



Audit of the U.S. Nuclear Regulatory Commission's Vacancy Announcement Process

OIG-23-A-03
April 17, 2023



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MEMORANDUM

DATE: April 17, 2023

TO: Daniel H. Dorman
Executive Director for Operations

FROM: Hruta Virkar /*RA*/
Assistant Inspector General for Audits

SUBJECT: AUDIT OF THE U.S. NRC'S VACANCY ANNOUNCEMENT PROCESS
(OIG-23-A-03)

Attached is the Office of the Inspector General's (OIG) audit report titled *Audit of the U.S. NRC's Vacancy Announcement Process*.

The report presents the results of the subject audit. Following the December 2, 2022, exit conference, NRC staff indicated that they had no formal comments for inclusion in this report.

Please provide information on actions taken or planned on each of the recommendations within 30 days of the date of this memorandum.

We appreciate the cooperation extended to us by members of your staff during the audit. If you have any questions or comments about our report, please contact me at 301.415.1982, or Mike Blair, Team Leader, at 301.415.8399.

Attachment:
As stated

cc: M. Bailey, OEDO
J. Jolicoeur, OEDO



Results in Brief

Audit of the U.S. NRC's Vacancy Announcement Process

OIG-23-A-03

April 17, 2023

What We Found

The NRC provides adequate time for job applicants to compete for open positions; however, opportunities for improvement exist to strengthen the vacancy announcement process and data management.

Vacancy announcement data maintained by the Office of the Chief Human Capital Officer (OCHCO) is incomplete and not easily retrievable. This occurs because NRC staff do not consistently enter data into the Workforce Transformation Tracking System (WTTS). As a result, the NRC's hiring process may be weakened.

The NRC's hiring managers do not have a consistent understanding of Direct Hire Authority (DHA) requirements. This occurs because DHA requirements are not included in NRC policy. Consequently, the NRC may not be effectively using DHA.

What We Recommend

This report makes four recommendations to strengthen the vacancy announcement process. The agency agreed with the recommendations and had no formal comments.

Why We Did This Review

The U.S. Nuclear Regulatory Commission (NRC) fills vacant positions by recruiting eligible candidates from within the agency or by recruiting from outside the agency through the appropriate source.

The NRC posts vacancies through vacancy announcements and public notices. Vacancy announcements and public notices include an open period to provide applicants with a reasonable time to apply, and for the NRC to collect enough applications. The open period may differ based on the type of vacancy.

The audit objective was to determine if the NRC provides adequate time for job applicants to compete for open positions, and to identify opportunities for improvement in the vacancy announcement process.

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ABBREVIATIONS AND ACRONYMS

BU	Bargaining Unit
CBA	Collective Bargaining Agreement
C.F.R.	Code of Federal Regulations
DHA	Direct Hire Authority
FPFS	Federal Personnel and Payroll System
FY	Fiscal Year
HR	Human Resources
MD	Management Directive
NBU	Non-Bargaining Unit
NRC	Nuclear Regulatory Commission
OCHCO	Office of the Chief Human Capital Officer
OIG	Office of the Inspector General
OPM	Office of Personnel Management
SES	Senior Executive Service
U.S.C.	United States Code
WTTS	Workforce Transformation Tracking System

I. BACKGROUND

The U.S. Nuclear Regulatory Commission (NRC) performs numerous regulatory functions aimed at fulfilling its mission to protect public health and safety. To accomplish these regulatory functions, the NRC's Office of the Chief Human Capital Officer (OCHCO) provides guidance and support to NRC staff and management in attracting, developing, and retaining a high-performing, diverse, and agile workforce. The OCHCO is responsible for leading the agency's efforts in developing and implementing hiring processes.

The NRC posts vacancies through vacancy announcements and public notices. Vacancy announcements and public notices include an open period to provide applicants with a reasonable time to apply, and for the NRC to collect enough applications. The open period may differ based on the type of vacancy—for example, whether the vacancy is subject to union or non-union provisions, or to a standard job announcement or Direct Hire Authority (DHA).

