

Performance and Accountability Report

Change and Progress: Serving the Nation's Capitol for Over Two Centuries

EXECUTIVE SUMMARY FOR FISCAL YEAR 2008

SECTION I: MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Architect of the Capitol

Founded in 1867 and formally established by an Act of Congress in 1876, the AOC is comprised of nine jurisdictions and several central administrative offices to carry out its mission. The AOC is a nonpartisan, professional services office of the Legislative Branch and oversees 16.5 million square feet of facilities (of which 500,000 square feet are leased), and over 450 acres of land. The expansion of major facilities owned by the AOC over its history is displayed in Figure A.

The Architect of the Capitol (AOC)

Branch of Government:

Legislative

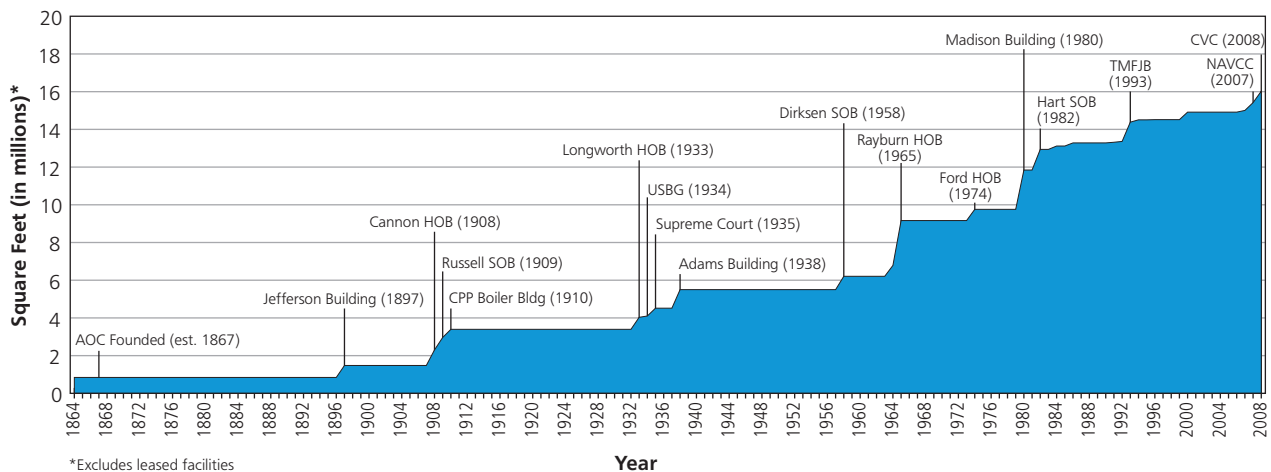
Established in: 1876

Mission: Provide Congress and the public a wide range of professional expertise and services to preserve and enhance the Capitol complex and related facilities.

Leadership: Stephen T. Ayers, AIA, LEED AP
Acting Architect



FIGURE A
Growth in Major Facilities Owned by AOC



*Excludes leased facilities

How We Have Progressed: AOC Key Accomplishments in Fiscal Year (FY) 2008

The AOC reached a number of key achievements in the past year:

- **Developed Congressional Budget Support:** Budget summits were hosted to communicate the AOC’s long-term infrastructure needs to Congress and set the groundwork for its 2009 budget request.
- **Achieved Clean Audit Opinion:** The AOC received a clean audit opinion on all principal financial statements for the fourth consecutive year.
- **Made Significant Progress in Addressing Government Accountability Office (GAO) General Management Review Recommendations:** The AOC fully implemented an additional eight GAO recommendations, bringing the total number closed to 51 out of 67.
- **Reduced Energy Consumption Rate:** The AOC reduced energy consumption by 10.7%, surpassing the congressionally established nine percent reduction target for 2008.
- **Improved Worker Safety:** The AOC injury and illness rate decreased for the eighth consecutive year to 4.06% in 2008—down from 17.9% in 2000.
- **Increased Customer Satisfaction:** The overall AOC customer service satisfaction rating from our building occupants increased by one percent from the 2007 level of 89.3% to 90.4% in 2008.
- **Workplace Improvements:** A number of new programs have enhanced the AOC’s ability to recruit and retain top talent.

The AOC jurisdictions’ numerous projects and achievements in 2008 supported the organization’s strategic goals outlined in its *Strategic and Performance Plan*. Table A below highlights some of the project accomplishments.

