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United States Government

Department of Energy

Memorandum

DATE: April 25, 2006

Audit Report No.: OAS-L-06-13

REPLY TO ATTN OF: IG-32 (A05DN003)

SUBJECT: Workforce Planning at the Power Marketing Administrations

TO: Director, Office of Human Capital Management
Administrator, Bonneville Power Administration
Administrator, Southeastern Power Administration
Administrator, Southwestern Power Administration
Administrator, Western Area Power Administration

INTRODUCTION AND OBJECTIVE

The Department of Energy's (Department) four Power Marketing Administrations (Administrations) – the Bonneville Power Administration, Western Area Power Administration, Southeastern Power Administration, and Southwestern Power Administration – account for over 4,700 employees. The Administrations market electric power produced by Federal hydropower projects. In addition, 3 of the Administrations own and operate a combined total of 34,000 miles of transmission lines that deliver power to 29 states. To provide these services, the Administrations need personnel possessing highly technical skills, including electrical engineers, public utilities specialists, and dispatchers.

The percentage of employees eligible for retirement by 2010 at the Administrations ranges from 38 to 42 percent. Consequently, the need to actively and effectively manage human capital resources is of paramount importance. According to the Office of Personnel Management and Department guidance, in order to address workforce disruptions that result from an aging Federal workforce, agencies are to prepare workforce plans that identify: (1) workforce gaps in mission-critical functions by competency and numbers of employees; (2) strategies with measurable goals and milestones for hiring, recruiting, retaining, training, and preserving institutional knowledge; and (3) a process to evaluate progress in meeting workforce needs. Moreover, the Department's Office of Human Capital Management is responsible for providing direction and oversight of human capital policies and programs to Department elements.

Effective workforce planning has been emphasized by the President's Management Agenda Government-wide Initiative on Strategic Management of Human Capital, which applies to Federal agencies. Accordingly, the objective of our audit was to determine whether the Administrations had workforce plans in place to meet their changing workforce needs.

CONCLUSIONS AND OBSERVATIONS

We found that although the Administrations had either formal or informal workforce plans, they had not completed key steps necessary to meet changing workforce needs. Specifically, of the four Administrations reviewed: three did not fully identify mission critical occupations or gaps in mission critical skills; none had consistently developed detailed action plans with quantifiable, measurable goals or milestones for filling workforce gaps; and three did not have a formal system in place for periodically reevaluating their workforce plans.

During the course of the audit, however, the Administrations initiated actions to address these key workforce planning steps. For example, the Southwestern Power Administration committed to prepare a formal workforce plan and the Bonneville Power Administration initiated a Human Capital Plan that identifies mission critical skills.

In order for the Administrations to continue to improve their workforce planning and address changing workforce needs, we suggest that each of the Administrations continue to develop their planning efforts and periodically re-evaluate progress in meeting their workforce needs. For example, during discussions on a draft of this report, Bonneville Power Administration agreed to continue implementing its Human Capital Plan, including developing more detailed workforce plans. To assist the Administrations in refining their workforce plans, we also suggest that the Office of Human Capital Management conduct a review of the Administrations' progress and provide additional guidance, as needed. In this manner, the Administrations will be more likely to maintain their operational readiness.

SCOPE AND METHODOLOGY

The audit was conducted from February 2005 to March 2006. The scope of the audit included information obtained from Fiscal Year 2001 through March 2006 on workforce planning efforts at the four Administrations and guidance and oversight from the Office of Human Capital Management. To accomplish our objective, we reviewed the Administrations' workforce planning efforts along with the applicable laws, regulations, policies, and procedures. We also interviewed personnel responsible for workforce planning at the Administrations and the Office of Human Capital Management.

We conducted the audit in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. We did not rely on computer processed data; therefore we did not conduct reliability assessments on the data. Finally, we assessed the Department of Energy's compliance with the Government Performance and Results Act of 1993, and we determined that the Office of Human Capital Management established performance measures to ensure that the Administrations are implementing the President's Initiative on Strategic Management of Human Capital.

We discussed the audit results with the Administrations and Office of Human Capital Management in April 2006. Because no formal recommendations are being made in this letter report, a formal response is not required. We appreciate the cooperation of your staff.

Fredrick G. Pieper

Fredrick Pieper, Director
Energy, Science and Environmental
Audits Division
Office of Inspector General

Attachment

cc: Deputy Secretary
Under Secretary for Energy, Science and Environment
Chief of Staff
Power Marketing Liaison Office
Bonneville Power Administration Liaison Office