



Highlights of [GAO-06-86](#), a report to the Subcommittee on Government Management, Finance, and Accountability, Committee on Government Reform, House of Representatives

Why GAO Did This Study

Corporate failures and accounting scandals led to changes in legislation governing U.S. securities markets, which resulted in increased workload demands on the Securities and Exchange Commission (SEC). As a result, Congress provided SEC with substantial budgetary increases to obtain more resources to help fulfill the agency's mission. GAO was asked to review SEC's strategic workforce planning efforts to efficiently and effectively utilize its resources. This report discusses (1) the progress SEC has made toward developing a strategic human capital plan and (2) whether SEC uses effective strategic workforce planning principles for acquiring, developing, and retaining staff.

What GAO Recommends

GAO is not making recommendations because many of SEC's human capital initiatives, including the strategic human capital plan, are currently under development. However, GAO makes observations based on our audit work that highlight areas warranting management attention, such as conducting outreach with congressional stakeholders and the securities industry, obtaining employee feedback on human capital strategies before they are implemented, and taking steps to document existing skills among staff. SEC agreed with these findings and observations.

www.gao.gov/cgi-bin/getrpt?GAO-06-86.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Orice M. Williams at (202) 512-8678 or williamso@gao.gov.

SECURITIES AND EXCHANGE COMMISSION

Some Progress Made on Strategic Human Capital Management

What GAO Found

SEC has taken steps to implement a number of strategic human capital management initiatives, including developing its strategic human capital plan. In 2004, SEC split its Office of Administrative and Personnel Management into the Office of Administrative Services and the Office of Human Resources (OHR), allowing the agency to separate its administrative and personnel functions and hire an associate executive director to focus on assessing, developing, and implementing human capital programs. In April 2005, SEC created a more structured human capital council by expanding the role of the Executive Resources Board (ERB), now called the Human Capital Review Board (HCRB). The HCRB includes senior management from all major divisions and offices, the Chairman's office, the Executive Director, and OHR and follows a more formalized and regular process for reviewing and approving human capital decisions. According to SEC, as of November 2005, the agency was in the process of creating its first strategic human capital plan, which will be based on the Office of Personnel Management's Human Capital Assessment and Accountability Framework, but it has not set a completion date.

GAO also found that many of SEC's efforts related to workforce planning to date have been consistent with five key principles for effective strategic workforce planning; however, some of these efforts were still being developed or could be improved. Specifically,

- SEC has involved top management and a variety of stakeholders during the development of its strategic human capital plan, but only some employees will have the opportunity to provide feedback before the plan is finalized;
- SEC has been taking steps to identify needed critical skills and competencies, but it lacks a formal process for identifying existing skills among staff and linking them to SEC's strategic goals;
- SEC has been using human capital strategies to address workforce needs and skill gaps, but some of these strategies have not been in place long enough to assess results;
- SEC is developing or changing many of the administrative, educational, and other requirements to support workforce strategies, particularly pertaining to the use of human capital flexibilities; and
- SEC is developing additional human capital indicators and a more formal process by which to measure the achievement of its human capital goals. However, SEC currently does not formally evaluate the effectiveness of its human capital strategies in fulfilling SEC's strategic goals.