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AGENCIES' ANNUAL PERFORMANCE PLANS UNDER THE RESULTS ACT

An Assessment Guide to Facilitate Congressional Decisionmaking

Preface

As Congress seeks to reduce the cost and improve the performance of the federal government, there is a broad consensus that holding executive agencies accountable for results is a key to better management of programs. Further, the lack of precise information on agencies' performance has handicapped congressional policymaking, spending decisions, and oversight. Congress enacted the Government Performance and Results Act of 1993 (Results Act) to help address these concerns.

Performance-based management, as envisioned by the Results Act, is a dynamic and complementary process of setting a strategic direction, defining annual goals and measures, and reporting on performance. Under the Results Act, agencies are to prepare multiyear strategic plans that set the general direction for their efforts. Then, agencies are to prepare annual performance plans beginning in fiscal year 1999 that establish the connections between the long-term strategic goals outlined in the strategic plans and the day-to-day activities of managers and staff. Finally, the Act requires that each agency report annually on the extent to which it is meeting annual performance goals and the actions needed to achieve or modify those goals that have not been met.

This guide is intended to facilitate congressional use of agencies' annual performance plans. Although the Results Act does not require a specific format for the performance plan, it does require the plan to (1) identify annual performance goals and measures for each of an agency's program activities, (2) discuss the strategies and resources needed to achieve annual performance goals, and (3) provide an explanation of the procedures the agency will use to verify and validate its performance data. This guide is organized around three core questions that correspond to these general requirements. For each core question, we identify issues that need to be addressed and present key assessment questions that can help congressional users elicit the cost and performance information relevant to their decisionmaking. We also provide information on the Results Act's planning and reporting requirements as well as related guidance on annual performance plans in the back of this guide.

We expect that as agencies and Congress gain experience in developing and using annual performance plans, additional issues and questions will emerge. Accordingly, after agencies have submitted their first annual performance plans, we plan to update this guide and issue a subsequent version to reflect agencies' and Congress' experiences. In addition, the next version of this guide will include examples showing how agencies are presenting information in their performance plans.

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Introduction

Annual performance plans are to systematically provide congressional decisionmakers with information on the results to be achieved for a proposed level of resources. Specifically, the plans should clearly inform Congress and the public of the annual performance goals for agencies' major programs and activities, the measures that will be used to gauge performance, the strategies and resources required to meet the performance goals, and the procedures that will be used to verify and validate performance information.

With its requirement for annual performance plans, the Results Act establishes the first statutory link between agencies' budget requests and their performance planning efforts. The Act requires that performance goals and measures be linked to program activities in agencies' budget requests. Also, agencies' performance plans are to be the basis for the federal government performance plan that the Office of Management and Budget (OMB) must submit to Congress. The federal government performance plan is intended to present a single, cohesive picture of annual performance goals for the fiscal year and must be provided to Congress as part of the president's budget submission each February. Agencies' annual performance plans are to be sent to Congress and made available to the public soon after transmittal of the president's budget.

To ensure that the information in their performance plans is presented clearly and concisely, agencies should seek to establish a clear hierarchy of performance goals and measures. That is, lower organizational levels of an agency may use goals and measures that are different from those meaningfully or appropriately included in the agency's annual performance plan. Thus, as performance plans are compiled for higher organizational levels, there may be consolidation and possible exclusion of some goals and measures, which does not mean that those goals and measures are not important for guiding the efforts of the lower levels. Agencies that seek to include an excessive number of performance goals and measures in their annual performance plans may risk creating a confusing excess of data that will obscure rather than clarify performance issues.

The experiences of agencies to date suggest that the successful implementation of the Results Act may be as difficult as it is important.¹ Translating the use of agency resources into concrete and measurable results will be a continual challenge that will require both time and effort

¹The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven (GAO/GGD-97-109, June 2, 1997).

on the part of the agency. Our work found that the strategic plans that agencies produced in September 1997 provide a workable foundation for the annual performance planning and reporting phases of the Results Act. However, we also found that agencies need to make continued progress in setting a strategic direction, coordinating crosscutting programs, and ensuring the capacity to gather and use reliable performance and cost data.² As agencies prepare their performance plans, they can identify opportunities to address these planning challenges. With sustained attention from Congress and agencies, annual performance plans can be an invaluable tool for informing policy decisions, improving program management, enhancing accountability, and helping to increase American citizens' confidence in their government.

How This Guide Was Developed

In May 1997, we developed a guide to facilitate congressional review of agencies' strategic plans at the request of the Chairmen of the Government Reform and Oversight Committee, Committee on Appropriations, and Committee on the Budget in the House of Representatives.³ They saw a need for a tool to facilitate congressional consultation on the development of agencies' strategic plans. The guide we developed contained key questions to help Congress determine how those plans could be improved to better support congressional and agency decisionmaking.

Building on that guide, those Chairmen, the Speaker of the House, the House Majority Leader, the Chairman of the House Committee on Science, and the Chairmen of the Senate Committee on Budget and Senate Committee on Governmental Affairs subsequently asked us to develop a guide to help congressional decisionmakers both elicit the information that Congress needs from agencies' annual performance plans and assess the quality of those plans. Together, the answers to the questions in this guide are intended to facilitate a complete assessment of an agency's plan and address concerns likely to be common across a variety of congressional users, although the significance of individual questions may vary among the appropriation, authorization, oversight, and budget committees. In making decisions, Congress can factor in the cost and performance of the agency along with policy considerations, such as whether the performance goals are consistent with legislative priorities or the proposed resources are reasonable to achieve the intended results. We

²Managing For Results: Agencies' Annual Performance Plans Can Help Address Strategic Planning Challenges (GAO/GGD-98-44, Jan. 30, 1998).

³Agencies' Strategic Plans Under GPR: Key Questions to Facilitate Congressional Review, Version 1 (GAO/GGD-10.1.16, May 1997).

hope that this guide can also be helpful to agencies in developing annual performance plans that comply with the Results Act; address congressional needs; and promote sound, accountable management practices.

We developed this guide on the basis of the Results Act requirements for agency performance plans; guidelines contained in the OMB Circular No. A-11, Part 2; and other relevant documents. The Results Act has six requirements for the annual performance plans, as shown in appendix. For purposes of this guide, we collapsed these six requirements into three core questions. To identify opportunities to help ensure that annual performance plans would be most useful for congressional decisionmaking, we also relied on our work over the last several years examining agencies' efforts to implement the Results Act and, in particular, on our work identifying best practices for the Act's effective implementation.⁴ We also developed a companion guide for evaluators to use in their assessment of agency annual performance plans.

This guide benefited from the insights made by a wide range of congressional reviewers representing appropriation, authorization, budget, and oversight committees. We also received and incorporated valuable comments from senior agency officials directly involved in the development of annual performance plans, a senior official from OMB, agency representatives to the Chief Financial Officers (CFO) Council, individuals from the National Academy of Public Administration's Consortium on Performance Measurement, and outside experts.

