

OMB CIRCULAR NO. A-11

PART 6

PREPARATION AND SUBMISSION OF STRATEGIC PLANS, ANNUAL PERFORMANCE PLANS, AND ANNUAL PROGRAM PERFORMANCE REPORTS



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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**SECTION 200—OVERVIEW OF STRATEGIC PLANS, PERFORMANCE BUDGETS, AND
PERFORMANCE AND ACCOUNTABILITY REPORTS**

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200.1 Overview.

Strategic plans, annual performance plans, and annual program performance reports comprise the main elements of the Government Performance and Results Act (GPRA, or the Results Act). Together, these elements create a recurring cycle of reporting, planning and execution. Performance measures included in these plans should be consistent with those used in PART assessments.

Agencies should prepare performance budgets in lieu of the annual performance plans that satisfy all statutory requirements for the annual performance plan. Please see sections [51](#) and [220](#) for further information on performance budgets. Sections [26](#) and [230](#) cover the preparation and submission of annual performance reports, which are included in the performance and accountability report (PAR).

200.2 Definitions.

Strategic Goal or Strategic Objective. A statement of aim or purpose included in a strategic plan (required under GPRA). In a performance budget/performance plan, strategic goals should be used to group multiple program outcome goals. Each program outcome goal should relate to and in the aggregate be sufficient to influence the strategic goals or objectives and their performance measures.

Performance Goal. A target level of performance over time expressed as a tangible, measurable objective, against which actual achievement can be compared. A performance goal is comprised of a performance measure with targets and timeframes.

Performance Measures. Indicators, statistics or metrics used to gauge program performance.

Target. Quantifiable or otherwise measurable characteristic that tells how well or at what level a program aspires to perform.

Outcome Measures. Outcomes describe the intended result of carrying out a program or activity. They define an event or condition that is external to the program or activity and that is of direct importance to the intended beneficiaries and/or the public. For a tornado warning system, outcomes could be the number of lives saved and property damage averted. While performance measures must distinguish between outcomes and outputs, there must be a reasonable connection between them, with outputs supporting (i.e., leading to) outcomes in a logical fashion.

Output Measures. Outputs describe the level of activity that will be provided over a period of time, including a description of the characteristics (e.g., timeliness) established as standards for the activity. Outputs refer to the internal activities of a program (i.e., the products and services delivered). For example, an output could be the percentage of warnings that occur more than 20 minutes before a tornado forms.

Efficiency Measures. While outcome measures provide valuable insight into program achievement, more of an outcome can be achieved with the same resources if an effective program increases its efficiency. The President's Management Agenda (PMA) encourages agencies to develop efficiency measures. Sound efficiency measures capture skillfulness in executing programs, implementing activities, and achieving results, while avoiding wasted resources, effort, time, and/or money. Simply put, efficiency is the ratio of the outcome or output to the input of any program.

Program Assessment. A determination, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

Performance Budget. A budget presentation that clearly links performance goals with costs for achieving a target level of performance. In general, a performance budget links strategic goals with related long-term and annual performance goals (outcomes) as well as with the costs of specific activities to influence these outcomes about which budget decisions are made.

For additional information on developing performance measures and definitions, please see www.whitehouse.gov/omb/part/ for Instructions for Completing the PART, Examples of Performance Measures, and Performance Measurement Challenges and Strategies.

200.3 Applicability.

For the purposes of sections 220 and 230 of this Circular, "agency" means cabinet departments and other establishments of the Federal Government, including independent agencies and Government corporations.

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A Government corporation is a corporation owned or controlled by the Federal Government. The Legislative Branch and the Judiciary are not subject to GPRA requirements.

Except as noted below, agencies are required to submit strategic plans, annual performance budgets, and annual performance and accountability reports to the President, Congress, and OMB in accordance with these instructions. The Central Intelligence Agency and the Postal Rate Commission are not subject under this statute to the requirements for strategic plans, annual performance plans, or program performance reports. These instructions also do not apply to the Postal Service; preparation and submission of the Postal Service's strategic plan and performance plan are covered by section 7 of GPRA.

OMB may exempt independent agencies with \$20 million or less in annual outlays from the requirements for a strategic plan, annual performance plan (performance budget), and annual program performance report. GPRA does not authorize any exemption of a component of a department or independent agency, such as a bureau or office that annually spends \$20 million or less.