DHA is a hiring authority granted by the Office of Personnel Management (OPM) to executive branch agencies in certain circumstances, such as when there is a severe shortage of candidates for critical positions. DHA allows executive agencies to use streamlined procedures to appoint new employees without regard to some key merit system and public policy provisions, such as applicant rating and ranking and veterans' preference. DHA is often easier and faster to use than competitive service procedures. Currently, the NRC is authorized to use DHA for positions in a variety of areas, such as engineering, sciences, mathematics, information technology, and acquisitions.

Federal Regulations

The United States Code (U.S.C.), Title 5, § 2301 - *Merit system principles*, governs the hiring of qualified staff selected from all segments of society. Title 5 requires that hiring decisions be determined solely based on the applicant's relative ability, knowledge, and skills, after fair and open competition, which ensures that all applicants receive equal opportunity to compete.

The OPM's *Delegated Examining Operations Handbook: A Guide for Federal Agency Examining Offices*, provides agencies with DHA guidance and clarifies the appropriate open period for a vacancy.

Internal Guidance and Policy

Management Directive (MD) 10.1, *Recruitment, Appointments, and Merit Staffing*,¹ outlines the NRC's practices relating to employment and contains policies and procedures regarding merit staffing activities within the NRC. It includes guidance for recruiting highly qualified applicants for vacant positions within the NRC, and guidance for NRC employees who participate in recruiting activities.

The *Collective Bargaining Agreement* (CBA) is an agreement between the NRC and the National Treasury Employees Union that governs the employment of bargaining unit staff, including hiring practices.

The NRC has also developed internal DHA guidance providing staff and managers a synopsis of DHA procedures.²

Other Responsible Groups

In addition to the OCHCO, NRC program offices (such as the Office of Nuclear Reactor Regulation, the Office of Research, etc.) each have divisions that support hiring activities. These divisions support the program offices by working with the OCHCO to facilitate the hiring process. Their activities include overseeing administrative services, human capital management, information management, financial management, performance management, and internal controls.

The NRC's Regional Human Resource (HR) offices assist the OCHCO with the hiring actions related to the agency's four regions.³

OCHCO Software and Information Systems Related to Hiring

The OCHCO uses several electronic systems to develop vacancy announcements, to document hiring and personnel data, and to track these data from vacancy identification through on-boarding.

¹ The Management Directives contain the policies and procedures that govern the internal NRC functions necessary for the agency to accomplish its regulatory mission.

² "Internal Operating Procedure for Direct-Hire Authority (DHA)," March 30, 2020.

³ Region I is in King of Prussia, Pennsylvania; Region II is in Atlanta, Georgia; Region III is in Lisle, Illinois; and, Region IV is in Arlington, Texas.

Federal Personnel and Payroll System (FPPS)

The FPPS is used to track the processing of the NRC's personnel, payroll, and time and labor data to facilitate payments, benefits, and pensions. This application is made available for federal agency use and is managed by the Department of the Interior.

Workforce Transformation Tracking System (WTTS)

The WTTS is a workforce management tool managed by the U.S. Department of the Interior that captures the end-to-end employee hiring process and integrates in real-time with federal personnel and staffing solutions to track the vacancies and hiring actions. The WTTS is used by OCHCO HR specialists to initiate, authorize, and track, recruitment, hiring, and on-boarding activities. The WTTS allows the OCHCO to create, assign, monitor, and approve vacancy forms filled out by NRC staff.

Monster.com

Monster.com maintains a federal talent acquisition suite intended to effectively automate and accelerate federal hiring. Fully integrated with USAJOBS.gov, it provides applicants and hiring managers a simpler and faster way to navigate the federal government's hiring process, while remaining secure and fully compliant with federal regulations.

USAJOBS.gov

USAJOBS.gov connects job seekers with federal employment opportunities across the United States and around the world. Federal agencies use USAJOBS.gov to host job openings and match qualified applicants to those jobs.

