



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
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MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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SUBJECT: Department of Defense Civilian Human Capital Accountability System
Policy

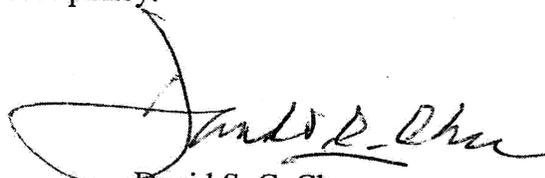
The attached policy establishes the Department's Civilian Human Capital Accountability System (CHCAS), a new program that will assess and evaluate our civilian human capital policies, programs, and practices, as well as measure our progress in meeting the goals and objectives of the DoD Civilian Human Capital Strategic Plan (CHCSP) of 2006 – 2010.

The DoD CHCAS is an enterprise-wide program that will assess and evaluate our civilian human capital management through robust data and survey analysis, Component self-assessments, and onsite visits to DoD organizations. This program will assist us in determining how well we are meeting our civilian HC goals and complying with merit system principles and other personnel laws and regulations.

The Department's CHCAS will be a valuable mechanism to identify common issues, inform policymakers, and recognize best practices that demonstrate continuous improvement. This new system also emphasizes that responsibility and accountability for effective HC management extends beyond the Department's human resources community, and includes senior leadership, managers, and employees.



This program is an important part of our Total Force management strategy, and I appreciate your support of the attached policy.



David S. C. Chu

Attachment
As stated

**DEPARTMENT OF DEFENSE
CIVILIAN HUMAN CAPITAL ACCOUNTABILITY SYSTEM
POLICY STATEMENT**

Introduction. The Department of Defense (DoD) is committed to accomplishing its mission through the strategic management of human capital (HC). The DoD Civilian Human Capital Strategic Plan (CHCSP) for 2006-2010 aligns with and supports the 2006 Quadrennial Defense Review, the DoD Human Capital Strategy and the Office of the Secretary of Defense for Personnel and Readiness (OUSD(P&R)) Strategic Plan. The DoD enterprise-wide Civilian Human Capital Accountability System (CHCAS) and the accompanying Accountability Plan is designed to assess the accomplishments as well as the effectiveness of the objectives set forth in the CHCSP. The DoD CHCAS described in this policy permits the Department to demonstrate results, promote continuous improvement, and comply with merit system principles and other laws and regulations.

1. Purpose and Scope. The DoD CHCAS is an enterprise-wide system designed to ensure effective HC management in support of CHCSP consistent with merit principles and provide a mechanism for continuous improvements. This includes responsibility for developing and implementing methodologies for measuring, evaluating, and improving HC results to ensure mission alignment, effective HR management (HRM) programs, efficient HR processes, and merit-based decision-making in compliance with laws and regulations.

2. Authority. The DoD CHCAS supports the intent of and is in compliance with 5 U. S. C. 305; Civil Service Rule X, as codified in 5 CFR 10.2; 5 CFR 250; Section 704 of the Homeland Security Act of 2002; and the National Defense Authorization Act for FY 2004. The CHCAS will be used to meet requirements for HR-related evaluations levied by the Office of Personnel Management (OPM), the Government Accountability Office (GAO), the DoD Office of the Inspector General, and others.

3. Human Capital Accountability at the Department of Defense. The DoD CHCSP for 2006-2010 establishes the Department-wide HC/HR goals and objectives necessary to carry out the civilian HC strategy. The accountability activities jointly address the goals and objectives of the DoD CHCSP as well as requirements set forth in the OPM Human Capital Assessment and Accountability Framework (HCAAF). Accountability for HC management extends beyond the human resources community to include senior Department leadership, military commanders, and managers. The Under Secretary of Defense for Personnel & Readiness (USD)(P&R)) is the Chief Human Capital Officer (CHCO) and provides overall leadership, ensures alignment between civilian human capital programs and DoD strategic direction, and advises the Secretary and Deputy Secretary on the status of HC management in the Department. The Deputy Under Secretary of Defense for Civilian Personnel Policy (DUSD)(CPP)) is the Deputy CHCO and provides leadership, guidance, and sufficient resourcing of the CHCAS. The Deputy CHCO and the Civilian Personnel Policy Council (CPPC) provide guidance on Department-wide application of the CHCAS. The Civilian Personnel Management Service (CPMS) is delegated responsibility to operate, monitor, and evaluate the CHCAS. Implementation of improvements and/or corrective actions identified through the CHCAS process will be the responsibility of the HC/HR

director for the affected Component. CPMS will monitor and oversee all identified Component specific improvements and/or corrective actions. The Department's performance management system ensures that the performance of executives, managers, supervisors, and employees is aligned with strategic goals and objectives, and that they are held accountable for individual and organizational performance as appropriate.