SECTION 210—PREPARING AND SUBMITTING A STRATEGIC PLAN

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210.1 Preparing a strategic plan: The main elements

The basic requirements for strategic plans are set forth in Section 3 of the Government Performance and Results Act (GPRA). A strategic plan contains the following elements:

- **Agency mission statement.** A mission statement is brief, defines the basic purpose of the agency, and corresponds directly with the agency's core programs and activities. An agency's program goals should flow from the mission statement.
- **One or more strategic goals.** Also termed "general goal," a strategic goal is a statement of aim or purpose that defines how an agency will carry out a major segment of its mission over a period of time. The goal is expressed in a manner which allows a future assessment to be made of whether the goal was or is being achieved. Most strategic goals will be outcomes, and are long-term in nature. In a performance plan (performance budget), strategic goals should be used to group multiple program outcome goals; the program outcome goals should relate to and in the aggregate be sufficient to influence the strategic goals or objectives and their performance measures.
- **A description of the means and strategies that will be used to achieve the goals.** The agency strategic plan must describe the processes, skills, technologies, and various resources that will be used to achieve the strategic goals. (These are often called "means and strategies.") These may include:
 - ▶ Operational processes, such as changes in work methods or sequencing, workforce adjustments, and shifts in responsibility for particular tasks;
 - ▶ Staff skills, and the development, introduction, and use of technologies; and
 - ▶ Human resources, capital assets, information technology, and other resources.

Descriptions should be brief. More detailed data should be provided if a significant change in a particular means or strategy will be essential for goal achievement.

- **A description of the relationship between annual program performance goals to the agency's strategic goal framework.** An updated and revised strategic plan should briefly outline:
 - ▶ The type, nature, and scope of the performance goals being included in annual performance budgets, and
 - ▶ How these annual performance goals relate to the strategic goals, and their use in helping determine the achievement of the strategic goals. The Program Assessment Rating Tool

(PART) process serves to ensure that annual performance goals have ambitious targets and are measurable. Also, the PART process clarifies the relationship among strategic, long term and annual performance goals.

- **Identification of key factors that could affect achievement of the strategic goals.** If key factors (external to the agency) cannot be identified, a statement of such should be included in the plan. Achievement of strategic goals can be affected by certain previously prospective conditions or circumstances occurring during the time period covered by the plan. These conditions are identified in the plan as key factors, and provide insight on the assumptions an agency used when defining its goals. Key factors may enhance or nullify these assumptions and the likelihood of goal achievement. Goal achievement may also be predicated on certain conditions (events) not happening. Key factors are often called external factors, as they are introduced by external forces or parties, and are not of the agency's own making. The factors may be economic, demographic, social, or environmental, and they may remain stable, change within predicted rates, or vary to an unexpected degree. Achievement of goals can also depend on the action of the Congress, other Federal agencies, States, local governments, or other non-Federal entities.
- **A description of program evaluations used in preparing the strategic plan, and a schedule for future evaluations.** A description of completed program evaluations that were used in developing the strategic plan, and a schedule for future program evaluations. For additional information on program evaluations, see Questions 2.6 and 4.5 in the PART guidance, at http://www.whitehouse.gov/omb/part/fy2006/2006_guidance_final.pdf and http://www.whitehouse.gov/omb/part/2004_program_eval.pdf.

An agency's strategic plan keys on those programs and activities that carry out the agency's mission. Strategic plans will provide the overarching framework for an agency's performance budget. Revisions of a strategic plan will focus on developing a performance budget, updating performance measures and targets, and implementing PART improvement plans (also known as follow-up actions).

Strategic plans should guide the formulation and execution of the budget. A strategic plan is a tool to be used in setting priorities and allocating resources consistent with these priorities. A strategic plan is not a budget request; the projected levels of goal achievement must be commensurate with anticipated resource levels.

See section [200.2](#) for further definitions of "strategic goal," "performance goal," "performance measures," "targets," and "performance budget."

210.2 Preparing a strategic plan: Format and other features

No specific format is prescribed for your strategic plan. An updated strategic plan is a complete plan, containing all required plan elements.

Your plan should outline the process for communicating goals and strategies throughout the agency, and for assigning accountability to managers and staff for goal achievement. The nature and dimension of your management-related initiatives and reforms may merit the inclusion of a management section in your strategic plan. An agency may describe significant risks that threaten achievement of the strategic goals. These risks are associated with internal agency operations and functions, and are separate and distinct from external factors.

