











# MANAGEMENT ADVISORY

Since February 2002, the Office of Inspector General (OIG) has provided you with periodic Management Advisory memos relating to the OMB Scorecard and EEOC. We are pleased once again to provide you with the results of our latest update and assessment of where the agency stands in terms of meeting the core criteria of the President’s Management Agenda (PMA) issued by OMB. We met with agency managers having PMA responsibilities during August and September 2005 and discussed progress made since our last update. Agency managers are fully aware of the PMA requirements and are working diligently to ensure that the Commission gets to “Green” in each of the initiatives. Based on our interviews, we identified agency accomplishments, weaknesses, and planned actions for each of the five initiatives.

In each of the initiative areas, OIG would issue a green light indicating progress that management is making in moving towards getting to Green. In terms of meeting the core requirements of the PMA, we would issue RED lights in two of the five initiatives (Improved Financial Performance and Budget and Performance Integration). We would issue YELLOW lights in Strategic Management of Human Capital and Competitive Sourcing initiatives. We would once again issue a GREEN light for EEOC’s efforts in Expanded Electronic Government.

The results of our review are summarized in the table below:

### Progress Made in Getting to Green

PMA Initiative	Progress Made in Getting to Green	Meeting the PMA ‘s Core Req’mnts
E-Government	Green 	Green 
Budget/Performance Integration	Green 	Red 
Human Capital	Green 	Yellow 
Competitive Sourcing	Green 	Yellow 
Financial Performance	Green 	Red 

Summaries of our discussions with EEOC managers addressing the five government-wide initiatives are included in the Attachments.

### Attachments

cc: Leonora Guarraria, Chief Operating Officer  
 Jeffrey Smith, Chief Financial Officer  
 Sallie Hsieh, Chief Information Officer

Angelica Ibarguen, Director, Office of Human Resources  
Deidre Flippen, Director, Office of Research, Information, and Planning

## **E-Government**

**Current OIG Assessment: GREEN Light**

**OIG Assessment on Progress in Implementing PMA: Green Light**

**Accomplishments:** EEOC's enterprise architecture is linked to the Federal Enterprise Architecture (FEA) and is rated effective based on Office of Management and Budget's (OMB) Enterprise Architecture Assessment Tool. The Agency scored "3" or above in the EA maturity and degree of alignment.

All of EEOC's Information Technology systems are certified and accredited.

EEOC has developed acceptable business cases for all major Information Technology systems investment.

EEOC OIT managers were able to provide a FY 2005 Funds/Performance Summary for all major projects in which costs and schedule overruns averaged less than 10% and performance shortfalls averaged less than 10%.

EEOC currently participates in the following E-Gov initiatives: e-Rulemaking, e-Training, e-Authentication, e-Forms, e-Records, and e-Payroll.

## **Budget/Performance Integration**

**Current OIG Assessment: RED Light**

**OIG Assessment on Progress in Implementing PMA: Green Light**

**Accomplishments:** The Chief Financial Officer holds monthly meetings with Senior Staff members to examine financial reports including any budget and performance trends.

Performance appraisal plans for Senior Executive Service (SES) Managers link to agency's mission, goals and outcomes and differentiates between various levels of performance with consequences based on performance.

The EEOC has implemented its cost accounting system to reflect full cost information into budget and performance reports.

**Weaknesses:** In order to issue a Green light in this area, OMB requires that the Agency undergo the Office of Management and Budget's (OMB) Program Assessment and Rating Tool (PART) review. EEOC is not scheduled to undergo a PART review until spring 2006.

**Planned Actions:** In anticipation of the OMB PART review, an interagency workgroup has been formed to conduct a "dry run" exercise of the PART review process.

**Attachment III**

## **Human Capital**

**Current OIG Assessment: YELLOW Light**

**OIG Assessment on Progress in Implementing PMA: Green Light**

**Accomplishments:** Office of Human Resources (OHR) has developed, documented and communicated a comprehensive Human Capital Plan. The EEOC plan for Strategic Human Capital Management was issued in February 2005. The plan is aligned with the Agency's mission, strategies, goals and objectives. It addresses the Office of Personnel Management's (OPM) Human Capital Standards for Success. It also includes metrics for each standard, timelines, and assigns responsibility to accountable managers.

The Commission recognizes outstanding employees with the "Chairs Opportunity to Reward Excellence (CORE)" Awards designed to recognize, reward, and showcase the "best practices" by EEOC employees.

The Workforce Planning Group comprised of representatives from various EEOC offices has issued a Draft Interim Workforce Planning Report addressing the workforce's sustainable capability to meet mission critical objectives, recruitment, retention, and employee motivation and development.

**Weaknesses:** Individual Development Plans (IDPs) have not been developed and executed for all employees. The Human Capital Assessment and Accountability Framework established to meet the President's Management Agenda initiatives for Human Capital standards require agencies to develop individual, team, and organizational competencies linked to the agency mission. These competencies should be assessed and employees trained in specific, job related skills.

**Planned Actions:** OHR will continue to work to ensure that the organizational structure is delayed and oriented toward performing the assigned mission of the EEOC, once final decision on future structure is made by the Chair.

**Attachment IV**

## **Competitive Sourcing**

**Current OIG Assessment: YELLOW Light**

**OIG Assessment on Progress in Implementing PMA: Green Light**

**Accomplishments:** The Commission met the deadline for reporting its commercial and inherently governmental inventories to the Office of Management and Budget (OMB).

The Commission successfully completed a streamlined competition of the OFO Control Room Function and developed a Most Efficient Organization (MEO) for that function within 60 days in accordance with OMB Circular A-76 Performance of Commercial Activities.

The competition for the OFO Control Room Function resulted in the function remaining in house with anticipated savings of approximately \$100,000 over the five year period of performance.

**Weaknesses:** The Agency has not conducted any A-76 standard competitions involving 65 or more full time equivalents. Also, the Agency hasn't received a formal approved competition plan to compete commercial activities. OMB requires approved competition plans and the completion of standard competitions to get to Green.

**Planned Actions:** Plans are to hold competitions for the following functions: OIT Desktop Support, Managed Telecommunications and Server Operations.

**Attachment V**

## **Financial Performance**

**Current OIG Assessment: RED Light**

**OIG Assessment on Progress in Implementing PMA: Green Light**

**Accomplishments:** The Commission received an unqualified audit opinion on its Fiscal Year 2004 financial statements and met the accelerated financial statement reporting deadline.

Quarterly unaudited financial statements continue to be prepared and are submitted timely to the OMB.

The OCFO is preparing Consolidated Monthly Financial Reports by Strategic Goals and Program showing budgeted, obligated, expended and available amounts. These reports are available to assist management in making day-to-day decisions.

Financial systems are in compliance with the Federal Financial Management Improvement Act (FFMIA).

The Agency has no chronic or significant Anti-Deficiency Act violations.

**Weaknesses:** Cotton & Co. LLP, the Independent Public Accountants, noted a material weakness in the quality control system in the financial reporting process. OMB requires that there be no material auditor reported internal control weaknesses in order to obtain a yellow or green light in this initiative.

**Planned Actions:** To work to ensure that the auditor reported material weakness relating to the quality control over the financial reporting process is eliminated.