⁴See, for example, *Executive Guide: Effectively Implementing the Government Performance and Results Act* (GAO/GGD-96-118, June 1996); *GPR Performance Reports* (GAO/GGD-96-66R, Feb. 14, 1996); *Transforming The Civil Service: Building the Workforce of the Future* (GAO/GGD-96-35, Dec. 26, 1995); and *Executive Guide: Improving Mission Performance Through Strategic Information Management and Technology* (GAO/AIMD-94-115, May 1994).

Annual Performance Plan Issues

Core Question 1: Annual Performance Goals and Measures

To what extent does the agency's performance plan provide a clear picture of intended performance across the agency?

The Results Act seeks to shift the focus of government accountability away from a preoccupation with the activities of a federal program to a focus on results of that program. Well-defined goals and measures in annual performance plans can help Congress ensure that agencies make that difficult transition and deliver desired program results. For example, the plan can be used to set objective and measurable expectations about what the agency will be held accountable for achieving. Congress can also use the plan to evaluate whether the annual goals will put the agency on a path toward achieving its mission and long-term strategic goals. In addition, the plans can aid in determining whether individual agencies can work effectively and supportively with other agencies on crosscutting efforts.

A performance plan that provides Congress with the clear picture of intended performance needed for decisionmaking addresses the following issues:

Issue 1: Defining Expected Performance

To what extent do the annual performance goals and measures provide a succinct and concrete statement of expected performance for subsequent comparison with actual performance?

Issue 2: Connecting Mission, Goals, and Activities

How are the agency's annual performance goals linked to the agency's mission, strategic goals, and program activities in its budget request?

Issue 3: Recognizing Crosscutting Efforts

How are agencies coordinating efforts with related strategic or performance goals?

Issue 1: Defining Expected Performance

To what extent do the annual performance goals and measures provide a succinct and concrete statement of expected performance for subsequent comparison with actual performance?

Annual performance plans can help Congress strengthen government accountability. The performance goals and measures presented in the annual performance plans will provide Congress a basis for comparing a program's proposed level of performance against its actual performance.

In developing annual performance goals, an agency should focus on the results it expects its programs to achieve—the differences the programs will make in people's lives. Outcome goals should be included in an agency performance plan, whenever possible. However, most plans will supplement outcome goals with output goals—such as the number of activities—because, for example, the outcome goal may not be achieved in the year covered by the plan. The Results Act specifies that most annual performance goals should define an objective, quantifiable, and measurable target level of performance for each program activity. However, if an agency cannot set performance goals that are objective, quantifiable, and measurable, it may propose, and OMB may authorize, that a goal be expressed in an alternative form, such as by describing a minimally effective program and a successful program. As another option, an agency may propose, and OMB may authorize, that no performance goals be established for a particular program activity if it is infeasible or impractical.

Annual performance plans should also include performance measures to show the progress the agency is making in achieving the goals. Performance should be assessed using both nonfinancial and financial performance measures, including program cost. We found that agencies that were successful in measuring their performance generally had developed performance measures with four characteristics.

1. Demonstrate results

Performance measures should tell each organizational level how well it is achieving its goals. Our work has found that developing measures that demonstrate results poses an especially difficult challenge for agencies.⁵ Agencies that exert a greater degree of influence in accomplishing their intended programs, such as those that run production operations, tend to have an easier time identifying results-oriented performance measures.

⁵GAO/GGD-97-109, June 2, 1997.

Other agencies, such as those with research or regulatory programs, exert a lesser degree of influence on the achievement of program results and face challenges in their ability to identify meaningful measures. Similarly, we observed that designing results-oriented performance measures for intergovernmental programs, such as those using block grants, is complicated by the broad range of objectives identified for some programs and the discretion states have in achieving those objectives.⁶

2. Limited to the vital few

The number of measures for each goal at a given organizational level should be limited to the vital few. Those vital few measures should cover the key performance dimensions that will enable each organizational level to assess accomplishments and costs, make decisions, realign processes, and assign accountability. Organizations that seek to manage an excessive number of performance measures may risk creating a confusing excess of data that will obscure rather than clarify performance issues. Agencies should seek to establish a clear hierarchy of performance goals and measures. For this reason, an agency will have more performance goals and measures used by its lower organizational levels than can be appropriately or meaningfully included in the agency's annual performance plan.

3. Respond to multiple priorities

When developing performance measures, agencies must take into account that most programs are forced to strike difficult balances among competing demands. These competing demands generally include program cost, service quality, customer satisfaction, and other stakeholder concerns.

4. Link to responsible programs

Performance measures should be linked directly to the offices that have responsibility for making programs work to reinforce accountability and ensure that day-to-day activities contribute to the results the organization is trying to achieve.

⁶Block Grants: Issues in Designing Accountability Provisions (GAO/AIMD-95-226, Sept. 1, 1995).

**Issue 2: Connecting
Mission, Goals, and
Activities**

How are the agency's annual performance goals linked to the agency's mission, strategic goals, and program activities in its budget request?

Using agency performance plans can help Congress determine whether the agency will be able to produce desired performance over the short and long term and whether the benefits of performance justify the expected costs. Our work has documented programs that have shown few or no benefits over the long term despite the millions of dollars that are spent annually on them.⁷ By demonstrating how annual performance goals relate to the strategic goals and the budget request's program activities, annual performance plans can help Congress ensure that agencies have a clear roadmap for efficiently transforming their program activities into long-term performance.

However, we found that many agencies' strategic plans had not clearly established linkages between their long-term strategic goals and annual performance goals.⁸ The Results Act envisioned that strategic and annual performance planning cycles would be iterative, mutually reinforcing processes. Consequently, agencies can continue to strengthen this linkage as they develop their annual performance plans. For example, the process of defining targeted levels of performance within set time frames and providing baselines against which to compare actual performance will likely identify opportunities for agencies to revisit and improve upon their strategic goals.

The Results Act expects that agencies' plans provide a means of showing how budgetary resources will be used to achieve goals. The Act requires that performance plans cover each program activity in an agency's budget.⁹ Program activity structures can differ from agency to agency, and within an agency, from budget account to budget account.¹⁰ Program activities, like budget accounts, have developed over time in response to specific needs and may represent programmatic, process, organizational, or other orientations. Therefore, some of the program activities that are currently used in an agency's budget request may be either too detailed or too

⁷Addressing the Deficit: Budgetary Implications of Selected GAO Work for Fiscal Year 1998 (GAO/OCG-97-2, Mar. 14, 1997).

⁸GAO/GGD-98-44, January 30, 1998.

⁹The term "program activity" refers to the listings of projects and activities in the appendix portion of the Budget of the United States Government. Program activity structures are intended to provide a meaningful representation of the operations financed by a specific budget account.