If appropriate, include a classified appendix. A classified appendix covers any material specifically authorized under criteria established by an Executive Order, to be kept secret in the interest of national defense or foreign policy.

A strategic plan must cover the major functions and operations of your agency. You have discretion to omit support-type activities and operations. Strategic plans prepared primarily for your agency's internal use (such as those prepared at a program or component-unique level) may cover a greater range of functions and operations.

You should develop a single agency-wide plan. The strategic planning process is sufficiently mature in all agencies to support preparation of a single agency-wide plan. However, GPRA does allow an agency with widely disparate functions to prepare several strategic plans for its major components or programs. In these instances, an overview that brings together the component plans is prepared. Please consult with the appropriate OMB office and secure its approval if your agency will be unable to prepare a single agency-wide plan.

A strategic plan spans a minimum six-year period: the fiscal year it is submitted and at least five years forward of that fiscal year. (For example, a plan submitted in FY 2007 would cover FY 2007 through FY 2012.) A plan may be for a period longer than six years; for example, containing a project completion goal ten years in the future. A strategic plan, while covering a minimum six year period, is only current for three years.

210.3 Submission of strategic plans

(a) Timing of strategic plan submissions.

An agency submits an updated and revised strategic plan to the Congress and OMB within three years of submitting its previous strategic plan. An updated plan will often retain, unchanged, the elements of a previous strategic plan, such as the mission statement.

Consistent with current policy and practice regarding interagency clearance of certain material being sent to the Congress, agencies should provide OMB with an advance copy of an updated strategic plan at least 45 days prior to the date for transmitting the plan to the Congress and making it available to the public.

(b) Consultation and outreach

When preparing a strategic plan, agencies must consult with the Congress and solicit and consider the views of interested and potentially affected parties. Consultation could include hosting public meetings on the draft plan and posting the draft plan on the internet and inviting comment. This consultation and outreach may result in contrary views being expressed.

(c) Transmittal of plans to the Congress and OMB.

The plan is transmitted to the Congress and OMB by the agency head. Transmittal letters are addressed to the Speaker of the House of Representatives, the President and the President pro tempore of the Senate, and the Director of OMB. Distribution is also made to relevant committees of the Congress. The letter transmitting the agency strategic plan to the Congress includes a summary of the consultation and outreach processes, and any contrary views that resulted.

GPRA states that the preparation of a strategic plan is an inherently governmental function, and the plan is to be drafted only by Federal employees. However, when preparing a plan, agencies may be assisted by non-Federal parties, such as consultants or contractors. The transmittal should include an acknowledgment and brief description of the contribution by a non-Federal entity in preparing the plan.

Strategic plans are a matter of public record, so the public should be afforded the opportunity to access the completed plan. Your agency should place the strategic plan on its website, or make it available through other electronic media, generally, a strategic plan should become publicly available when the plan is transmitted to the Congress.

210.4 Interim adjustments to strategic plans

(a) *Scope of interim adjustments.*

You may make minor adjustments to a strategic plan in advance of the three-year revision cycle. Adjustments can include changes to the strategic goals, the means and strategies used to achieve the goals, the key external factors, or the program evaluation schedule. Modifications may reflect altered circumstances or evaluations of program performance. Interim adjustments are selective and do not produce widespread changes in a plan. You need not consult with the Congress, or conduct outreach to potentially interested or affected parties when preparing interim adjustments.

Significant changes to your strategic plan are made using the more extensive update process, even if this accelerates the three-year revision cycle. Consultation requirements apply in these instances. Interim adjustments, on the other hand, do not alter the three-year revision cycle for strategic plans.

(b) *Transmittal of interim adjustments.*

Interim adjustments do not require a formal transmittal. Append an interim adjustment to your budget submission as a separate, easily found section, and present only the adjustments, not the entire strategic plan. The interim adjustments should be included both in the performance budget sent to OMB in September, and in the performance budget (congressional justification) sent to the Congress in February. You should distribute, or otherwise make publicly available, the interim adjustments so readers can reference or review the most current strategic plan content.

SECTION 220—PREPARING AND SUBMITTING PERFORMANCE BUDGETS

(a) *In general.*

Agencies will prepare a performance budget, which fully integrates the annual performance plan required by the Government Performance and Results Act (GPRA) with other elements of the agency budget request, for submission to OMB in September and then to the Congress in February as part of the congressional justification. *Your agency should consult with relevant congressional appropriations committees* to ensure their support for modifications to the format, including the use of PART findings and other performance information to justify your budget.