Systems Integration

The data entered in these systems by OCHCO staff and management flows as follows:

- The vacancy announcement process starts with the WTTS. Basic information, such as initiating, authorizing, and tracking recruitment, hiring, and on-boarding activities, is entered into the WTTS and then linked to Monster.com.

- Records are edited in Monster.com to complete the vacancy announcement for publishing the announcement.
- From Monster.com, the announcement is transmitted to USAJOBS.gov for posting.
- USAJOBS.gov links applicants to Monster.com to fill out the application.
- OCHCO staff review applications in Monster.com. Once various hiring actions (e.g., interviews) are completed and a selection is made, the OCHCO HR Specialist indicates such in Monster.com, and then transfers the information to the WTTS.
- The HR Specialist enters the date the job offer was submitted to and, as applicable, accepted by the selectee in the WTTS. When the offer is accepted, the HR Specialist transmits the information from the WTTS to the FPPS.

II. OBJECTIVE

The audit objective was to determine if the NRC provides adequate time for job applicants to compete for open positions, and to identify opportunities for improvement in the vacancy announcement process.

III. FINDINGS

The NRC provides adequate time for job applicants to compete for open positions. Although MD 10.1 states that there must be an open period of at least 5 days for non-bargaining unit vacancy postings, NRC staff involved with hiring generally use a minimum of 10 days for postings. These staff members stated that, in general, a period of at least 10 days allows sufficient time for individuals to apply for vacancies, and they did not report any significant concerns raised by NRC employees or individuals outside the NRC regarding vacancy announcement periods.

At the same time, during the audit the OIG identified opportunities for the NRC to strengthen its vacancy announcement process and data management.

The OIG began the audit with a focus on “technical” vacancy announcements. However, during the audit, the OIG learned that the OCHCO does not formally distinguish technical positions from non-technical positions. Further, hiring processes such as DHA may be used to fill positions that may or may not necessarily be considered technical (e.g., information technology, acquisitions, etc.). Thus, the OIG elected to remove the term “technical” from the audit title and objective.

Furthermore, the OIG considered auditing the NRC’s hiring efforts in relation to its vacancies. However, the audit team determined that this would significantly broaden the scope and should be done as a separate audit. Therefore, the OIG plans to conduct a separate audit of the NRC’s hiring process and related efforts this fiscal year.

A. WTTS Vacancy Data Maintained by the OCHCO is Incomplete and not Easily Retrievable

Effective internal control systems must include complete, accurate, and accessible information. However, vacancy announcement data maintained by the OCHCO is incomplete and not easily retrievable because NRC staff does not consistently enter data into the WTTS. As a result, the NRC’s hiring process may be weakened.

What Is Required

Effective Internal Control Systems are Necessary for the Hiring Process

According to the U.S. Government Accountability Office, management should use quality information to achieve the entity’s objectives. Management reviews of quality information to achieve the entity’s objectives and to report reliable information about its operations are key aspects of federal internal control standards. Quality information is described as information that is appropriate, current, complete, accurate, accessible, and provided on a timely basis which can be used by management to make informed decisions.

What We Found

Vacancy Data in WTTS is Incomplete and not Easily Retrievable

The OCHCO was unable to provide the OIG timely, accurate, and complete vacancy announcement data. At the OIG’s request, the OCHCO provided a list of

approximately 600 vacancies posted during fiscal years (FY) 2018 through 2022.⁴ The OIG asked the OCHCO if it could identify which vacancies were bargaining unit (“BU”) versus non-bargaining unit (“NBU”). The purpose behind this request was to determine if there were any discrepancies in the length of time that job postings were open since BU vacancies must be open for 10 days, while NBU vacancies are only required to be open for 5 days.

The OCHCO provided the list of vacancies posted during FYs 2018 through 2022; however, the OCHCO stated it could not make a distinction between BU and NBU vacancies. An OCHCO Director responded that the system was unable to generate a report triggered by the key phrases, “Bargaining Unit” and “Non-Bargaining Unit.” The OCHCO would have to manually open each vacancy announcement and identify the unit type, assuming the relevant data field had even been populated by OCHCO staff. After several weeks, the OCHCO was able to provide only a partial list of the requested information of BU and NBU vacancies.

