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OFFICE OF MANAGEMENT AND BUDGET
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THE DIRECTOR

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M-18-15

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney
Director

A handwritten signature in blue ink, appearing to read "M. Mulvaney", is written over the printed name and title.

SUBJECT: 2018 Strategic Review Guidance

The President's Management Agenda (PMA) identifies the Administration's key management reform priorities and initiatives. Implemented over time by agency leaders and government-wide councils with oversight by the Office of Management Budget (OMB), the PMA will leverage various management and accountability structures provided by the Government Performance and Results Modernization Act of 2010 (GPRAMA), the Program Management Improvement Accountability Act (PMIAA), and the President's Budget to advance progress in achieving the Administration's management reform priorities and objectives.

This memorandum provides guidance to Federal agencies on implementation and accountability of key PMA priorities throughout 2018, and describes the Administration's plan for structuring OMB and agency engagements for monitoring the progress of agency performance using the 2018 Strategic Review meetings.

Overview: Conducting routine, data-driven, management reviews led by senior leaders is a management practice that has been shown to produce results and improve organizational efficiency and effectiveness. Management reviews provide a forum to bring people, resources, and evidence together, incorporating data analysis needed to diagnose problems and agree on next steps to resolve them and make progress. To enhance the usefulness of agency strategic planning and annual reporting, and meet the objectives of GPRAMA, OMB established annual strategic reviews – an agency's management process or set of processes that synthesize available performance information and other evidence, including evaluations, to assess progress on its strategic objectives in consultation with OMB. These reviews expand on agencies' quarterly performance reviews required by GPRAMA, and are designed to use multiple sources of evidence to inform operational decisions, budgetary tradeoffs, and development of legislative proposals.

The 2018 Strategic Reviews will build on previous efforts, utilizing these existing activities to inform a discussion between OMB and agencies to identify opportunities to improve efficiency and effectiveness. These reviews will also provide a forum for OMB and agencies to

assess and discuss agency priority and performance goals as well as implementation of management initiatives and priorities identified in the PMA.

For 2018, agencies should conduct their internal strategic reviews and other management assessments, and then plan to discuss their findings with OMB and receive feedback during a meeting to be held in June or July. In general, these meetings will be held at the agency COO and OMB Principal Associate Director (PAD) level, and should include relevant program staff as appropriate. While the specific agenda of each meeting will be developed by OMB in collaboration with agencies prior to the review session, each meeting will generally be structured around three priority discussion areas:

- **Part 1: Mission Assessment**
- **Part 2: Risk Assessment**
- **Part 3: Management Priorities**

The following paragraphs provide agencies with guidance needed to prepare for the meetings with OMB.¹

Applicability: Large agencies covered by the Chief Financial Officer (CFO) Act of 1990 that are required to publish Agency Priority Goals on Performance.gov must conduct strategic reviews to meet the requirements outlined in this memorandum and [OMB Circular A-11, Part 6](#).

Priority Discussion Areas for the 2018 OMB/Agency Strategic Review Meetings.

Part 1: Mission Assessment. For the Mission Assessment, agency Performance Improvement Officers (PIOs) will coordinate the agency's internal strategic review process(es) in order to generate the agency's Summary of Findings by Strategic Objective for discussion with OMB during the 2018 Strategic Review meeting. Summary of Findings by strategic objective will include a relative assessment that identifies 10% to 20% of agency strategic objectives in each of the two categories of Noteworthy Progress or Focus Area for Improvement. There are a variety of different scenarios that may make such identification appropriate for a strategic objective relative to the other agency objectives. Agencies should refer to [OMB Circular A-11, Part 6, Section 270](#) for additional information on the categorization of strategic objectives identified as making noteworthy progress or a focus area for improvement.

Agencies should leverage a number of data sources when conducting their assessments and developing their analyses, to include but not be limited to:

- Results and analysis of quantitative and qualitative data produced during quarterly data-driven reviews of performance of Agency Priority Goals (APGs) and performance goals;²
- Cross-agency Benchmarking data collected by the General Services Administration;

¹ This guidance should be reviewed in complement with OMB's more detailed policy and guidance on Performance and Strategic Reviews in [OMB Circular A-11, Part 6, Section 270](#).

² See [OMB Circular A-11, Part 6, Section 250](#) for more detailed policy and guidance on Agency Priority Goals.

- Enterprise Risk Management and analysis of risks identified through development of agency risk profiles;³
- [FedScope.gov](https://www.fedscope.gov), OPM’s online tool which contains quarterly data on hundreds of workforce data elements;
- Federal Employee Viewpoint Survey (FEVS) data; and
- Findings from completed program evaluations, research studies, and other evidence-building activities.

Part 2. Risk Assessment. OMB will leverage agencies’ strategic review processes and Summary of Findings by Strategic Objective submissions for a discussion of significant agency risks that could impact the achievement of strategic and performance goals. Agencies will also be required to provide an update on plans or actions taken to date to address areas on the GAO High Risk List. Agencies with an area identified on [GAO’s High Risk list](#) shall provide OMB an update that generally addresses:

- Agency’s assessment of the recommendation;
- Estimated date when the agency assesses it will have sufficient evidence to present to GAO that the area, or part of the high risk area, will be fully addressed; and
- Identification of any actions needed by OMB, other Executive Branch agencies, or Congress to address each high risk area.

Part 3: Management Priorities. Agencies will provide an update to OMB on key management priorities and initiatives related to PMA implementation as identified by the agency for discussion with OMB as well as plans for implementing the Program Management Improvement Accountability Act (PMIAA). Additionally, in support of a broader effort by OMB and agencies to collaborate on strategies, actions, and reforms to improve management competencies needed to drive progress on PMA implementation, agencies will also conduct an assessment of their enterprise management and decision-support capabilities and lead a discussion of their findings with OMB as part of the 2018 Strategic Review meetings.