(b) *What is in a performance budget?*

A performance budget is a presentation that clearly explains the relationship between performance goals and the costs for achieving targeted levels of performance. In general, a performance budget links strategic goals with related long-term and annual performance goals and with the costs of specific activities that contribute to the achievement of those goals.

A performance budget starts from an overview of what the agency intends to accomplish in the budget year. For each strategic goal, the overview would provide background on what has been accomplished, analyses of the strategies the agency uses to influence outcomes and how they could be improved, and analyses of the programs that contribute to that goal, including their relative roles and effectiveness, using information from Program Assessment Rating Tool (PART) assessments when available. The overview should include expected outcomes for each strategic goal, and performance targets for the supporting programs. It should summarize how the agency expects to manage the "portfolio" of programs for each strategic goal together to maximize the larger strategic outcome.

Because the plan will be incorporated into the performance budget, a separate annual performance plan is not needed to satisfy GPRA requirements. (See section [200](#) for further definitions of performance terms.)

The remainder of the budget may be presented by bureau or other organization, but each entity should start by analyzing its contributions to strategic goals, followed by a detailed analysis of supporting programs, based on PART and other performance information whenever possible. Your budget request should be justified on the basis of resources needed to make planned progress toward the strategic goals.

The resources requested for each program should be the amount needed to achieve the target levels for the performance goals for the program. At a minimum, resources are aligned at the program level within this framework, and agencies are encouraged to align resources at the performance goal level. Resources should be fully costed, with centrally funded administrative services and support costs allocated to the each program.

The performance budget also includes other information needed to justify the agency budget request. Section [51](#) specifies the basic justification requirements for the performance budget sent to OMB. Your agency's congressional committees may require additional information for the justification of the performance budget submitted to the Congress.

Best practice shows that good performance budgets are often shorter than the sum of the previous plan and budget volumes. They are more analytical and add value by explaining the relationships between past and future performance and budget cost. They explain what results the agency aspires to achieve with requested resources.

(c) *What performance data should be included in the performance budget?*

The performance budget includes performance goals (performance measures with targets and time frames) that meet the standards of the PART – goals should be outcome-oriented and targets should be ambitious, that is, they must be set at a level that promotes continuous improvement. When the performance budget discusses programs that have been assessed with the PART, the performance goals included for those programs should be the same ones included in the PART. Due to varying levels of detail, every performance measure documented in an agency's PARTs does not need to be included in the agency's performance budget. See PART guidance for information on selecting performance measures at http://www.whitehouse.gov/omb/part/fy2006/2006_guidance_final.pdf.

The performance budget displays up to six years of data for every performance goal, including for the budget year, current year, past year, and three additional past years of data. Only three years of resource data are required. Agencies need not include historical performance data for newly established goals.

As noted in section [51](#), the means and strategies the agency intends to use to help achieve the performance goals should also be included.

The performance information (measures and actual data) included in the PARTs, PART summaries and congressional justifications will need to be updated to reflect 1) the most recent performance information available (most likely FY 2006 actuals), 2) any necessary adjustments to FY 2007 performance targets to make them consistent with FY 2006 appropriations, and 3) the budgetary resources and associated performance targets corresponding to the President's Budget.

It is also helpful for the performance budget to include an addendum that lists and explains changes in performance measures as compared to the prior year's performance budget.

(d) *How does the performance budget relate to the strategic plan and the annual performance and accountability report?*

The performance budget is organized as a hierarchy of goals structure like the agency's strategic plan. At the top of the pyramid are strategic goals, which are statements of aim or purpose that are set out in the agency strategic plan. Several agency programs may contribute to achievement of a strategic goal. If programs in different agency components contribute to the same strategic goal, the performance budget should describe how a portfolio of inter-agency programs will help attain the broadly stated aims of a strategic goal.

For each strategic goal, there are usually several outcome goals, and for each outcome goal, there typically are several output goals. The outcome and output goals for programs are the performance measures and targets validated through the PART process and included in the performance budget.

The annual performance report presents information on how well the agency achieved the target levels for its goals in the past year. Some of this past year information is included in the performance budget with the data for program performance measures and targets. All agencies will prepare an annual performance and accountability report (PAR) that satisfies all of the past-year requirements for the annual performance report. (See sections [26](#) and [230](#) for more information on the performance and accountability report.)