Moreover, during a WTTS system demonstration provided by OCHCO staff, the OIG asked to view seven records. Of the seven, the OCHCO staff member could only locate two in WTTS.

Why This Occurred

Data Entry Practices are Inconsistent

Though the WTTS is the official system to obtain vacancy announcement data, OCHCO staff were advised to use the WTTS only as recently as FY 2022, despite the fact the system has been in place for approximately 10 years. As a result, vacancy announcement data has not been consistently entered into the system. For example, some of the vacancy data entered in Monster.com and WTTS were not linked. Thus, information was missing in one or more systems. The OIG also identified other announcements that were in the WTTS, but the announcements had incomplete data fields. Finally, in some cases, data entered in different systems did not match, such as vacancies having different vacancy numbers, or job titles not matching in each system.

The lack of WTTS experience, combined with a lack of training on the system, has also had a negative impact. Given the limited use of the WTTS prior to FY 2022, there was little demand for training. Now that the OCHCO is strongly encouraging

⁴ Because the OIG’s initial objective was to review “technical” positions, the OCHCO provided all the vacancies associated with engineers, scientists, and mathematics-related positions.

the use of the WTTS, the lack of formal training has resulted in *ad hoc* training provided by experienced WTTS users. A Senior Executive Service (SES) Director stated that program office staff could benefit from greater familiarity with the WTTS. The SES Director added that hiring officials from NRC program offices should become familiar with the WTTS because, going forward, program office hiring officials will need to enter WTTS information that is specific to their own office. Currently, program office hiring officials defer these entries to the OCHCO.

Why This Is Important

The NRC's Hiring Process may be Weakened

Maintaining quality records and data is important to the efficiency of the hiring process. The NRC is moving in the direction of using more data analytics to support its decisions, and data analytics depend on the use of quality records and data. Maintaining accurate data increases decision-making confidence, enhances productivity and efficiency, and reduces costs. By correcting the data deficiencies identified by the OIG, the efficiency of the NRC's hiring process could be improved.

Moreover, as stated in the NRC's *WTTS User Guidance*, the WTTS contains the fields that capture data to support accurate statistics and reporting. This data aids the NRC in calculating *Time-to-Hire* statistics that show whether the NRC is meeting the defined timeline. The NRC's *Privacy Impact Assessment* for the WTTS indicates that the system supports the hiring process and serves to reduce the duplication of information that is collected during the hiring process. Therefore, the OCHCO should update the format of WTTS reports to ensure the reports clearly capture information required for internal and external reporting. Additionally, the OCHCO should make better use of the WTTS and its reporting tools to reduce manual entries, which are prone to inconsistency and error.

Recommendations

The OIG recommends that the Executive Director for Operations:

- 1.1 Develop and implement a systematic approach to record complete, accurate, and easily retrievable vacancy announcement data; and,
- 1.2 Develop and implement WTTS training for all applicable managers and staff.

B. Hiring Managers do not have a Consistent Understanding of Direct Hire Authority Requirements

The OPM stresses the importance of hiring managers being knowledgeable about DHA procedures; however, NRC hiring managers do not have a consistent understanding of DHA requirements. This has occurred because DHA requirements are not included in NRC policy. Consequently, the NRC may not be effectively using DHA.

What Is Required

Hiring Managers should be Knowledgeable about DHA Procedures

The OPM stresses the importance of hiring managers being knowledgeable about DHA procedures set forth in 5 U.S.C. § 3304(a)(3), and the implementing regulations at 5 Code of Federal Regulations (C.F.R.) § 337, subpart B. A 2021 OPM study, *Direct-Hire Authority Under 5 U.S.C. § 3304: Usage and Outcomes*, emphasizes the need for detailed knowledge of DHA requirements because different types of DHA have different requirements.

Furthermore, according to the U.S. Government Accountability Office's Standards for Internal Control in the Federal Government, operational success is only possible when personnel are provided the right training and tools.