4. Roles and Responsibilities.

Senior Department Officials. The Secretary and Deputy Secretary, along with the Military Service Secretaries, Under Secretaries, Assistant Secretaries of Defense, Directors of Defense Agencies, Directors of DoD Field Activities and equivalents provide leadership and establish strategic direction for the management of civilian human capital within the Department.

Chief Human Capital Officer. The USD(P&R) is the DoD CHCO and provides overall direction and guidance in support of strategic management of human capital for the Department. The USD(P&R) develops and implements the Department's HC strategy - which serves as the foundation and direction for the development and implementation of the Civilian Human Capital Strategic Plan and the DoD Civilian Human Capital Accountability System.

Deputy Chief Human Capital Officer. The DUSD(CPP) serves as the Deputy CHCO, provides corporate leadership in civilian human resources and is the civilian HR policy focal point for the Department. The Deputy CHCO is responsible for development, implementation, and evaluation of HC and HR strategies, plans, policies, and programs for the civilian workforce - to include development and implementation of an accountability system that ensures compliance with the direction established by the CHCO and with guidance and requirements from OPM. The Deputy CHCO also works with the Components to ensure accomplishment of strategic HR activities and compliance with laws and regulations. The Deputy CHCO advises the CHCO with respect to both strategic and operational management of civilian human capital within the Department and ensures alignment with Departmental strategic goals and objectives.

Assistant Secretaries for Manpower & Reserve Affairs (M&RA). Each Assistant Secretary for M&RA is responsible for providing the strategic oversight and integration necessary to support implementation of the accountability system within their military component. They are advocates for ensuring sufficient resources are available to implement and support the CHCAS within their military component.

Civilian Personnel Policy Council. The CPPC is chaired by the Deputy CHCO. Its membership consists of senior leaders from the Department's civilian HR community, representing the Military Services and other DoD Agencies and Field Activities. The CPPC ensures that the DoD and Component civilian HC strategic plans support the CHCSP and Federal merit system principles and assists in the enterprise-wide implementation of the CHCAS.

Civilian Personnel Management Service. CPMS is responsible for facilitating the development, implementation, execution, and evaluation of the DoD CHCSP and CHCAS. CPMS works with the CPPC and other working groups to ensure the Accountability Plan aligns with Department policy and guidance, and contributes to the effectiveness and efficiency of the

CHCAS. CPMS organizational elements provide data and policy information on the implementation and maintenance of the CHCAS. In addition, CPMS retains overall responsibility for the operational assessment of all HRM programs within DoD.

Accountability Program Manager (APM). The APM is the Chief, Accountability & Evaluation Division, CPMS. The APM is responsible for the development and maintenance of the CHCAS and is the focal point for executing accountability activities and methodologies, resources, and reporting requirements. The APM develops the DoD Annual Accountability Report in conjunction with accountability activities input and data analysis from other DoD organizations.

Human Capital Practitioners. HC directors of the DoD Components, and their subcomponent directors and practitioners are accountable for efficient, effective, and compliant civilian human capital management within their organizations. They are responsible for ensuring full cooperation in HC accountability reviews and activities, and for responding to assessment findings through implementation of corrective actions and/or recommended improvements.

Managers. Managers and supervisors - civilian and military - at all levels support and contribute to human capital accountability through adequate resourcing of HC programs and initiatives, compliance with merit system principles, and establishment and communication of clear performance expectations for subordinates. Managers will encourage full participation in HC assessment activities such as surveys, focus groups, and site visits, and will work collaboratively with their HC practitioners to enhance strategic and operational management of HC within their own organizations and throughout DoD.