Therefore, the strategic plan, performance budget and performance and accountability report together satisfy the GPRA requirements for a strategic plan, annual performance plan and annual performance report.

(e) *Ensuring that the performance budget is publicly available.*

Release of the performance budget and agency justification and underlying materials concerning presidential decisions must be done in accordance with the requirements of section [22](#). After the performance budget is submitted to the Congress, it should be made available to the public on an agency's website.

SECTION 230—PREPARING AND SUBMITTING THE PERFORMANCE PORTION OF THE PERFORMANCE AND ACCOUNTABILITY REPORT

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230.1 Preparing the performance and accountability report.

(a) *In general.*

The annual performance report required by GPRA provides information on your agency's actual performance and progress in achieving the goals in your strategic plan and performance budget.

Agencies prepare one annual performance report for a fiscal year. This report is the performance portion of your agency's Performance and Accountability report (PAR). If program performance data for the fiscal year is incomplete or estimated in that year's report, updated information may be included in the performance budget and a subsequent year's annual report as it becomes available.

(b) *Format.*

There is no prescribed format for the annual report. Agencies are encouraged to include, from the strategic plan, a summary of the mission statement and general goals and objectives.

(c) *Combining the annual performance report and the annual accountability report.*

Together, the Chief Financial Officers Act and the Accountability of Tax Dollars Act require all agencies to prepare an audited financial statement. OMB Circular A-136 Financial Reporting Requirements requires agencies to combine the program performance report with the financial statement and accountability report. Information on preparing the program performance portion of the report is included below. See <http://www.whitehouse.gov/omb/circulars/a136/a136.html> for further information on the accountability report component of the PAR.

The combined PAR that covers FY 2006 is to be transmitted to the President, Congress, and OMB not later than November 15, 2006. Agencies should provide the draft PAR to OMB for review and clearance at least 10 days before the due date. Program performance information is not subject to new or additional audit requirements as a consequence of its being combined with the accountability report or the financial statement.

230.2 What does the annual program performance report contain?

(a) *Required elements.*

Your annual report must include the following elements:

- A comparison of actual performance with the projected (target) levels of performance as set out in the performance goals in your annual performance budget (or your annual performance plan for fiscal years prior to FY 2006);
- An explanation, where a performance goal was not achieved, for why the goal was not met;
- A description of the plans and schedules to meet an unmet goal in the future, or alternatively, recommended action regarding an unmet goal where you have concluded it is impractical or infeasible to achieve that goal;
- An evaluation of your performance budget for the current fiscal year, taking into account the actual performance achieved;
- An assessment of the reliability and completeness of the performance data included in the report; and
- Actual performance information for at least four fiscal years.

(b) *Comparing actual performance to performance goal target levels.*

The annual report must state the actual performance for every performance goal in your annual performance budget (or, as applicable, your performance plans for FY 2004 and 2005), even if the goal was discontinued after that fiscal year. Actual performance is reported as it occurred during the fiscal year covered by the report. For some programs, this performance may have resulted from spending prior year monies during the fiscal year.

The annual report matches actual performance to the corresponding performance criteria set the previous year. If an alternative form (i.e., a non-quantified measure) was used to define a performance goal, the description of actual performance must allow an accurate, independent determination to be made of whether such performance met the criteria specified, or how it otherwise compared to the goal as stated.

At the time a PAR is sent to the President and the Congress, actual performance information may not be available, or the available information may be incomplete or preliminary. The annual report should identify those performance goals where actual performance information is missing, incomplete, preliminary, or estimated. For such goals, the annual report should indicate the approximate date when actual performance information, sufficient to make an accurate comparison with performance goal target levels, will be available. Once available, the actual performance information and the comparison between actual and target performance is included in the performance budget and subsequent annual PAR.

(c) *Providing an explanation for non-achievement of a performance goal.*

If a performance goal was not achieved, your annual report must explain why it was not met. There are two types of explanation: specific and generic.

A specific explanation is included if goal non-achievement is significant and material. A specific explanation should show an understanding of why a performance shortfall occurred, and the consequences. The specific explanation should also support actions you are taking to eliminate or reduce future shortfalls for this goal.

Agencies may apply the following criteria when determining if a specific explanation is required. A specific explanation should always be provided if:

- The manager(s) of the program, activity, or component experiencing a performance shortfall alerts or informs senior agency officials about actual performance levels, and the implications of these levels on overall program accomplishment; or
- The manager(s) took or is taking substantive action to address the shortfall in performance; or
- Performance levels for future years are being adjusted downward to reflect actual performance levels; or
- Outside parties will likely conclude that the non-achievement was significant and material.

