

HHS Transmittal 96.21
Personnel Manual
Issue Date: 8/14/96

Material Transmitted

Instruction 273-1, Human Resources Assessment Program

Material Superseded

Instruction 273-1, Transmittal 90.11 (Delete in its entirety, including all exhibits.)

Background

This Instruction has been completely revised, to be consistent with the recommendations of the National Performance Review (NPR), both as to program design and length.

The NPR recommended that human resources overnight shift in emphasis from compliance audits, performed by external staff organizations, to on-going reviews and monitoring performed by line management. Overnight activities should be integral to management's overall control system. Staff overnight should be minimized, though sufficient to ensure that line managers perform their control functions (i. e., by reviewing their control and improvement systems).

In 1995, the Office of Management and Budget (OMB) issued a revised Circular A-123, Management Accountability and Control. The revision greatly "decentralizes" what was commonly referred to as the internal control program and provides agencies far more flexibility. HHS internal implementing instructions pass this flexibility on to the OPDIVs.

The 1990 version of Instruction 273-1 had already integrated to some extent the internal control program with the human resources assessment program. The human resources assessment program in this new Instruction 273-1 is modeled on the program structure outlined by Circular A-123, as adapted for the human resources function. We expect that OPDIV human resources assessment programs will be designed and operated in close coordination with OPDIV management control programs.

The 1990 version of Instruction 273-1 also expanded coverage to include the assessment of equal employment opportunity programs as well as personnel programs. The new version continues that approach, which is particularly appropriate in view of last year's major delegations to OPDIVs for EEO complaint processing. We

HHS Transmittal 96.21
Personnel Manual
Issue Date: 8/14/96

envision that successful OPDIV human resources assessment program design will reflect increased coordination between EEO and personnel functions, as well as with OPDIV management control programs.

Many of the exhibits with the 1990 version are still useful self-assessment tools. We intend to update these and make them available outside the personnel manual system; accordingly, you may wish to retain the current exhibits until they are replaced. We have also recently issued and distributed similar assessment guides for areas not previously covered (e.g., executive resources and EEO complaints processing).

Filing Instructions

Remove superseded materials and replace them with new materials. Change Table of Contents (Instruction 002-1) for the Personnel Manual to reflect changes. Post receipt of this transmittal to the HHS check list of Transmittals and file this transmittal in sequential order after the check list.

John J. Callahan
Assistant Secretary for
Management and Budget

INSTRUCTION 273-1

Distribution: MS (PERS): HRFC-001

Subject: Human Resources Assessment Program

273-1-00	Purpose
10	References
20	Definitions
30	Program Requirements

273-1-00 PURPOSE

This Instruction states the policies and requirements for improving the accountability and effectiveness of human resources programs and operations through systematic assessment.

In this Instruction, human resources includes equal employment opportunity, affirmative employment, special emphasis and personnel programs.

273-1-10 REFERENCES

- 5 U.S. C. 305 (systematic review of operations)
- 5 U.S. C. 306 (strategic plans)
- 5 U.S. C. Chapter 23 (merit system principles)
- 29 U.S. C. 206(d) (equal pay)
- 29 U.S. C. 621 et seq. (age discrimination)
- 29 U.S. C. 791 et seq. (reasonable accommodation)
- 31 U.S. C. 3512 (management controls)
- 29 CFR Parts 1601, 1604, 1605, 1606, 1607, 1608, and 1614 (federal sector equal employment opportunity)
- OMB Circular A-123 (Revised 6/21/95) (management accountability and control)

273-1-20 DEFINITIONS

- A. **Management accountability** is the inherent responsibility for assuring the quality and timeliness of program performance, for increasing production and controlling costs, and for carrying out program activities with integrity and in compliance with applicable law. Management accountability for human resources encompasses (1) individual managers with authority for making human resource decisions and (2) personnel and EEO officials who administer human resource programs and advise managers and employees.
- B. **Management controls** are the organization, policies, and procedures adopted by management to ensure that programs achieve intended results within applicable laws and regulations. Management controls also protect programs and resources from fraud, waste, and abuse.

- C. **Human resources assessment program**: the policies, procedures, and management controls by which an OPDIV evaluates, by various methods, the management and administration of its EEO and personnel programs. The principal objective of the human resources assessment program is to ensure that HR programs are effectively supporting mission accomplishment. It may be a part of, or integrated with, the OPDIV's overall program under OMB Circular A-123.

273-1-30 PROGRAM REQUIREMENTS

Each OPDIV must establish a human resources assessment program that, as a minimum, provides for the following elements:

A. **Develop and Implement Management Controls**

These controls must have, as a primary focus, the human resources function support of mission accomplishment. In order to do this, they will need to go beyond traditional compliance audits and encompass organizational health and customer satisfaction. (See **the general management control standards** in OMB Circular A-123.) They will cover all human resources programs and activities (i. e., the actions taken by managers as well as personnel/EEO office operations).

The Federal merit system principles (5 U.S. C. Chapter 23) constitute the definitive framework for human resources management. Consequently, they should strongly influence the development of management controls. Additionally, human resources managers need to ensure managers' familiarity with merit principles and prohibited personnel practices.

B. **Systematically Assess Adequacy of Controls**

The assessment program should provide for continuously monitoring human resources management controls. The program design should provide for complete functional/activity coverage over a specified period (e.g., five years). Sources of information for assessing controls include:

- management knowledge gained by daily operations
- management reviews and program evaluations
- IG, GAO, and OPM reports

- surveys of organizational health and customer satisfaction
- reports from the personnel/payroll system designed to reflect anomalies and/or trends
- review of complaint/grievance issues and outcomes
- information from employee representatives and partnership councils
- workforce demographics

C. **Identify Deficiencies and Take Corrective Action**

The human resources assessment program should include a priority-based, systematic process for reporting deficiencies and assigning accountability for taking corrective action.

D. **Report Annually on the Operation of the Assessment Program**

Each OPDIV must submit to the Assistant Secretary for Management and Budget an annual report on its human resources assessment program. The report is due by November 15 for the preceding fiscal year.

The report must include the following:

- A description of the human resources assessment program
- A summary of the year's assessment activities, significant findings and, as necessary, the corrective actions taken.
- A description of any barriers impeding assessment program effectiveness and plans for program changes