5. Accountability System. The following objectives describe the intent and desired outcomes of the CHCAS:

- to ensure HC goals, objectives, programs, and initiatives are aligned with and support the DoD mission;
- to ensure HC planning and execution is guided by a data driven, results-oriented process using a multi-faceted approach to analyzing and documenting a wide variety of HC information and data;
- to periodically assess progress or results toward achievement of HC goals and objectives
- to facilitate continuous enhancement and improvement of strategic and operational HC and HR management within DoD;
- to ensure DoD managers and HR practitioners are held accountable for their HC decisions and actions;
- to ensure DoD programs and policies adhere to merit system principles and other pertinent laws and regulations;
- to assess periodically, the effectiveness, efficiency, and compliance of the HRM function; and
- to implement a plan for addressing issues or problems identified during accountability audits and other accountability activities.

The DoD CHCAS relies on the successful collaboration among the various accountability activities to assess the extent to which HC goals and objectives are met. Accountability activities cover all HC implementation systems (Talent, Performance Culture, and Leadership/Knowledge Management) including assessments of mission alignment, program effectiveness and efficiency, and merit system compliance. The findings of these accountability activities document the extent to which HC goals are met, are benchmarked against key performance indicators for the implementation systems, and drive continuous improvement in HC initiatives, HRM programs, and HR processes.

6. Agency Accountability Activities and Methodology. The DoD CHCAS uses a myriad of accountability activities to evaluate the Department's management of human capital. The DoD Accountability Plan specifically addresses how accountability activities are integrated within the overall accountability system and OPM's participation in accountability reviews. The Accountability Plan includes activities and methodologies such as program evaluations, employee surveys, focus groups and interviews, on-site audits, Component self-assessments, analysis of HR metrics and data, and reviews of HR transactions and records. These activities and methodologies are incorporated into a four year schedule to provide a comprehensive and detailed assessment of HC and HR management and operations. Activities and measures will serve multiple purposes, thus reducing duplicative effort. The annual findings of these accountability activities will be used to correct any weaknesses and deficiencies and shape future changes to the HC Plans, goals, and objectives, HR programs and processes and the accountability system. The Accountability Plan will be reviewed and updated annually as necessary.

7. Reporting and Corrective and Improvement Action. The APM prepares an annual HC Accountability Report that incorporates the findings from accountability activities completed throughout the year and the resulting actions taken to improve HC initiatives, HRM programs/processes, and to increase the functionality of the accountability system. Best practices identified through program evaluation, accountability reviews, and Component self assessments are reported and tracked as part of overall CHCAS. Systemic and non-systemic violations identified through this process will be surfaced to the HC/HR director of the Component under review, the CPPC, and/or the Deputy CHCO as necessitated by the scope, impact, and frequency of the violation(s). Case violations identified during accountability activities that involve potential prohibited personnel practices will be referred to appropriate oversight agents such as the Office of Inspector General, the Office of Special Counsel, or OPM. Monitoring of corrective actions will be accomplished as part of the normal CHCAS process, with specific consequences and actions determined by the component and the Deputy CHCO based on the scope, impact, and frequency of the violation. CPMS will oversee timely completion of audit reports, including those with required and recommended actions as appropriate. In addition, CPMS will monitor and track the completion of the specific required and recommended actions based on the written response produced by the HC/HR director of the Component being reviewed. Reporting timelines will be outlined in the Accountability Plan. Regular updates will be provided to the Deputy CHCO and to the CPPC as appropriate.

8. Evaluation of Agency Accountability System. The CHCAS provides metric-based feedback to future strategic planning, enabling the CHCSP goals and CHCAS activities to be annually reviewed and updated as necessary. The annual evaluation ensures that the following year's accountability activities address up-to-date HC goals, with appropriate measures to track the Department's mission alignment, effectiveness, efficiency, and merit system compliance. This endeavor will assure all designated officials and organizations meet their accountability responsibilities. Results of the DoD Annual HC Accountability Report will be submitted to OPM for assessment of the accountability system and shared with the USD (P&R), the CPPC, and the HC/HR directors of DoD Components and subcomponents as appropriate.