

MANAGEMENT
EXCELLENCE:
MANAGE THE
DEPARTMENT TO BE
HIGHLY SKILLED,
ACCOUNTABLE,
MODERN,
FUNCTIONALLY
INTEGRATED,
CITIZEN-CENTERED
AND
RESULT-ORIENTED

As manager of over 500 million acres of land, how well Interior carries out its mission affects many aspects of American life.

Interior is accountable to the American public to provide responsive, efficient, and low-cost services. Excellence in performance requires mission clarity, good metrics, and management excellence.

Our Management Excellence Strategic Goal helps us focus on ways we can overcome the many complex challenges facing us by taking new approaches to workforce planning; improving financial and budget management tools; using more objective and comprehensive approaches to facility and asset management; improving information technology (IT) to enhance efficiency and consistency; and actively encouraging managers and employees to identify better ways to achieve desired results. It reminds us of the need to maintain and enhance program results, make wise management choices within the context of constrained resources, and to work smarter.

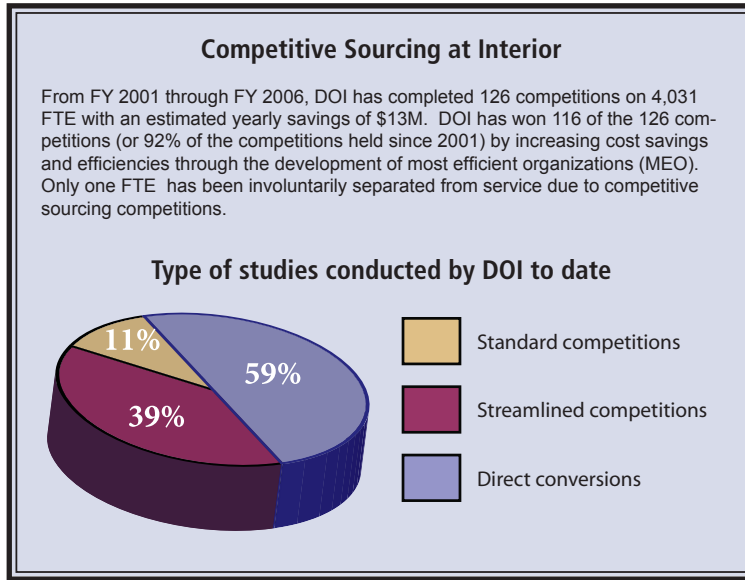
In FY 2006, we met 67% of our performance targets for our Management Excellence Area. We did not meet 17% of our targets. This compares with 73% of targets met and 27% of targets in FY 2005. While we were able to decrease our performance shortfalls for FY 2006 over those of FY 2005, we increased the number of measures for which we had no data and no reports in FY 2006 (17% unreported in 2006 versus no unreported measures in FY 2005). We attribute the increase in unreported measures, in part, to our inability to report estimated or actual data at the time of this report. Three of the four “no reports” are due to preliminary data being submitted. The Department will continue its efforts to obtain final data for these measures and report on them in the FY 2006 supplemental report.

Ensuring Accountability

Interior holds managers and employees accountable for performance results using clear measures that link budgets to program performance and sound financial management.

We begin with our GPRA Strategic Plan, which embodies our program focus for the next 5 years. Each quarter, we review and report progress toward

FIGURE 1-51



We have linked specific GPRA and Management Excellence goals and measures to the performance of our Senior Executive Service (SES) and employees, thus making the connection between executive performance and organizational results.

An important facet of accountability is fiscal responsibility. In FY 2006, we once again completed our audit of Interior's Performance and Accountability Report within 45 days after the end of the fiscal year. We have also, once again, obtained an unqualified audit opinion, continuing a record established 10 years ago, for our consolidated financial statements (Ref #193). An estimated 66% of our material weaknesses and material non-compliance issues are corrected or on schedule. (Ref #194).

meeting our measured targets. This reporting enables us to make any mid-course adjustments before the end of the performance year. Our Plan is a "living" document. In early FY 2007, we will publish a revised GPRA Plan that will serve as the basis against which we will measure our progress through 2012. The new plan will result from close collaboration with our bureaus, offices, and external stakeholders to ensure that we are measuring the right things and that the results will be meaningful, and useful in effecting programmatic change and improvement.