¹⁰Budget Account Structure: A Descriptive Overview (GAO/AIMD-95-179, Sept. 18, 1995).

general, or they may lack a clear relationship to the programs that are useful for measuring agencies' performance.¹¹

The Results Act permits agencies to aggregate, disaggregate, or consolidate the budget's program activities so that they align with the goals presented in the performance plan. The adjusted program activities that are used in the performance plan should continue to represent the programs or functions of concern to both the agency and Congress while being useful for performance planning. The Act expects that agencies will use aggregation, disaggregation, and consolidation to highlight important activities while avoiding voluminous presentations that would overwhelm a reader. In addition, agencies may propose changing their budget structures to conform to the structures they use for annual performance planning purposes.

Approaches to aligning the annual performance plan with the budget account structure by means of aggregating, disaggregating, and consolidating program activities are illustrated in figure 1.

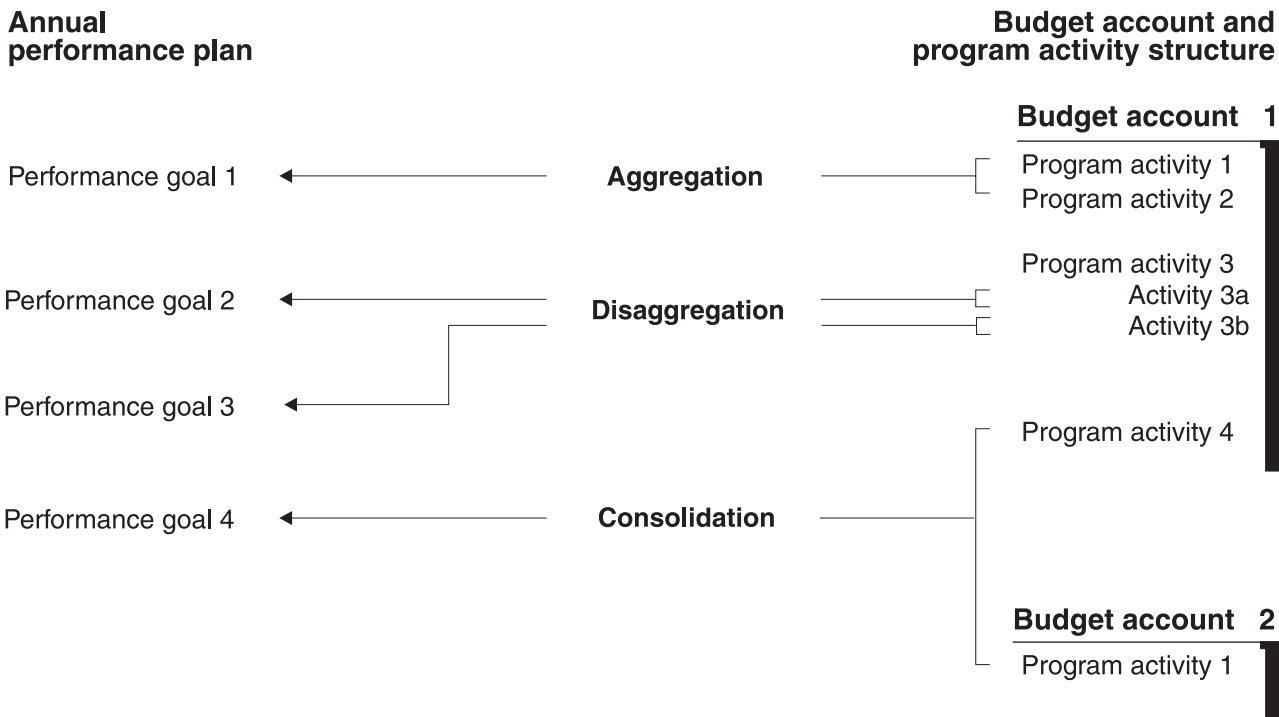
¹¹Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation (GAO/AIMD-97-46, Mar. 27, 1997).

Aggregation combines program activities within one of an agency's budget accounts. For example, performance goal 1 is defined for the activities and funding represented by the aggregated budget program activities 1 and 2 from budget account 1.

Disaggregation breaks a single program activity in one budget account into one or more activities. For example, disaggregation divides budget program activity 3 into two different activities, activity 3a and 3b. As a result, the budget program activity 3 is now covered by two goals; performance goal 2 covers the disaggregated activity 3a, and performance goal 3 covers the disaggregated activity 3b.

Consolidation combines some or all of the program activities in two separate budget accounts to form a single program activity that appears in the performance plan. For example, performance goal 4 covers the consolidation of program activity 4 of budget account 1 and program activity 1 of budget account 2.

Figure 1: Aligning the Annual Performance Plan With the Budget Account and Program Activity Structure



**Issue 3: Recognizing
Crosscutting Efforts**

How are agencies coordinating efforts with related strategic or performance goals?

Congress can use annual performance plans to identify areas in which agencies should be coordinating efforts to efficiently and effectively meet national concerns. The Results Act implies that federal programs contributing to the same or similar outcomes should be closely coordinated to ensure that goals are consistent and that program efforts are mutually reinforcing.

Our work has shown that as the federal government has responded over time to new needs and problems, many agencies have been given responsibilities for addressing the same or similar national issues.¹² Some of this shared responsibility was intended to recognize that addressing some issues from a national perspective would necessarily involve more than one agency or more than one approach. However, in many program areas, our work has suggested that significant overlap and fragmentation existed. Such program overlap and fragmentation can waste scarce funds, confuse and frustrate program customers, and limit overall program effectiveness.

We found that in agencies' strategic plans, coordination of crosscutting programs continued to be a challenge.¹³ Agency annual performance plans should be useful tools for identifying such crosscutting efforts, ensuring needed coordination with agencies performing similar activities, and defining performance goals that maximize the effectiveness and efficiency of crosscutting activities. Complementary and, where appropriate, common performance measures can permit comparisons of related programs' results and the tools used to achieve those results. Although individual agency performance plans provide the building blocks for recognizing crosscutting efforts, resolving the fragmentation and overlap in these efforts is likely to be difficult and require more than one cycle of performance plans.

¹²Managing For Results: Using the Results Act to Address Mission Fragmentation and Program Overlap (GAO/AIMD-97-146, Aug. 29, 1997).

¹³GAO/GGD-98-44, January 30, 1998.

**Core Question 2:
Strategies and
Resources**

How well does the performance plan discuss the strategies and resources the agency will use to achieve its performance goals?

Without a clear description of the strategies and resources an agency plans to use in the upcoming fiscal year, it will be difficult for Congress to assess the likelihood of the agency's success in achieving its intended results. By describing the strategies to be used to achieve results and the resources to be applied to those strategies, the performance plan can help Congress understand and assess the relationship between the agency's resources and results. The Results Act states that annual performance plans are to describe briefly the operational processes, skills, and technology, as well as the human, capital, information, or other resources required to meet performance goals. To effectively implement the Act, agencies will need to consider how they can best deploy these critical resources to create a synergy that effectively and efficiently achieves performance goals.

A performance plan that demonstrates that the agency has the necessary strategies and resources to achieve its performance goals addresses the following issues:

Issue 4: Connecting Strategies to Results

How clear and reasonable are the agency's strategies with respect to its intended performance goals?