What We Found

DHA Requirements are not Consistently Understood

Hiring managers do not have a consistent understanding of DHA requirements. The OIG audit team interviewed 36 NRC employees, including staff, SES directors, and non-SES managers. Many of the individuals interviewed had differing views regarding DHA posting durations and requirements. While 8 of the 36 employees stated that both MD 10.1 and the CBA are applicable, 9 of the 36 employees said they are not, and the remaining 19 employees were not sure what was specifically applicable to DHA. In addition to stating that 5 C.F.R. and 5 U.S.C. requirements are applicable, one manager and two staff from the Office of the General Counsel stated that the NRC follows the OPM's DHA requirements. Another manager stated that the NRC's guidance is not clear in this area and that its implementation of requirements is inconsistent.

Additionally, hiring managers are uncertain about using public notices for vacancies. For example, a senior manager stated the NRC should follow the requirements of 5 C.F.R., which states that agencies must issue public notices for DHA vacancies.⁵ However, 6 of the 36 staff and managers stated hiring could be done on the same day without the need to publicly post the vacancy. Two OCHCO staff involved with hiring actions stated they were unable to provide the OIG with information about DHA because they did not have the details about the process, and they referred the OIG to OCHCO management. A senior manager confirmed that managers and staff did not understand DHA requirements very well.

Why This Occurred

NRC Policy does not Include DHA Requirements

The current version of MD 10.1 does not include language that clarifies DHA requirements. The NRC issued a *Yellow Announcement*⁶ in 2019 notifying the

⁵ Federal requirements direct agencies to issue public notice for the vacancies they actively intend to fill under this authority. NRC internal guidance from the OCHCO, *Internal Operating Procedure for Direct Hire Authority*, dated August 30, 2019, reaffirmed the NRC must issue a public notice for these vacancies.

⁶ An NRC Yellow Announcement is the vehicle used to notify employees of new or revised policy or describe the process to implement a new policy.

agency of its hiring policy changes to allow the use of DHA. The announcement reported that MD 10.1 was being revised to include the authority to use DHA, consistent with competitive service requirements and procedures. To date, the agency has not revised MD 10.1 to include DHA requirements.

The OCHCO issued DHA guidance for hiring managers and staff in August of 2019. However, the guidance does not clarify if DHA vacancies should follow the standard hiring requirements in MD 10.1 or the CBA, nor does the guidance clarify which specific federal requirements should be followed when the NRC exercises its DHA.

Lastly, there is limited training available for hiring managers involved in the DHA process. For example, the NRC's Talent Management System⁷ offers limited hiring-related training and no DHA-specific training. A senior manager said DHA training courses have been offered in the past, but only on an "as needed" basis.

Why This Is Important

The NRC may not be Effectively Using its DHA

As mentioned in the background, DHA is a hiring authority granted by the OPM to executive branch agencies in certain circumstances, such as when there is a severe shortage of candidates for critical hiring. DHA allows agencies, such as the NRC, to forego its regular hiring process and hire with minimal delay, if necessary. Therefore, DHA should provide agencies flexibility in hiring. However, because the OCHCO and NRC hiring officials do not fully understand DHA due to the lack of clarity and guidance, the agency may not be effectively capitalizing on the DHA tool.

Moreover, due to the lack of clarity and guidance, the NRC risks noncompliance with DHA requirements. Specifically, in 2022, the NRC promoted two internal staff through a DHA vacancy. However, according to the OPM, DHA vacancies should only be offered to external candidates. The two promotions were eventually rescinded months after the error was identified. This unfortunate circumstance could have been easily prevented if the agency's guidance was clear, and if the hiring officials were trained in DHA.

⁷ The Talent Management System is a Software-as-a-Service cloud solution that provides the NRC with tools for the automation of performance management tasks and strategic workforce planning.

Recommendations

The OIG recommends that the Executive Director for Operations:

- 2.1. Revise agency policy to include and clarify DHA requirements; and,
- 2.2. Develop and provide recurring DHA training for all current and future NRC management and staff involved with the hiring process.