A generic explanation is provided if the difference between the goal target level and actual performance is slight. An agency may use the following language for its generic explanation: “The performance goal was set at an approximate target level, and the deviation from that level is slight. There was no effect on overall program or activity performance.”

If actual performance data shows that a goal was not met, but the explanation for why the goal was not met or a description of steps being taken to meet the unmet goal in the future cannot be completed by the time of transmittal; then the data are included in the report and marked as preliminary. The following year's annual report will include the data and the deferred explanation and next steps.

(d) *Agency plans and schedules for improving program performance.*

All programs should work to become more effective and efficient and the annual program performance report should describe the agency's efforts to improve its performance.

The Program Assessment Rating Tool (PART) helps agencies identify their strengths and weaknesses so that they can focus their efforts to improving program performance. In response to a PART assessment, the agency commits to follow-up actions it will take to improve the program. The annual program performance report should describe the status of these actions and their impact on improving program performance. To streamline reporting, follow-up actions to PART assessments may be grouped together by subject for general discussion in lieu of providing a detailed accounting of each follow-up action. For instance, several programs may be working to measure and improve their efficiency.

Additionally, in cases where a program failed to meet a performance target, the annual program performance report should provide a specific explanation, as well as describe the actions the agency is taking to achieve the goal in the future along with associated timelines. The description of future actions should be limited to those which can be achieved with existing resources. If future actions are dependent on funding or policy changes to be proposed in the President's Budget, they should be discussed in the performance budget, not in the PAR.

An agency may conclude, based on actual performance, that a performance goal cannot be achieved in the future. For such goals, the annual should explain the basis for this conclusion and identify what course of action the agency will take. For instance, an agency may adjust its performance targets consistent with recent actual performance or delete a goal that is no longer appropriate or relevant.

(e) *Assessing the completeness and reliability of performance data.*

The Reports Consolidation Act of 2000 specifies that the transmittal letter for annual performance reports contain an assessment of the completeness and reliability of the performance data included in it. The assessment describes any material inadequacies in the completeness and reliability of the data, and any actions the agency can take and is taking to resolve the inadequacies.

The performance data in a performance and accountability report is considered complete if:

- Actual performance is reported for every performance goal and indicator in the performance budget (performance plan), including preliminary data if that is the only data available when the PAR is sent to the President and the Congress; and
- The agency identifies in the PAR any performance goals and indicators for which actual performance data are not available or only preliminary data or estimates are available at the time the report is transmitted, and notes that the performance data will be included in a subsequent annual report. (Agencies are encouraged to pre-announce expected lags in the reporting of performance data in their performance budgets.)

Performance data need not be perfect to be reliable, particularly if the cost and effort to secure the best performance data possible will exceed the value of any data so obtained. Agencies must discuss in their assessments of the completeness and reliability of the performance data any limitations on the reliability of the data. Additionally, agencies should discuss in their PARs efforts underway to improve the completeness and reliability of future performance information as well as any audits, studies, or evaluations that attest to the quality of current data or data collection efforts.

Material inadequacies are those that significantly impede the use of program performance data by agency managers and government decision-makers. The PAR should indicate whether any challenges identified by the IG office are material inadequacies. The annual report should also identify any performance goals for which the available performance data are materially inadequate, along with a brief reason for why the data are inadequate. The annual report should briefly cite any actions being taken by the agency to remedy a material inadequacy.

The Reports Consolidation Act also requires that the PAR include a summary of the agency's most serious management and performance challenges, as identified by the Inspector General (IG) office, and the agency's progress in addressing those challenges.

(f) Coverage of programs assessed using the Program Assessment Rating Tool (PART).

OMB is assessing the effectiveness of Federal programs using the PART. The performance and accountability report includes information on program assessments completed and made public at the time the PAR is released.

The PART information in the performance and accountability report should be updated to reflect actual performance for the fiscal year, including any actions taken on PART recommendations. The PART information may also cover actions taken to affect the program and its performance in the succeeding fiscal year. Please note that the succeeding fiscal year is the current year (CY) column in the upcoming budget, not the budget year (BY); so the FY 2006 report will include actual performance for FY 2005 and actions taken to affect performance in FY 2007 as submitted in the 2007 Budget. (Any discussions that would contain information about the President's decisions for the 2008 Budget should only be included in the performance budget, not the performance and accountability report; see item (d).)

