

**Environmental Protection Agency
Washington, D.C.**

The mission of the Environmental Protection Agency is to protect human health and the environment on behalf of their primary customer, the American people. EPA's Office of the Chief Financial Officer (OCFO) facilitates achievement of the Agency's mission by developing and managing EPA's strategic and annual planning, budgeting, and performance and accountability efforts.

The Environmental Protection Agency has fully embraced the concept of budget and performance integration. They have submitted a fully integrated agency annual performance plan and budget since fiscal year 1999. Since then, they have matured their approach and implemented several program initiatives to enhance their budget and performance integration.

EPA has developed a management system to ensure that they focus, as an agency, on the specific objectives identified in their strategic plan and annual performance plans. Specifically, the Deputy Administrator and the Chief Financial Officer meet individually with each of the Agency's "goal teams" made up of senior managers from each office contributing to each strategic goal. They discuss the benefits of achieving specific objectives, discuss multi-year strategies for achieving those objectives, review their progress to date, and discuss their lessons learned. The OCFO analyzes information from these meetings to support planning meetings at which EPA senior executives identify program areas where better results are needed. To support final planning decisions, the OCFO and program offices analyze potential effects of funding increases on performance in key program areas, and funding decreases in others. The Agency's fiscal year 2004 annual performance plan and budget reflect the decisions made based on these program and budget analyses.

In preparation for the operating year and to ensure an agency integrated approach to performance, program offices develop guidance on specific work that regional offices and state and tribal agencies will need to accomplish during the year to achieve national performance commitments. Program offices negotiate agreements on the regional use of staff and dollars to support national annual targets and strategic objectives.

To support financial accountability by EPA managers, the OCFO established an on-line Financial Data Warehouse through which program managers can analyze and display costs of the activities they oversee. The OCFO recently purchased a new software application that will further enhance managers' visibility into their program costs and performance.

Beyond aligning resources with performance, EPA has instituted a new analytical procedure to support closing the Agency's books more quickly and accurately. These new procedures facilitate preparation of interim statements at mid-year, as well as annual financial statements at year's end.