Issue 5: Connecting Resources to Strategies

What capital, human, financial, and other resources are being applied to achieve the agency's performance goals?

**Issue 4: Connecting
Strategies to Results**

How clear and reasonable are the agency's strategies with respect to its intended performance goals?

Congress can use an annual performance plan to gauge whether an agency has clear strategies that logically relate to the achievement of goals. Our recent reviews of strategic plans found that agencies often lacked clear and fully developed strategies to achieve intended results.¹⁴ The strategic plans frequently did not elaborate on specific actions the agency was taking or planned to take to carry out its mission, outline planned accomplishments, and schedule their implementation. By indicating a connection between their performance goals and day-to-day activities, agencies' annual performance plans provide an opportunity for agencies to better articulate how they plan to accomplish their goals. A clear connection between performance goals and program offices also helps both to reinforce accountability and to ensure that, in their day-to-day activities, managers keep in mind the results their organizations and programs are striving to achieve.

The Results Act encourages agencies to rethink how they are delivering their services. Our work has found that a different approach or method of delivering government goods and services could yield significant savings and improve performance.¹⁵ Agencies may consider a range of approaches, from process changes, such as business process reengineering, to fundamental structural changes, such as partnering, franchising, or privatization.¹⁶ Also, the Act permits agencies to request managerial flexibility waivers from certain nonstatutory requirements in exchange for improved performance resulting from the waivers. Examples of such flexibility are the delegation of additional procurement authority to line managers or the lifting of limitations on personnel compensation and remuneration by central management agencies.¹⁷

The Results Act requires agencies to identify key external factors in their strategic plans that could significantly affect performance. Agencies can build on the discussions in their strategic plans and provide additional context in their annual performance plans. The efforts of agencies often

¹⁴GAO/GGD-98-44, January 30, 1998.

¹⁵GAO/OCG-97-2, March 14, 1997.

¹⁶Business Process Reengineering Assessment Guide (GAO/AIMD-10.1.15, Apr. 1997); Privatization: Lessons Learned by State and Local Governments (GAO/GGD-97-48, Mar. 14, 1997); and Managing For Results: Critical Actions For Measuring Performance (GAO/T-GGD-95-187, June 20, 1995).

¹⁷GPRA: Managerial Accountability and Flexibility Pilot Did Not Work As Intended (GAO/GGD-97-36, Apr. 10, 1997).

are but one factor among many that may influence whether, and the degree to which, their programs achieve their intended results. For example, we reported that regulatory agencies have had difficulty sorting out the interaction that external factors have had on the results that those agencies were trying to achieve.¹⁸ Agencies should consider whether external factors, such as legislation or the actions of outside entities, might affect program performance. In response, agencies can develop strategies to leverage or mitigate these conditions.

¹⁸Managing for Results: Regulatory Agencies Identified Significant Barriers to Focusing on Results (GAO/GGD-97-83, June 24, 1997).

**Issue 5: Connecting
Resources to Strategies**

What capital, human, financial, and other resources are being applied to achieve the agency's performance goals?

Annual performance plans can show Congress how agencies plan to manage cost-effective mixtures of critical resources in pursuit of performance goals. We have found that management problems have needlessly cost billions of dollars in taxpayer funds and resulted in missed opportunities to achieve better and less costly performance.¹⁹ For example, numerous poorly managed information technology systems have produced multimillion-dollar cost overruns, schedule slippages measured in years, and dismal results.

Similarly, because federal financial management has suffered from decades of neglect and failed attempts to modernize outdated financial systems, good information on the full costs of federal operations is frequently absent or extremely difficult to reconstruct. Full cost information is critical for making sound analyses of how to pursue performance goals. Our work has found that agencies have failed to accurately estimate the full actual and future costs of multimillion-dollar programs and initiatives.²⁰ Estimating full costs was sometimes difficult because accounting systems could not disaggregate costs and assign them to particular programs or initiatives. Without reliable data on costs, decisionmakers cannot determine whether a strategy is realistic and cost effective.

Complementing the Results Act, a framework of reform legislation—the Chief Financial Officers (CFO) Act and information technology reform legislation, including the Paperwork Reduction Act of 1995 and the Clinger-Cohen Act of 1996—is now in place to address these long-standing problems. The CFO Act set expectations for the development of better performance and cost measures and requires that agencies prepare and annually revise plans to implement OMB's 5 year financial management plan. Building on the CFO Act, the Federal Financial Management Improvement Act requires agencies to comply with federal accounting standards—including a requirement to develop and implement cost accounting systems that can be used to relate the full costs of various programs and activities to performance outputs by fiscal year 1998. Information technology reform legislation is directed at more effective

¹⁹High-Risk Areas: Actions Needed to Solve Pressing Management Problems (GAO/T-AIMD/GGD-97-60, Mar. 5, 1997).

²⁰High-Risk Series: An Overview (GAO/HR-97-1, Feb. 1997).

Section I
Annual Performance Plan Issues

management and use of information technology to better support agencies' missions and improve program performance.

To be most useful to congressional decisionmakers, plans required under these initiatives, such as information technology, capital assets, and financial management plans, should be linked to agencies' annual performance plans. Similarly, significant initiatives involving information, capital, and financial management resources should be described in the annual performance plan and referenced back to the agency's more detailed plans in these areas. Also, the Results Act recognizes the importance of human resource management. Agencies' performance plans that contain a description of how workforce knowledge, skills, and abilities can contribute to the achievement of program performance goals would be most useful to congressional decisionmakers.

Core Question 3: Verification and Validation

To what extent does the agency's performance plan provide confidence that its performance information will be credible?

In passing the Results Act, Congress emphasized that the usefulness of agencies' performance data for its decisionmaking ultimately depends on the degree of confidence that Congress has in that data. For Congress to know whether the intended performance has truly occurred, agencies should produce performance data that is verified and valid.

The Results Act requires that agencies describe in their annual performance plans how they intend to verify and validate performance data. The procedures should be credible and specific to ensure that performance information is sufficiently complete, accurate, and consistent to document performance and support decisionmaking. However, some agencies have recognized that although such information is indispensable to decisionmaking, collecting the data can be difficult and costly. For this reason, they have explained the limitations of their performance information and recognized the implications of the limitations for assessing the achievement of their goals.

A performance plan that fully describes whether an agency has procedures to obtain credible performance data addresses the following issues:

Issue 6: Verifying and Validating Performance

How will the agency ensure that its performance information is sufficiently complete, accurate, and consistent?

Issue 7: Recognizing Data Limitations

To what extent does the performance plan identify significant data limitations and their implications for assessing the achievement of performance goals?

Issue 6: Verifying and Validating Performance

How will the agency ensure that its performance information is sufficiently complete, accurate, and consistent?

