OHR to reinforce proper maintenance and destruction of Federal records.
- *Modify data fields within WTTS.* WTTS is now able to capture key steps of the service level commitment for hiring. This modification has enabled OHR to sufficiently monitor additional steps within the hiring process.

OHR has also examined the process through which it uses the results from the Quality-of-Hire survey to enhance the hiring process. OHR will continue to:

- Conduct quarterly meetings with the CHCO, Deputy CHCO, Assistant Director, Talent Acquisition Group, and Assistant Director, Human Capital Strategy Group to discuss the results of the Quality of Hire Survey and develop potential enhancements to the hiring process.
- Conduct mid-year Human Capital Reviews with all SEC Division Directors and Office Heads to discuss human capital related activities in their respective organizations, including the Quality of Hire Survey results and recommendations for improving the hiring process.
- Conduct monthly meetings (or as frequently as needed) with OGC (Employee Relations) to address employee conduct or performance issues, including those identified in the Quality of Hire Survey.

OHR has also taken additional steps to improve the Quality of Hire survey to enhance its utility with regard to improving the hiring process. Recent updates include:

- Identified target rate for survey participation (90%) and developed a process to ensure the respective hiring managers complete the survey.

- Identified target rate for meeting performance expectations (85%) and developed a process to review the circumstances for employees that fall below the expectation threshold.

OHR is currently in the process of updating the Quality-of-Hire standard operating procedure to document the processes associated with the aforementioned target thresholds.

Thank you for the consideration that you and your staff have shown my staff during this engagement. We are confident that the efforts underway will drive ongoing improvement in the hiring process.

If you have any questions or would like to further discuss this response, please contact Lacey Dingman at (202) 551-4565.

cc: Lacey Dingman, Chief Human Capital Officer