Another tool used to improve our accountability is competitive sourcing. Competitive reviews provide a disciplined, periodic way to review and compare our current operations with alternatives so we can achieve the best value for the services we provide. From FY 2001 through FY 2006, DOI has studied 4,031 full-time equivalents (FTEs) through 126 competitions. In all cases, Interior has given its bureaus ability to retain cost savings to meet increasing demands related to their programs. During FY 2006, 627 FTEs were studied with an estimated cost savings of \$30 million over the next 5 years (Ref #208).

FIGURE 1-52

How Interior Performed at a Glance: FY 2005-2006		
Selected Performance Measures from Management Excellence Strategic Goal Area		
Performance Measure	FY 2005	FY 2006
Legend: □ = No Report ■ = Target Not Met ■ = Target Met ■ = Target Exceeded P = Preliminary Data		
#191: Volunteers: Number of volunteer hours per year supporting DOI mission activities (Take Pride in America Office)	9,467,427	8,231,390 E
#193: Obtain unqualified audit for DOI's consolidated financial statements (Office of Financial Management or PFM)	Yes	Yes
#194: Corrective actions: Percent of material weaknesses and material non-compliance issues that are corrected on schedule (PFM)	New FY 2006 Measure	65.6% E
#199: Percent of systems that will be certified and accredited by FY 2005, and will maintain accreditation on a 3-year recurring cycle (Office of the Chief Information Officer or CIO)	98%	98%
#200: Percent of time that networks are operational for all users (CIO)	99.91%	99.90%
#202: Percent of IT investment expenditures for which actual costs are within 90% of cost estimates established in the project or program baseline (CIO)	87%	93%
#208: Number of commercial-type FTE involved in competitive sourcing studies completed during the fiscal year	198	645
#209: Percent of facilities that have a calculated FCI.	75%	100% P

FIGURE 1-53

Geospatial One-Stop Garners Excellence.gov Award

In 2006, Interior and its USGS won one of five coveted Excellence.gov awards, out of a field of 80 applicants. The award, sponsored by the American Council for Technology, recognizes Interior's leadership of the Geospatial One-Stop e-gov initiative. Geospatial One-Stop offers thousands of Federal, State, and local government partners with access to geospatial data through one convenient portal: www.geodata.gov. Geodata.gov combines thousands of geospatial resources from Federal, State, local, tribal, and private sources, providing decision-makers with access to the resources they need to respond more quickly during emergencies. A panel of 23 judges, representing both industry and government, selected Interior for demonstrating best practices in information sharing for federally led IT programs.



embraces the distinct needs and strengths of Interior's bureaus. We have adopted a Federal Enterprise Architecture across Interior, and are implementing standardized policies and guidelines to help us successfully develop, implement, operate, and integrate information technology across the Department. A key component is our Enterprise Services Network (ESN), which will bring together secure telecommunications Department-wide.

The first phase of the Enterprise Services Network was completed in 2005, resulting in the creation of an integrated network backbone. Phase II is now underway. Secure telecommunications are now in place for about 650 locations. In FY 2006, efforts concentrated on establishing connectivity for smaller offices and remote locations. Bureaus and offices have completed the transition to managed services and are beginning to operate on a single, consistent system that provides access to the intranet and to a network operations and security support center. They are already seeing service improvements as a result. In FY 2006, our networks were operational 99.9% of the time for all users against a target of 100% (Ref #200), demonstrating that we are making progress toward improving IT service for Interior bureaus and offices.

Integrating and Modernizing Our Business Practices

The integration and modernization of our business practices starts with our IT Strategic Plan. Our IT plan provides an organizational framework for an architecture that supports electronic interactions. This plan is built upon a governance framework that

The ESN is also helping us consolidate directory services, web hosting, messaging, data warehousing, help desk capabilities, and other applications and systems. Through it, we are also implementing the required new internet protocol version six (IPV6) technology.