(g) Evaluating performance goal levels in the performance budget relative to actual performance.

As you prepare your annual report, the performance information you collect may be used to make further adjustments to the upcoming budget. You may do so if actual performance information is available near the end of the fiscal year covered by the annual report. These adjustments are made at the time a congressional justification incorporating the performance budget is prepared. The performance budget and following year's annual report should identify every change to performance goals that were made in the performance budget that primarily stemmed from this assessment of actual performance.

(h) *Fiscal year coverage.*

Your annual reports for fiscal year 2006 and future years should include actual performance information for the fiscal year covered by the report, and as well as prior fiscal years. Actual performance information for more than three prior fiscal years may be included if it will be useful in reviewing performance trends. You may cease reporting actual performance information for prior years for any goal that is discontinued prior to the fiscal year covered by the report.

Comparisons between actual performance and performance goal target levels are not included for prior fiscal years, unless the comparison was deferred because the performance data in a prior year's annual report was unavailable or the analysis was incomplete.

(i) *Including performance information from the PAR in the performance budget.*

The November 15 transmittal date for the PAR precedes the transmittal of the President's Budget. Potentially, this may require the agency to omit certain information from the PAR, as it would be considered to be privileged and cannot be publicly released prior to transmittal of the President's Budget.

(j) *Other elements and features of an annual report.*

These elements and features may selectively apply to your agency. Omit any that do not apply from your annual report.

Program evaluations. Your report includes a summary of the findings and recommendations of the program evaluations completed during the fiscal year. If no evaluations were completed, the report should note such. For more information on program evaluations, see question 2.6 of the PART guidance at http://www.whitehouse.gov/omb/part/fy2006/2006_guidance_final.pdf.

Information on use of non parties. GPRA states that preparation of an annual report is an inherently government function. Your report should include an acknowledgment of the role and a brief description of any significant contribution made by a non-Federal entity in preparing the report.

Classified appendices not available to the public. An agency with a classified appendix for its annual performance budget may also prepare a similar classified appendix for its annual report. Agencies should not need to prepare a non-public appendix for certain law enforcement or revenue collection activities in their annual report. Retrospective reporting of actual performance for these activities should not interfere with achieving current or future goals for the same activities. However, if an agency believes that reporting of actual performance will impede current or future goal achievement, a non-public appendix may be prepared. The agency should contact its OMB representative for approval prior to preparing such an appendix.

Budget information. In your annual report, you should include relevant budget information, consistent with the obligation amounts shown in the *Budget Appendix*, for the fiscal year covered by the report. The annual report does not present comparisons between the amounts originally requested for a fiscal year and the amounts actually obligated.

230.3 Sending the annual program performance report to the President and Congress.

Performance and accountability reports are sent to the President and Congress and the Director of OMB. The report must be transmitted by the head of the agency. An agency may add other signatories, such as the Chief Financial Officer, to the transmittal of a PAR, thus recognizing a shared responsibility within the agency for the performance reported and any future performance commitments. The due date for the FY 2006 PAR is November 15, 2006.

SECTION 230—PREPARING AND SUBMITTING THE PERFORMANCE PORTION OF THE PERFORMANCE AND ACCOUNTABILITY REPORT

Transmittal letters to Congress are addressed to the Speaker of the House of Representatives and the President and President pro tempore of the Senate. Copies of the congressional transmittal are sent to the chairmen and ranking minority members of the budget committees, relevant authorization and oversight committees, appropriation subcommittees, and the chairman and ranking minority member of the Senate Committee on Homeland Security and Governmental Affairs and the House Government Reform Committee. Agencies should print only limited copies of the full PAR for official distribution. Agencies are encouraged to develop a brief highlights version of the annual PAR, which presents key findings and relevant financial and performance data, including summary PART results. Agencies should prepare the highlights document in a manner and writing style appropriate for the general public. Agencies may find it useful to prepare a PAR highlights with a CD of the entire PAR document included as an alternative to distributing numerous printed copies of the entire PAR document.

The information included in the PAR should be retrospective only; prospective discussions including information about the President's decisions for the upcoming budget should only be included in the performance budget, not the PAR. Since only retrospective components are included in the PAR, the PAR may be made available to the public upon transmittal to the President and the Congress, in accordance with section [22](#).