IV. CONSOLIDATED LIST OF RECOMMENDATIONS

The OIG recommends that the Executive Director for Operations:

1.1 Develop and implement a systematic approach to record complete, accurate, and easily retrievable vacancy announcement data;

1.2 Develop and implement WTTS training for all applicable managers and staff;

2.1 Revise agency policy to include and clarify DHA requirements; and,

2.2 Develop and provide recurring DHA training for all current and future NRC management and staff involved with the hiring process.

V. NRC COMMENTS

An exit conference was held with the agency on December 2, 2022. After reviewing a discussion draft, agency management indicated agreement with the recommendations and did not have any edits for the draft report. Subsequent to the Exit Conference, the OIG condensed and made minor revisions to the report at the Inspector General's request. None of these revisions materially altered the substance of the report. As a result, agency management opted not to provide formal comments for inclusion in this report.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The audit objective was to determine if the NRC provides adequate time for job applicants to compete for open positions, and to identify opportunities for improvement in the vacancy announcement process.

Scope

This audit focused on the period from Fiscal Years (FY) 2018 through 2022 to determine if the Nuclear Regulatory Commission (NRC) vacancy announcement process was effectively and efficiently supporting its hiring practices. We conducted this performance audit at NRC headquarters in Rockville, Maryland, from April to October 2022.

Internal controls related to the audit objective were reviewed and analyzed. Specifically, the Office of the Inspector General (OIG) reviewed the components of various systems used by the agency to track hiring data (e.g., Workforce Transformation Tracking System (WTTS)) to evaluate the control environment, control activities, information dissemination and communication, and monitoring pertaining to the vacancy postings completeness. Within those components, the OIG reviewed the principles of establishing structure, office responsibilities, and organizational authority; assigning responsibility and delegating authority to achieve the entity's objectives; and, designing control activities, including policies for achieving management objectives and responding to risks.

Methodology

The OIG reviewed relevant criteria for this audit, including, but not limited to:

- The *Atomic Energy Act of 1954*, as amended;
- United States Code, Title 5, *Government Organization and Employees*, Chapter 23—*Merit System Principles*;

- United States Code, Title 5, Sections 2301, 3304, 3327, 3330, 7112, and 7113;
- Code of Federal Regulations, Title 5, Part 250, *Personnel Management in Agencies*;
- Code of Federal Regulations, Title 5, Part 337, *Examining System*;
- United States Office of Personnel Management, *Delegated Examining Operations Handbook: A Guide for Federal Agency Examining Offices*;
- *NRC and National Treasury Employees Union Collective Bargaining Agreement (2021)*;
- Management Directive 10.1 *Recruitment, Appointments, and Merit Staffing*, May 5, 2015; and,
- Internal Operating Procedure for Direct Hire Authority (DHA), updated March 30, 2020.

The OIG interviewed 36 NRC employees, including staff, Senior Executive Service (SES) directors, and non-SES managers at headquarters and the four regions. In addition, the OIG spoke with one Office of Personnel Management (OPM) staffer and exchanged emails with another OPM staffer to gain clarification on DHA requirements.

The OIG reviewed a sample of data provided by the agency regarding approximately 600 vacancy announcements posted by the Office of the Chief Human Capital Officer (OCHCO) during the period of FYs 2018 through 2022. The sample included bargaining and non-bargaining unit positions and the length of time the vacancies were open. The OIG tested the reliability of the data through random selection of a number of positions and through demonstrations of the WTTS database from OCHCO staff.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide 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.

Throughout the audit, auditors considered the possibility of fraud, waste, and abuse in the program.

The audit was conducted by Mike Blair, Team Leader; Tim Wilson, Audit Manager; Roxana Hartsock, Senior Auditor; and, Julie Corwin, Senior Auditor.

TO REPORT FRAUD, WASTE, OR ABUSE

Please Contact:

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COMMENTS AND SUGGESTIONS

If you wish to provide comments on this report, please email the OIG using this [link](#).

In addition, if you have suggestions for future OIG audits, please provide them using this [link](#).