TABLE A: Project and Work Order Accomplishments by Jurisdiction

Jurisdiction	Key 2008 Accomplishments
Capitol Building	<ul style="list-style-type: none"> • Installed new Brumidi Corridor emergency egress door and stairs on the West Terrace entry. • Restored Capitol walls and ceiling murals and the East Front bronze doors.
Capitol Grounds	<ul style="list-style-type: none"> • Improved campus shuttle bus services with on schedule pick-up times. • Preserved Olmsted landmark design through the Summer House Stabilization project.
House Office Buildings	<ul style="list-style-type: none"> • Completed 116 construction and renovation projects, including committee rooms. • Refurbished Longworth House Office Building’s third floor.
Senate Office Buildings	<ul style="list-style-type: none"> • Installed modular furniture in 7 Senator office suites and 3 Senate committee rooms. • Decreased injury and illness rate while achieving a high client satisfaction rate.
Library Buildings and Grounds	<ul style="list-style-type: none"> • Completed restoration of the Thomas Jefferson Building Main Reading Room arches. • Mounted the project work and infrastructure to help launch the New Visitors Experience program.
Capitol Power Plant	<ul style="list-style-type: none"> • Completed operational installation of 3 new chillers at the West Refrigeration Plant. • Replaced existing 1950s controls system with a new digital system for 4 boilers.
Botanic Garden	<ul style="list-style-type: none"> • Mounted the <i>One Planet—Ours!—Sustainability for the 22nd Century</i> exhibition. • Improved visitor education on the interpretation of plant collections.
Supreme Court	<ul style="list-style-type: none"> • Closed 99% of demand work orders within a 30-day time frame. • Repaired and re-pointed the Supreme Court Building West Pediment masonry.
Capitol Police Buildings, Grounds, and Security	<ul style="list-style-type: none"> • Concluded construction of the Practical Application Center Building in Maryland. • Improved customer satisfaction rating by 9% from 2007.

Status of Key Projects and Exhibitions of Interest

Four key projects and exhibitions of interest were spotlighted in the AOC’s 2008 Performance and Accountability Report highlighted in Table B below.

TABLE B: Key Projects and Exhibitions of Interest

Status of Key Projects and Exhibitions of Interest	
<p>Capitol Visitor Center—Substantially completed construction and landscaping; completed fire and life-safety systems testing; received a Temporary Certificate of Occupancy; a newly hired Chief Executive Officer for Visitor Services prepared the CVC for visitors, and recruited and trained operations team in time for the public opening.</p>	<p>Supreme Court Modernization—Conducted renovation work in the building’s southeast quadrant and in 2 mechanical rooms, including building systems upgrades; progressed in interior work on the underground annex; and continued roof system repairs.</p>
<p>Curatorial and Preservation Projects—Relocated plaster model of the Statue of Freedom and selected statues to the CVC’s Emancipation Hall; completed the 10th phase of the Brumidi Corridor conservation project; and restored Senate Room S-311.</p>	<p>U.S. Botanic Garden Summer Exhibition—Featured a showcase of numerous exhibits highlighting energy consumption, renewable energy, water and plant conservation, green gardening, and local sourcing; and displayed the innovative <i>Cool Globes</i> exhibit.</p>

What’s Next? Looking Ahead and Future Challenges

The AOC faces several challenges. The most pressing is to continue to meet its stewardship responsibilities in an era of competing demands for limited financial resources. Many of its heritage real property assets are over 80 years old and have accrued sizable deferred maintenance and capital investment obligations. AOC’s historic buildings and infrastructure require significant funding for maintenance, repair, and refurbishment over the next two decades to remain safe and viable. Congress has supported many key AOC initiatives, and the AOC will continue to work together with Congress in identifying and executing solutions.

SECTION II: PERFORMANCE INFORMATION

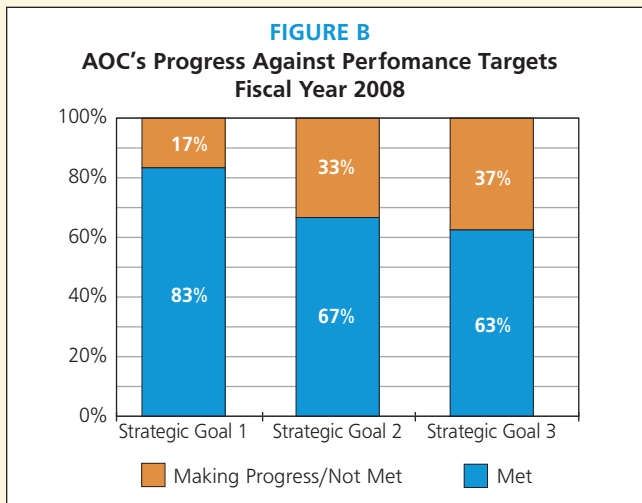
Overview of AOC Strategic and Performance Plan

The AOC's *Strategic and Performance Plan: Fiscal Year 2007–Fiscal Year 2011* focuses on three goals:

- **Goal 1: Congressional and Supreme Court Operations Support**—Congressional and Supreme Court operations are supported through the provision of effective facilities management, project delivery, and related services.
- **Goal 2: Heritage Asset Stewardship**—The national treasures entrusted to the care of the AOC are maintained and preserved for present and future generations and visitors to the Capitol complex are provided an informative and inspiring experience.