Congress needs sufficiently complete, accurate, and consistent performance information to guide its decisions on how best to allocate scarce resources and oversee federal programs. To assist congressional decisionmakers, the Results Act requires agencies to discuss the means that they will use to validate and verify performance information. This discussion in the performance plans can provide important contextual information for Congress. Adequate and reliable performance data are critical for decisionmaking, but the verification and validation of such data can be costly and difficult and require agencies to consider the most cost-effective means.

Both verification and validation of performance data are important for reducing the risk of producing inaccurate data. Validation is an effort to ensure that data are free of systematic error or bias and that what is intended to be measured is actually measured. For example, performance information about a program's ability to stimulate the growth of small businesses could overestimate the program's success if data were not collected from businesses that participated but subsequently failed. Verification is a process of checking or testing performance information to assess other types of errors, such as errors in keying data.

The Results Act gives agencies discretion in determining how verification and validation are performed. However, the CFO Act has already established one procedure that can help improve the credibility of agencies' financial data—the preparation and audit of agency financial statements. The discipline and rigor of financial statement audits have caused significant improvements in the state of federal financial management, but much more is needed. Poor recordkeeping and lack of controls often found in these audits have resulted in inaccurate financial and program cost information both being used to manage programs and provided to Congress for making decisions. Therefore, it is important that agencies continue to make progress toward the establishment of financial systems that can generate the reliable data needed to assess financial performance. Similarly, agencies should demonstrate that they have adequate quality control systems to ensure the credibility of nonfinancial data.

**Issue 7: Recognizing Data
Limitations**

To what extent does the performance plan identify significant data limitations and their implications for assessing the achievement of performance goals?

Explaining the limitations of performance information can provide Congress with a context for understanding and assessing agencies' performance and the costs and challenges agencies' face in gathering, processing, and analyzing needed data. This discussion on data limitations can help identify the actions needed to improve the agency's ability to measure its performance.

Agencies face many challenges in collecting credible data. For example, performance data may not be complete because they are not available from all reporting sites or may not be consistent because multiple parties, who are providing the data, may use different definitions of the reported information. Responding to these concerns will require agencies to balance the cost of improved data collection against the benefit of higher quality data to document performance. Lastly, because agencies have frequently lacked a results orientation and because of the costs and challenges of collecting performance information, baseline and/or historical trend data needed to define performance goals may be poor or nonexistent.

Key Assessment Questions

Issue 1: Defining Expected Performance

To what extent do the annual performance goals and measures provide a succinct and concrete statement of expected performance for subsequent comparison with actual performance?

Issue 1: Defining Expected Performance

| Assessment area | Question |
|-------------------|---|
| Performance goals | <p>1. To what extent has the agency established performance goals that clearly and specifically define the results the agency expects to achieve for the program activities in the agency's budget?</p> <p>2. Is there an apparent basis for setting a particular performance goal? For example, does the plan indicate whether targeted levels of performance were based on agency baseline and/or historical trend data of actual performance or on benchmarking against other organizations that perform similar activities? If appropriate, how do the targeted levels compare to those of leading organizations?</p> <p>3. Do the performance goals reflect the primary function of the related program activity(ies) in the budget?</p> <p>4. To what extent are the performance goals expressed in an objective, quantifiable, and measurable form?</p> <p>5. If an alternative form for measuring performance was used, does the plan include an explanation for why the alternative form was needed?</p> <p>6. To what extent does the performance plan identify and set goals to correct management problems, such as those identified in GAO or inspector general reports, that are mission-critical or could potentially impede achievement of program goals?</p> |

Section II
Key Assessment Questions

Issue 1: Defining Expected Performance (continued)

| Assessment area | Question |
|-----------------------------|---|
| Performance measures | <p>7. Is each performance measure linked or related to a performance goal?</p> <p>8. To what extent has the agency produced performance measures for each performance goal that</p> <ul style="list-style-type: none">-- demonstrate results?-- are limited to the vital few?-- respond to multiple priorities?-- link to responsible programs? <p>9. Does the agency include cost measures for performance goals when appropriate, such as cost per unit of result or cost per unit of service?</p> <p>10. What experience does the agency have in using these measures? Could the performance measures create, collectively or individually, undesirable effects? Specifically, are any disincentives or unintended consequences likely to occur as a result of the agency's measures?</p> |

**Issue 2: Connecting
Mission, Goals, and
Activities**

How are the agency's annual performance goals linked to the agency's mission, strategic goals, and program activities in its budget request?

Issue 2: Connecting Mission, Goals, and Activities

Assessment area

Question

Linkage of annual performance goals to strategic goals and mission

1. Does the agency's annual performance plan contain at least a summary of the mission statement and strategic goals as identified in the agency's strategic plan?
2. Does the annual performance plan include an identification of any interim revisions to the agency's strategic goals and give a rationale for the changes?
3. Are there strategic goals that are not associated with any annual performance goals? If so, does the plan explain why such a relationship does not exist?
4. Are there annual performance goals that do not show a clear relationship to any of the agency's strategic goals? If so, does the plan explain why there is no such relationship?
5. To what extent do annual performance goals set forth progress to be made toward achievement of strategic goals?

Section II
Key Assessment Questions

Issue 2: Connecting Mission, Goals, and Activities (continued)

| Assessment area | Question |
|---|--|
| Linkage of annual performance goals to budget program activities | 6. To what extent is there a clear relationship between the agency's performance goals and measures and the program activity structure of its budget presentation? |
| | 7. To what extent do the program activities that are used in the performance plan provide information on performance goals and funding for programs of interest to congressional decisionmakers? Could the agency have better highlighted such goals through either consolidation, aggregation, disaggregation, or adhering to the existing budget program activity structure? |
| | 8. If the agency has consolidated, aggregated, or disaggregated its program activities, does the plan provide a crosswalk that shows how the program activities in the agency's budget request relate to the program activities in the annual performance plan? |
| | 9. Are there performance goals that are not associated with any program activities? If so, does the agency explain why and indicate how achievement of those goals will be funded? |
| | 10. Does the plan propose a change in the budget account or activity structure to better align its resources and intended results? If so, will this change enhance performance planning and reporting while facilitating congressional review? |
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| | |

Issue 3: Recognizing Crosscutting Efforts

How are agencies coordinating efforts with related strategic or performance goals?

Issue 3: Recognizing Crosscutting Efforts

Assessment area

Question

Identification of crosscutting goals and measures

1. To what extent does the agency identify goals that relate to crosscutting programs--activities that involve other agencies or other organizations within the agency?

2. If the agency has identified crosscutting goals, to what extent does the plan identify performance measures that are or may be complementary and, where appropriate, common across the various government units?

3. Is there any evidence (such as hearings, GAO or Congressional Research Service reports) that suggests the agency's plan fails to identify some performance goals and measures that require the participation of more than one government unit?

Evidence of coordination among crosscutting programs

4. Does the plan describe the strategies the agency will use to coordinate crosscutting efforts?

5. To what extent does the plan discuss how the agency's crosscutting performance goals make a distinguishable contribution?

6. If the agency proposes a new program, does the plan clearly justify why the performance goals of that new program cannot be achieved through existing programs?