In 2005, Interior leveraged ESN capabilities to initiate a robust vulnerability scanning process for systems

FIGURE 1-54
Interior Information Technology Total Interior Funding by IT Category
(in millions of dollars)

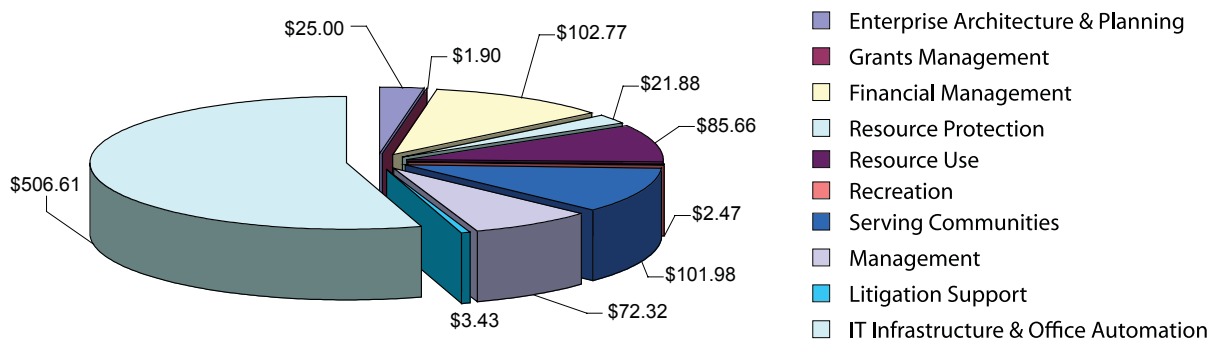
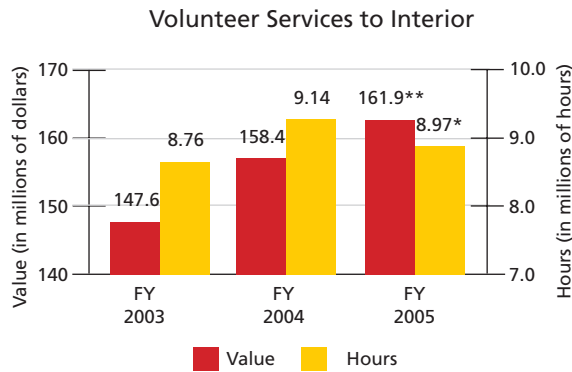


FIGURE 1-55



*Total includes 28,620 hours of volunteer time donated to the Bureau of Reclamation.

**Includes the value of the Bureau of Reclamation hours.

Data not yet available for FY 2006.

accessible from the Internet. Initial tests indicated thousands of potential vulnerabilities. By December 2005, all potential major, critical, and SANS (SysAdmin, Audit, Network, Security) Institute Top 20 vulnerabilities identified through scanning were either mitigated or determined to be false positives. In 2006, Interior tested against internal threats to its systems and applications and identified several additional opportunities for security improvements. Interior has a long-standing concern for the protection of its vital information and technology resources, dating from the issuance of the first computer security policy in 1980. Our IT security program goal is to achieve a level of security commensurate with the sensitivity of information and the risk and magnitude of harm resulting from improper use or losses. The IG has noted that while we continue to make progress toward improving security over our information systems, more work is still needed, particularly in network security and in the establishment and implementation of plans of actions and milestones (POAM) for identified weaknesses.

In FY 2006, we made progress toward achieving another of our IT strategic and GPRA plan goals by certifying and accrediting (C&A) 98% of our systems against a target of 90% (Ref #199).

One of our IT strategic goals is to align capital planning and information to appropriately invest in the future with our bureau/DOI integrated Enterprise Architecture. Interior is committed to a Capital

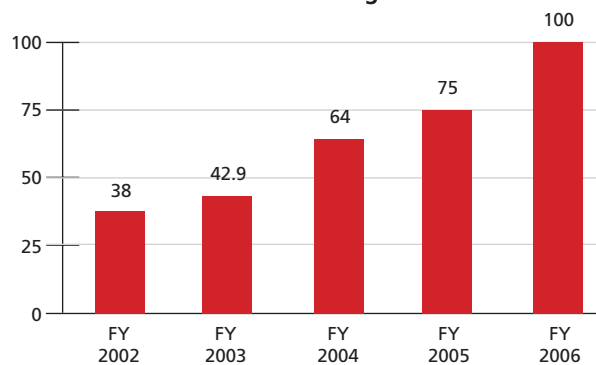
Planning and Investment Control (CPIC) framework based on best practices outlined by GAO and OMB. Enterprise Architecture modernization blueprints and IT portfolio management are key tools in identifying and reviewing these critical investments. Modernization blueprints are roadmaps for change that help identify gaps in our IT portfolio that could potentially hamper successful achievement of mission-related goals. These blueprints also highlight system redundancies and identify opportunities for data sharing. By the end of FY 2006, Interior had completed blueprints for four key business lines: wildland fire, recreation, law enforcement and financial management. Six additional blueprints are underway: land management, water management, trust responsibilities, human resources, information technology, and geospatial activities.

