



# At a Glance

## Why We Did This Project

The U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), performed this audit to determine whether the EPA has achieved efficiencies, savings and improved customer service in agency human resources (HR) operations by establishing three HR Shared Service Centers (SSCs) in Cincinnati, Ohio; Las Vegas, Nevada; and Research Triangle Park, North Carolina.

In 2004, the U.S. Office of Personnel Management launched the HR Line of Business (LOB) initiative, envisioning “government-wide, modern, cost-effective, standardized, and interoperable” HR services to address “duplicative HR systems and processes across the federal government.” Per the EPA’s HR SSC intranet site, the agency launched its HR SSCs in 2008 “to provide consistent and efficient human resources services to all EPA employees regardless of their physical location.”

### This report addresses the following:

- *Operating efficiently and effectively.*

Send all inquiries to our public affairs office at (202) 566-2391 or visit [www.epa.gov/oig](http://www.epa.gov/oig).

Listing of [OIG reports](#).

## Operational Efficiencies of EPA’s Human Resources Shared Service Centers Not Measured

### What We Found

We could not determine whether the EPA achieved operational efficiencies, savings and improved customer service with the 2008 implementation of its HR SSCs. Also, as of January 2017, there was a disparity in the number of HR staff in each region and SSC, with no direct correlation between the number of EPA employees serviced by each location and the number of HR staff employed at each location.

**Without a baseline for HR operations and HR staff, the EPA is unable to determine efficiencies in HR operations.**

Federal law and the HR LOB initiative require agencies to focus on reducing costs, improving quality and achieving cost efficiencies. However, the EPA did not establish baseline metrics for HR SSC performance and did not collect data to assess HR SSC performance and efficiencies from 2014 to 2016. In addition, the Office of Administration and Resources Management did not determine the appropriate HR staffing levels needed for each region and did not provide guidance on core staffing needs for regional HR functions. Without a baseline and a plan on how to use performance measurement data, we cannot determine whether the EPA is achieving efficiencies in operations, cost savings and improved customer service.

Our audit also noted that some of the EPA’s key HR policies were outdated, with one policy dating back to the 1970s. Although Office of Management Budget directives require agencies to streamline policy creation and monitor internal controls, the EPA’s Office of Human Resources did not adhere to its HR policy update agenda and did not regularly update its HR policies and procedures. As a result, SSC managers often self-interpret federal guidance and policies, thus creating inefficiencies.

### Recommendations and Planned Agency Corrective Actions

We recommend that the Assistant Administrator for Administration and Resources Management (1) develop a plan that establishes a baseline to measure the future program operational efficiency of HR operations; (2) establish a workgroup comprising regional and program representatives to develop a baseline level of HR support necessary for each program and regional office; and (3) review HR policies, prioritize the policies requiring updates, and update the policies with stakeholder input.

The Office of Administration and Resources Management concurred with all of our recommendations and provided acceptable corrective actions with milestone dates. The proposed corrective actions for Recommendations 1 through 3, when completed, will meet the intent of the recommendations.