Issue 4: Connecting Strategies to Results

How clear and reasonable are the agency's strategies with respect to its intended performance goals?

Issue 4: Connecting Strategies to Results

Assessment area

Question

Alignment of strategies with performance goals

1. To what extent do the proposed strategies logically relate to the accomplishment of the performance goals?

2. If there are intergovernmental activities, to what extent does the plan evidence coordination between the agency and other governmental units to further the achievement of agency performance goals?

3. Does the plan indicate whether fiscal tools will be used to achieve performance goals, such as direct payments and cash transfers to individuals; grants, loans, or loan guarantees provided to third parties; or tax expenditures?

4. To what extent does the performance plan relate the annual performance goals to responsible organizational components, such as bureaus, agencies, and offices?

5. Does the plan indicate to what extent the agency has more detailed performance goals that guide the day-to-day activities of agency staff?

Section II
Key Assessment Questions

Issue 4: Connecting Strategies to Results (continued)

| Assessment area | Question |
|--|--|
| Consideration of other approaches | 6. To what extent has the agency discussed other approaches for achieving greater efficiency and effectiveness in agency operations, such as partnering with other organizations, business process reengineering, contracting out, privatization, or franchising? Are there any areas where these approaches should be considered? |
| | 7. Are there proposals to waive administrative requirements to reduce the cost of delivering services and improve program performance? If so, does the plan describe the anticipated effects on performance? |
| | 8. Does the agency discuss the cost and anticipated benefits of any proposed regulations to achieve certain goals? |
| External conditions | 9. To what extent are any significant external factors identified that could positively or negatively affect the accomplishment of the performance goal? Does the plan indicate how it will leverage the positive factors and/or mitigate the negative factors? |
| | 10. Does the plan identify statutory barriers to improved program performance that Congress may wish to consider modifying or abolishing? Is there a discussion of proposed legislation when goal achievement depends on its enactment? |

**Issue 5: Connecting
Resources to
Strategies**

What capital, human, financial, and other resources are being applied to achieve the agency's performance goals?

Issue 5: Connecting Resources to Strategies

| Assessment area | Question |
|----------------------------|---|
| Financial resources | <p>1. Does the plan indicate to what extent the program activities associated with performance goals reflect the full cost of goal achievement? If not, does the agency indicate--briefly in its performance plan and by reference to a separate financial management plan--its progress in developing a cost accounting system that can provide reliable performance data, such as cost per unit of result or output or the full costs of particular programs?</p> <p>2. Does the agency specify the amount of budgetary resources associated with the achievement of performance goals?</p> <p>3. Does the plan indicate--briefly or by reference to a separate budget justification document--the basis for the linkage between the requested budgetary resources and the goals the agency expects to achieve? Is there any indication, such as the agency's inexperience in making resource estimates for certain activities, lack of actual data, or GAO or inspector general reports, that could affect the basis for the requested resources?</p> <p>4. Does the plan identify performance goals that are funded by resources made available in previous years?</p> <p>5. Does the plan identify when annual performance goals will be achieved in a future year but are to be funded with resources requested for this fiscal year?</p> |

Section II
Key Assessment Questions

Issue 5: Connecting Resources to Strategies (continued)

| Assessment area | Question |
|---|--|
| Information technology, capital, and other resources | 6. To what extent does the annual performance plan indicate how information technology and other capital investments will be used to improve performance or help achieve performance goals? Are these improvements or benefits explained in terms of: -- reducing costs? -- increasing productivity? -- decreasing cycle or processing time? -- improving service quality? -- increasing customer satisfaction? |
| | 7. To what extent does the plan show that agency funding requests for investments in information technology and other capital investments support the agency's mission and strategic goals? Does the performance plan make specific references to other plans, such as those for capital assets and information management? |
| | 8. Does the agency describe--briefly in its performance plan and by reference to a separate information management plan--its strategy for ensuring that its major business processes and supporting systems will function properly past the year 1999? |

Section II
Key Assessment Questions

Issue 5: Connecting Resources to Strategies (continued)

| Assessment area | Question |
|------------------------|---|
| Human resources | <p>9. Is there evidence that issues concerning workforce knowledge, skills, and abilities were considered during the development of the annual performance plan? To the extent that significant gaps were identified, what mitigating developmental activities and strategies are proposed (such as hiring, training, cross-agency transfers)?</p> <p>10. To what extent is the agency seeking to identify ways to better align its human resource management efforts with program performance goals? For example: (1) Is there evidence that annual goals were clearly communicated throughout the agency? (2) Are there plans to integrate performance goals with employee job descriptions and training and career development programs? (3) Are there plans to adjust performance management systems to reflect annual performance goals?</p> |

Section II
Key Assessment Questions

Issue 6: Verifying and Validating Performance

How will the agency ensure that its performance information is sufficiently complete, accurate, and consistent?

Issue 6: Verifying and Validating Performance

| Assessment area | Question |
|--|--|
| Ability to verify and validate data | <p>1. To what extent does the agency describe credible means for verifying and validating performance information? For example, does the plan discuss audits, independent external reviews, program evaluations, internal controls, or other means for ensuring high quality performance data?</p> <p>2. Does the agency's most recent financial audit find that the agency has financial systems and internal controls for collecting data that are sufficiently complete, accurate, and consistent? If not, what actions are being taken?</p> <p>3. Does the agency indicate--briefly in its performance plan and by reference to a separate information security plan--that its information systems are secure from tampering and errors that could hamper the reliability of performance data?</p> |

**Issue 7: Recognizing
Data Limitations**

To what extent does the performance plan identify significant data limitations and their implications for assessing the achievement of performance goals?

Issue 7: Recognizing Data Limitations

Assessment area

Question

Limitations of data

1. To what extent is there sufficient information to give reasonable confidence that the agency has the ability to generate--in-house or through external sources--performance data for all of its performance measures?

2. Are there performance goals for which the agency anticipates that actual performance data will not be available in time for the annual performance report?

3. To what extent does the plan provide baseline and/or historical trend data associated with its performance measures?

4. To what extent does the plan disclose limitations associated with data that will be used? Are there implications arising from such limitations? Does the agency indicate what actions it plans to take to address the limitations?

5. To what extent will the agency rely on external sources--such as other agencies, states, or independent organizations--to provide performance data? Does the agency disclose any concerns related to the quality or timeliness of the performance data provided by external sources?

6. Is the agency developing a new data collection system or modifying an existing one? Are there more cost-effective ways to improve the data collection systems?

The Results Act's Planning and Reporting Requirements

The Results Act is designed to improve the efficiency and effectiveness of federal programs by establishing a system to set goals for program performance and to measure results. Specifically, the Act requires executive agencies to prepare multiyear strategic plans, annual performance plans, and annual performance reports.