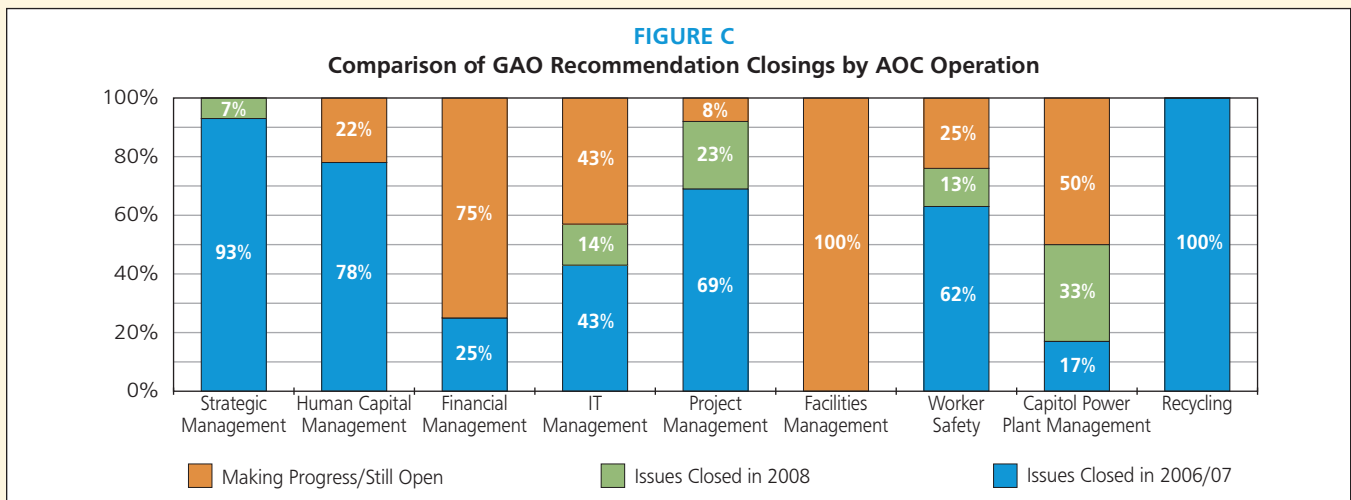
- **Goal 3: Leadership and Administrative Support**—The responsibilities of the AOC are fulfilled efficiently and effectively, and accountability is enhanced through the provision of high-quality leadership and administrative support services.

The *Strategic and Performance Plan* emphasizes the organization's mission areas and enabling services. It is based on the AOC's three strategic goals and contains 41 performance measures and 92 performance indicators, created to support Fiscal Years 2007 through 2011 performance goals. The AOC met or exceeded its targets for 72% of its measures. Figure B shows the breakdown of targets met for each strategic goal.



Overview of Government Accountability Office (GAO) General Management Review Recommendations

The GAO, the investigative and audit arm of Congress, provided recommendations for improving the AOC's operations focusing on: overall management, facilities management, project management, Capitol Power Plant operations, human capital management, financial management, information technology (IT) management, worker safety, and recycling. The AOC made significant progress in 2008 by implementing an additional eight¹ recommendations, bringing the total number of recommendations closed to 51 out of 67, or 76%.² Figure C provides a comparison of progress made by AOC.



¹ Seven recommendations were closed at a February 2008 GAO/AOC meeting. One additional recommendation was closed after the briefing was issued but within 2008 and, thus, is counted as closed for the 2008 PAR.

² Three additional recommendations were added in 2008 from a related review of the Capitol Power Plant.

SECTION III: FINANCIAL INFORMATION

Independent Audit

An independent audit of the annual Financial Statements of the Architect of the Capitol is an integral part of meeting our financial management obligations.

The AOC’s Financial Statements received an unqualified (clean) audit opinion from our independent auditors for the fourth consecutive year. This followed two successive years in which the AOC received an unqualified opinion on its Balance Sheet-only audits. While 2008 saw the clearing of a material weakness, *The Independent Auditor’s Report on Internal Control* contains one new material weakness. In addition, the independent audit resulted in an additional significant deficiency. Table C summarizes the audit findings. The AOC is committed to fiscal accountability and will continue to work diligently to establish internal policies, procedures, and systems to keep accurate records and protect U.S. taxpayer resources.

