

Highlights of [GAO-03-258](#), a report to the Chairman, Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations, House Committee on Government Reform

Why GAO Did This Study

Encouraging a clearer and closer link between budgeting and planning is essential to improving federal management and instilling a greater focus on results. Through work at various levels within the organization, this report on the Nuclear Regulatory Commission (NRC)—and its two companion studies on the Administration for Children and Families (GAO-03-09) and the Veterans Health Administration (GAO-03-10)—documents (1) what managers considered successful efforts at creating linkages between planning and performance information to influence resource choices and (2) the challenges managers face in creating these linkages.

MANAGING FOR RESULTS

Efforts to Strengthen the Link Between Resources and Results at the Nuclear Regulatory Commission

What GAO Found

Although in differing stages of implementation throughout NRC, NRC designed the Planning, Budgeting, and Performance Management Process (PBPM) to better integrate its strategic planning, budgeting, and performance management processes. PBPM links four individual components: (1) setting the agency's strategic direction, (2) determining activities and performance targets of component offices and related resources, (3) executing the budget and monitoring performance targets and taking corrective actions, if needed, to achieve those targets, and (4) assessing agency progress toward achieving its goals.

GAO's report provides examples of how the PBPM framework can influence budget formulation and execution decisions. These examples show (1) how NRC informs its resource allocation decisions by providing strategic direction to operating units prior to budget formulation, (2) how operating units that have implemented these processes link strategic direction to budgets through tools that set priorities and assign resources to office activities to accomplish these priorities, and (3) how operating units monitor performance targets and make adjustments as necessary during budget execution. In addition, agency managers have told GAO that PBPM also promotes agencywide coordination of budget formulation and execution decisions by providing a common language and common goals.

Integrating budget and planning processes and improving performance management in NRC is an ongoing effort that includes addressing a series of challenges. They are (1) creating performance measures that balance competing goals and keep performance measures current, (2) associating resource requests with outcomes, (3) standardizing PBPM practices and techniques but still allowing some flexibility among offices to tailor the process to their needs, (4) developing the assessment component, and (5) committing significant effort to maintain PBPM. In addition, NRC must continue developing a cost accounting system to support PBPM.

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To view the full report, including the scope and methodology, click on the link above. For more information, contact Paul Posner (202) 512-9573.