Multiyear Strategic Plans

The Results Act requires virtually every executive agency to develop strategic plans covering a period of at least 5 years forward from the fiscal year in which it is submitted and to update those plans at least every 3 years. Agencies' first strategic plans were to be submitted to Congress and the Director of OMB by September 30, 1997. The strategic plans are to (1) include the agencies' mission statements; (2) identify long-term general goals and objectives; (3) describe how the agencies intend to achieve those goals through their activities and through their human, capital, information, and other resources; and (4) explain the key external factors that could significantly affect the achievement of those goals. Under the Act, strategic plans are the starting point for agencies to set annual performance goals and to measure program performance in achieving those goals. Consequently, strategic plans are also to include a description of how long-term general goals will be related to annual performance goals as well as a description of the program evaluations that agencies used to establish their long-term general goals and a schedule for subsequent evaluations. As part of the strategic planning process, agencies are required to consult with Congress and solicit the views of other stakeholders—those governmental and nongovernmental entities potentially affected by, or interested in, the agencies' activities.

Annual Performance Plans

Building on the decisions made as part of the strategic planning process, the Results Act requires executive agencies to develop annual performance plans covering each program activity set forth in the agencies' budgets. The first annual performance plans, covering fiscal year 1999, were to be submitted to OMB in the fall of 1997 and to Congress after the President's budget in 1998. The Results Act requires that each agency prepare an annual performance plan that shall:

“(1) establish performance goals to define the level of performance to be achieved by a program activity;

“(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form. . . ;

“(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

“(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

“(5) provide a basis for comparing actual program results with the established performance goals; and

“(6) describe the means to be used to verify and validate measured values.”¹

The Act authorizes agencies to apply for managerial flexibility waivers in their annual performance plans. Agencies' authority to request waivers of nonstatutory administrative procedural requirements and controls is intended to provide federal managers with more flexibility to structure agency systems to better support performance goals. An example of increased flexibility would be to allow an organization to recapture unspent operating funds because of increased efficiencies and then to use these funds to purchase new equipment or expand employee training. Another example might involve delegating more authority to line managers to make procurement decisions.

OMB is to use the performance plans that agencies submit to develop an overall federal government performance plan. OMB is to submit this governmentwide plan each year to Congress with the president's budget. According to the Senate committee report accompanying the Act, the overall federal government performance plan is to present to Congress a single, cohesive picture of the federal government's annual performance goals for the fiscal year.² The first overall plan was due with the president's fiscal year 1999 budget.

Annual Performance Reports

Finally, the Results Act requires each executive agency to prepare annual reports on program performance for the previous fiscal year. The first performance reports for fiscal year 1999 are due to Congress and the president no later than March 31, 2000; subsequent reports are due by March 31 for the years that follow. In each report, an agency is to review

¹32 U.S.C. 1115.

²S. Rep. No. 58, 103d Cong. 1st Sess. (1993).

and discuss its performance compared with the performance goals it established in its annual performance plan. When a goal is not met, the agency is to explain in the report the reasons the goal was not met; plans and schedules for meeting the goal; and, if the goal was impractical or not feasible, the reasons for that and the actions recommended. According to the Senate committee report on the Act, actions needed to accomplish a goal could include legislative, regulatory, or other actions. If an agency finds a goal to be impractical or not feasible, it is to include a discussion of whether the goal should be modified.

In addition to evaluating the progress made toward achieving its annual goals, an agency's program performance report is to evaluate the agency's performance plan for the fiscal year in which the performance report was submitted. Thus, in their fiscal year 1999 performance reports that are due by March 31, 2000, agencies are required to evaluate their performance plans for fiscal year 2000 on the basis of their reported performance in fiscal year 1999. This evaluation is to help show how an agency's actual performance is influencing its performance plan. The report also is to include (1) the summary findings of program evaluations completed during the fiscal year covered by the report and (2) the use and effectiveness of any of the Results Act managerial flexibility waivers that an agency received.

Agencies also are to include baseline and trend data in annual performance reports to help ensure that their reports are complete and that performance is viewed in context. Such data can show whether performance goals are realistic given the past performance of an agency. Such data can also assist users of reports to draw more informed conclusions than they would if they compared only a single year's performance against an annual goal, because users of reports can see improvements or declines in an agency's performance over prior years.³ For fiscal years 2000 and 2001, agencies' reports are to include data on the extent to which their performance achieved their goals, beginning with fiscal year 1999. For each subsequent year, agencies are to include performance data for the year covered by the report and 3 prior years. Congress recognized that in some cases not all the performance data will be available in time for the required reporting date. In such cases, agencies are to provide whatever data are available with a notation as to their incomplete status. Subsequent annual performance reports are to include the complete data as part of the trend information.

³GAO/GGD-96-66R, February 14, 1996.

Related Guidance on Annual Performance Plans

This appendix contains a compilation of related guidance, including the Results Act, GAO reports, and OMB documents, and is arranged by the issues discussed in this guide.

Issue 1: Defining Expected Performance

The Government Performance and Results Act (Results Act), 31 U.S.C. 1115(a)(1), 1115(a)(2), 1115(a)(4), 1115(a)(5), 1115(b), and 1115(c).

Senate Committee on Governmental Affairs Report accompanying the Results Act (Senate Report 103-58, June 16, 1993), pp. 15-16, “Performance Plans”; p. 29, “Performance Goals”; pp. 29-30, “Performance Indicators”; and p. 30, “Alternative Forms of Measurement.”

OMB Circular A-11, secs. 220.1, 220.4, 220.10(a), 220.10(b), 220.10(c), 220.14, 220.16, 220.17, 221.4(a), 221.4(b), and 221.4(d).

OMB Checklist for Agency Annual Performance Plans (Nov. 24, 1997), pp.1-2, “Coverage of Program Activities”; pp. 3-4, “Annual Performance Goals”; p. 4, “Performance Indicators”; and p. 5, “Alternative Form of Measurement.”

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven ([GAO/GGD-97-109](#), June 2, 1997), pp. 55-57, 61-63, and 71-72.

Executive Guide: Effectively Implementing the Government Performance and Results Act ([GAO/GGD-96-118](#), June 1996), pp. 24-26.

Implementation of the Government Performance and Results Act (GPRA), A Report on the Chief Financial Officer’s Role and Other Issues Critical to the Governmentwide Success of GPRA, Chief Financial Officers Council, GPRA Implementation Committee, May 1995.

Issue 2: Connecting Mission, Goals, and Activities

Results Act, 5 U.S.C. 306(c), 31 U.S.C. 1115(a), and 31 U.S.C. 1115(c).

Senate Committee on Governmental Affairs Report accompanying the Results Act (Senate Report 103-58, June 16, 1993), p. 15, “Performance Plans”; p. 29, “Performance Goals”; and p. 31, “Coverage of Program Activities.”

OMB Circular A-11, secs. 210.2(c), 210.4, 220.3, 220.4, 220.5, 220.6, 220.7, 220.8, 220.9(a), 220.9(b), 220.9(d), 220.9(e), 220.10(c), 221.3, 221.4(b).