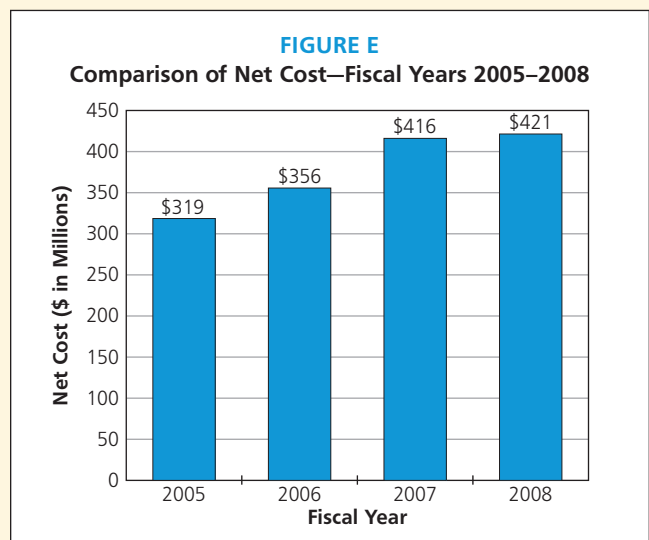
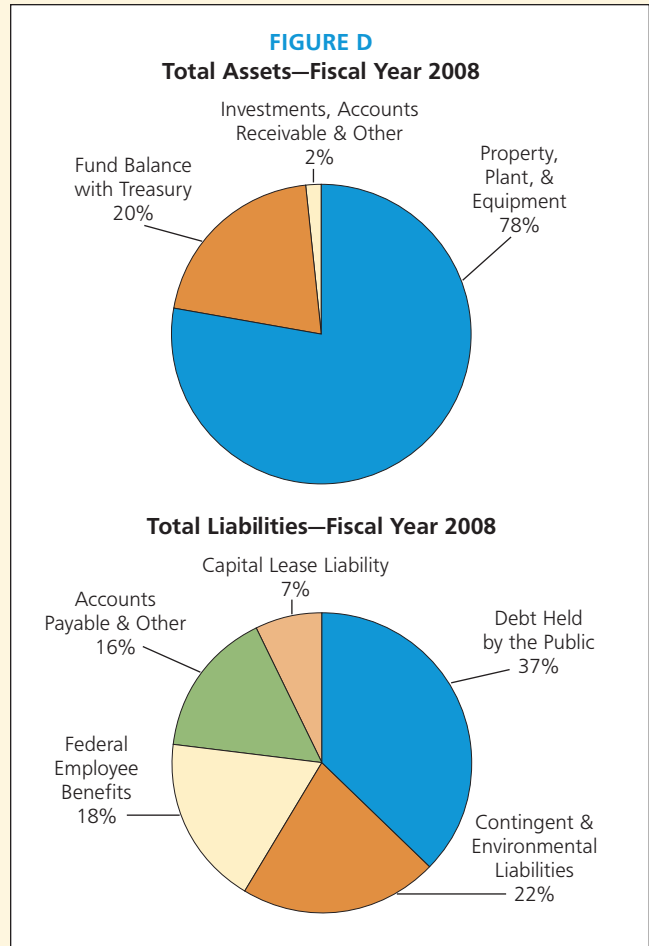
TABLE C: Summary of Auditor’s Internal Control Findings

	FY 2007	FY 2008
Material Weaknesses	Internal Control Assessments (Repeat Condition)	Internal Control Assessments (Repeat Condition)
	Risk Assessment Updates (Repeat Condition)	Risk Assessment Updates (Repeat Condition)
	Internal Control Design and Management of Purchase to Disbursement Process (Modified Repeat Condition)	Financial Information System and Financial Reporting Internal Control Design and Operation (New)
Significant Deficiencies	Information System Controls (Repeat Condition)	Information System General Controls (Repeat Condition)
	Time Recordation, Processing, and Approval Procedures (Repeat Condition)	Time Recordation, Processing, and Approval Procedures (Repeat Condition)
		Information Systems Financial Management and Time and Attendance Application Controls (New)

Financial Statement Highlights

As of September 30, 2008, AOC’s total assets amounted to \$2.38 billion and total liabilities summed up to \$397 million. Figure D shows the distribution of the AOC’s total assets and liabilities, respectively.

The Statement of Net Cost is designed to display, in clear terms, the net cost of the AOC’s operations for the period. Net cost includes total costs less all revenues permitted to be offset against those program costs. Figure E depicts the net cost trend from Fiscal Years 2005 through 2008.



For more information about The Architect of the Capitol, visit our website at: <http://www.aoc.gov/>.