In FY 2006, 93% (Ref #202) of our IT investment expenditures were within 90% of their actual cost estimates established in the project or program baseline against a target of 90%.

Another key to improving our administrative practices and processes and maintaining management excellence is to move from outdated systems. Our Financial and Business Management System (FBMS) initiative will enable us to standardize business practices and retire antiquated, expensive, and disparate computer systems. FBMS will create a single system that includes functional areas for: (1) Financial Assistance; (2) Core Financials; (3) Budget; (4) Acquisition; (5) Property (personal, real, and fleet); (6) Travel; and (7) Enterprise Management Information. In 2005, Interior deployed a grants management module of FBMS, as well as much of the necessary infrastructure

FIGURE 1-56

Percent of DOI Facilities Having a Calculated FCI



needed for future deployments, including system configuration, business process standardization, and interface development.

In February 2006, DOI awarded a contract to IBM Business Consulting Services for system integration and implementation support for FBMS. In FY 2005, the project deployed the Financial Assistance (FA) functionality for MMS, OSM, and select programs at FWS. FBMS completed system security certification and accreditation for the FA functionality, as well as implementation of help desk procedures, testing and release control procedures, and implementation of the FBMS Portal for the purpose of single sign-on functionality for the end users.

Activity-Based Cost Management (ABC/M) continues to evolve across the Department of the Interior. In FY 2006, many of our bureaus and offices expanded their capability to use ABC/M data to gauge and measure performance across their organizations. They can use performance-based information to improve their allocation of funding among units and are developing the capability to use marginal cost of performance data to articulate the effects of different funding levels on performance. At the corporate level, the Department has begun to develop the model and processes for linking work activities with GPRA Strategic Plan performance measures to establish a

clear line of sight from resources, work done, accomplishment (outputs), and the effect of work done in furthering attainment of the Department's objectives (outcomes).

Assuring Customer Value

We provide customer value, in part, by leveraging resources and fostering partnerships to help us accomplish our mission. One valuable resource is our volunteer partners. In FY 2006, volunteers continued to contribute millions of hours of their time to the Department, working with the NPS, FWS, BLM, USGS, and Reclamation. Individuals of all ages and levels of experience contribute valuable time to help us fulfill our recreation and conservation mission while promoting healthy lifestyles and outdoor recreational opportunities.

Another area in which we provide customer value is by improving the condition of our facilities and the assets that we manage. We use an industry standard metric called the Facility Condition Index (FCI) to determine the relative condition of a specific facility. The FCI then gives us a basis against which we can measure improvement to that facility's condition. We planned to inventory all of our assets and facilities using the FCI metric by the end of FY 2006. Based on preliminary data, 100% of our facilities reported a calculated FCI in FY 2006. (Ref #209).

FIGURE 1-57

Management Excellence: Manage the Department to be highly skilled, accountable, modern, functionally integrated, citizen-centered, and results-oriented ¹ .			
Performance and Cost Scorecard			
End Outcome Goal	Number of Goals Met	Number of Unmet Goals	Number of No Reports ²
Goal #1: Workforce Has Job-Related Knowledge and Skills Necessary to Accomplish Organizational Goals	3	1	2
Goal #2: Accountability	4	1	0
Goal #3: Modernization	8	1	1
Goal #4: Integration	1	1	0
Goal #5: Customer Value	0	0	1
TOTAL	16	4	4
Percentage of Total Out of 24 Measures	67%	17%	17%

¹Management Excellence costs are part of Mission Area goal costs. Note that percentages do not add to 100% due to rounding.

²For the purpose of this chart, preliminary data are considered a "no report."