OMB Checklist for Agency Annual Performance Plans (Nov. 24, 1997), pp.1-2, “Coverage of Program Activities”; pp. 3-4, “Annual Performance Goals”; p. 7, “Mission Statement and General Goals and Objectives”; and p. 8, “Budget Account Restructuring.”

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven ([GAO/GGD-97-109](#), June 2, 1997), pp. 90-93.

Performance Budgeting: Past Initiatives Offer Insights for GPRA Implementation ([GAO/AIMD-97-46](#), Mar. 27, 1997).

Integrating Performance Measurement into the Budget Process, Chief Financial Officers Council, GPRA Implementation Committee Subcommittee Project, September 22, 1997.

Issue 3: Recognizing Crosscutting Efforts

OMB Circular A-11, secs. 220.8, 220.10(b), and 221.4(c).

OMB Checklist for Agency Annual Performance Plans (Nov. 24, 1997), p. 8, “Cross-cutting Programs.”

Managing for Results: Using the Results Act to Address Mission Fragmentation and Program Overlap ([GAO/AIMD-97-146](#), Aug. 29, 1997).

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven ([GAO/GGD-97-109](#), June 2, 1997), pp. 53-55.

Issue 4: Connecting Strategies to Results

Results Act, 31 U.S.C. 1115(a)(3) and 31 U.S.C. 9703.

Senate Committee on Governmental Affairs Report accompanying Results Act (Senate Report 103-58, June 16, 1993), pp. 15-16, “Performance Plans”; pp. 17-18, “Managerial Flexibility Waivers”; and pp. 34-36, “Section 5 - Managerial Accountability and Flexibility.”

OMB Circular A-11, secs. 220.10(b), 220.12(a), 220.12(b), 220.12(c), and 221.4(b).

OMB Checklist for Agency Annual Performance Plans (Nov. 24, 1997), p. 6, “Means and Strategies”; p. 8, “Tax Expenditures and Regulation”; and p. 8, “External Factors.”

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven ([GAO/GGD-97-109](#), June 2, 1997), pp. 63-66.

Business Process Reengineering Assessment Guide, Version 3
(GAO/AIMD-10.1.15, Apr. 1997).

Privatization: Lessons Learned by State and Local Governments
(GAO/GGD-97-48, Mar. 14, 1997).

Executive Guide: Effectively Implementing the Government Performance and Results Act (GAO/GGD-96-118, June 1996), pp. 18-21 and 24-26.

Issue 5: Connecting Resources to Strategies

Results Act, 31 U.S.C. 1115(a)(3).

Senate Committee on Governmental Affairs Report accompanying Results Act (Senate Report 103-58, June 16, 1993), pp. 15-16, "Performance Plans"; and p. 30, "Performance Indicators."

OMB Circular A-11, secs. 220.1, 220.9(a), 220.9(e), 220.10(c), 220.11(a), 220.11(b), 220.11(c), 220.12(a), 220.12(d), and Part 3.

OMB Checklist for Agency Annual Performance Plans (Nov. 24, 1997), p. 5, "Future Year Performance"; p. 5, "Performance Goals Funded By Prior Year Appropriations"; and p. 6, "Means and Strategies."

OMB Capital Programming Guide, v. 1.0 (July 1997).

Executive Guide: Measuring Performance and Demonstrating Results of Information Technology Investments (GAO/AIMD-97-163, Sept. 1997).

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven (GAO/GGD-97-109, June 2, 1997), pp. 90-97.

Year 2000 Computing Crisis: An Assessment Guide (GAO/AIMD-10.1.14, Sept. 1997).

Assessing Risks and Returns: A Guide for Evaluating Federal Agencies' IT Investment Decision-making, Version 1 (GAO/AIMD-10.1.13, Feb. 1997).

Information Technology Investment: Agencies Can Improve Performance, Reduce Costs, and Minimize Risks (GAO/AIMD-96-64, Sept. 30, 1996).

Executive Guide: Effectively Implementing the Government Performance and Results Act (GAO/GGD-96-118, June 1996), pp. 18-21 and 39-46.

Transforming the Civil Service: Building the Workforce of the Future—Results of a GAO-Sponsored Symposium ([GAO/GGD-96-35](#), Dec. 26, 1995).

Federal Accounting Standards Board (FASAB) Volume 1 Original Statements: Statements of Federal Financial Accounting Concepts and Standards, Statement of Federal Financial Accounting Standards No. 1, Objectives of Federal Financial Reporting ([GAO/AIMD-21.1.1](#), Mar. 1997), pp. 11-62.

FASAB Volume 1 Original Statements: Statements of Federal Financial Accounting Concepts and Standards, Statement of Federal Financial Accounting Standards No. 4, Managerial Cost Accounting Standards ([GAO/AIMD-21.1.1](#), Mar. 1997), pp. 331-394.

Issue 6: Verifying and Validating Performance

Results Act 31, U.S.C. 1115 (a)(6).

Senate Committee on Governmental Affairs Report accompanying Results Act (Senate Report 103-58, June 16, 1993), p. 30, “Verification and Validation.”

OMB Circular A-11, secs. 220.7, 220.13, and 221.5.

OMB Checklist for Agency Annual Performance Plans (Nov. 24, 1997), p. 7, “Verification and Validation.”

Executive Guide: Effectively Implementing the Government Performance and Results Act ([GAO/GGD-96-118](#), June 1996), pp. 27-29.

GPRA Performance Reports ([GAO/GGD-96-66R](#), Feb. 14, 1996) pp. 6-8 and 11.

FASAB Volume 1 Original Statements: Statements of Federal Financial Accounting Concepts and Standards ([GAO/AIMD-21.1.1](#), Mar. 1997).

Budget and Financial Management: Progress and Agenda for the Future ([GAO/T-AIMD-96-80](#), Apr. 23, 1996).

Executive Guide: Information Security Management ([GAO/AIMD-98-21](#), Nov. 1997).

Issue 7: Recognizing Data Limitations

OMB Circular A-11, sec. 221.5.

OMB Checklist for Agency Annual Performance Plans (Nov. 24, 1997), p. 7, “Verification and Validation.”

Managing for Results: Regulatory Agencies Identified Significant Barriers to Focusing on Results ([GAO/GGD-97-83](#), June 24, 1997).

The Government Performance and Results Act: 1997 Governmentwide Implementation Will Be Uneven ([GAO/GGD-97-109](#), June 2, 1997), pp. 61-75.

Managing for Results: Analytic Challenges in Measuring Performance ([GAO/HEHS/GGD-97-138](#), May 30, 1997).

Measuring Performance: Strengths and Limitations of Research Indicators ([GAO/RCED-97-91](#), Mar. 21, 1997).

Executive Guide: Effectively Implementing the Government Performance and Results Act ([GAO/GGD-96-118](#), June 1996), pp. 27-29.

GPRA Performance Reports ([GAO/GGD-96-66R](#), Feb. 14, 1996).

Block Grants: Issues in Designing Accountability Provisions ([GAO/AIMD-95-226](#), Sept. 1, 1995).

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