- a. Update on PMA Implementation and Other Management Initiatives: Agencies shall provide an update on progress on agency or OMB-identified areas of focus related to PMA implementation or management and reform priorities. Potential policy areas of interest agencies should consider raising for a strategic level discussion with OMB are identified below.

PMA Implementation and Related Efforts:

- Cross-Agency Priority (CAP) Goals established by the President’s Management Agenda;⁴
- Annual IT portfolio reviews as required by Federal Information Technology Acquisition Reform Act (FITARA); and
- Update on agency progress in Enterprise Data Governance (including Enterprise Data Inventory completeness as required by [M-13-13](#)), Data Use,

³ See [OMB Circular A-123](#) for guidance on Management’s Responsibility for Enterprise Risk Management and Internal Control.

⁴ The President’s Management Agenda and list of Cross-Agency Priority (CAP) Goals are available on [Performance.gov](https://www.performance.gov).

Access, and Augmentation (including DATA Act implementation as required by [M-17-04](#)), and examples of use of agency data for decision-making and accountability, as well as commercialization, innovation, and public use (as articulated in [Leveraging Data as a Strategic Asset](#) Cross-Agency Priority Goal).

Management Initiatives:

- Updates on implementation of administrative reorganization proposals that were included in the 2019 Budget;
 - Update on implementing the Regulatory Reform Accountability under Executive Order 13777, titled “Enforcing the Regulatory Reform Agenda” (see OMB Memorandum [M-17-23](#));
 - Update on agency progress in developing a learning agenda that builds and utilizes evidence and evaluation findings to inform agency strategies and decision-making; and
 - Update on implementing monitoring and evaluation policies as required by the Foreign Aid Transparency and Accountability Act of 2016 (see OMB Memorandum [M-18-04](#)).
- b. Assessment of Agency’s Enterprise Management and Decision-Support Capabilities: Agency COOs will lead a self-assessment that examines the ‘enterprise management capabilities’ of the agency. This assessment will review the capacity of primary management (e.g., financial management, human capital, acquisition and procurement, etc.) as well as decision-support functions (e.g., strategic planning, enterprise risk management, and program evaluation) that inform decision-making by agency senior leadership. Findings from the assessment may inform proposals, or provide context for revised performance strategies and/or agency actions that would be reflected in agency performance planning or other management plans and documents to be submitted in September 2018 for review as part of the FY 2020 budget process.
- c. Update on PMIAA Implementation. OMB will leverage agencies’ strategic review submissions to OMB for an update on agency plans for implementing the PMIAA. An initial outline of the agency’s PMIAA implementation plan shall be provided to OMB for discussion during the agency’s Strategic Review meeting with OMB. Agency PMIAA implementation plans will identify key strategies, actions, and steps Agency Program Management Improvement Officers (PMIOs) and other senior agency leaders will take to support implementation of the Act.

Agency Resources and Submitting Materials to OMB.

- Resource Page on MAX Community: A MAX Community page at <https://community.max.gov/x/ZYA-V> has been established to assist agencies with compiling their briefing materials and structuring the submission of their analyses to OMB across management areas of focus. There, agencies should reference the [Appendices](#) accompanying this guidance which provide additional detail on the

components of Parts 1 through 3 above, as well as access the [Templates](#) available to help build content for discussion during the meeting. A timeline is also posted to assist agencies in preparing for these engagements.

- **Submitting Materials to OMB: No later than May 21, 2018**, agencies will upload their 2018 Strategic Review materials and analyses addressing items in Parts 1 through 3 above using the Performance Submission Portal on MAX Community at <https://community.max.gov/x/FRZwIg>.

Points of Contact. Questions should be directed to the agency's applicable OMB Resource Management Office or OMB's Performance Team (Adam Lipton at alipton@omb.eop.gov or 202-395-2511).

APPENDIX 1: AGENCY TIMELINE AND SUMMARY OVERVIEW OF SUBMISSION MATERIALS TO OMB

Timeline for Strategic Review Materials:

- March – May, 2018: Agencies conduct internal strategic reviews, developing materials for submission to OMB.
- May 21, 2018: Agencies submit to OMB analyses and [briefings materials](#) to shape the discussion and agenda for the agency’s strategic review meeting. Items include:
 1. **Mission Assessment**, which includes an assessment of progress being made towards accomplishing each of the agency’s strategic objectives.
 2. **Risk Assessment**, which includes a summary of agency Risk Profiles and an update of items on the GAO High Risk List.
 3. **Management Priorities**, which includes updates in key management areas including priorities identified as part of the President’s Management Agenda.

See Appendices 2 through 7 for detailed submission instructions on analyses agencies are required to submit to OMB as part of the 2018 Strategic Review process.

- June – July, 2018: Strategic Review meetings conducted between OMB and agencies. A tentative calendar of meeting dates, times, and locations for agencies’ 2018 Strategic Review meeting with OMB will be posted on the [MAX Community](#) page. Agency PIOs should contact their applicable RMO or Adam Lipton (alipton@omb.eop.gov) if you have a scheduling conflict with the date currently scheduled for your agency.
- July – Sep., 2018: Agencies develop and submit FY 2020 budget materials in accordance with OMB guidance and feedback provided during the Strategic Review meetings.

What materials and analyses are agencies required to submit to OMB as Part of the 2018 Strategic Review process?

1. **Strategic Review Briefing**: All agencies are required to submit a briefing that will be used to guide the discussion with OMB during the Strategic Review meeting. A [Template](#) is available on the MAX Community page to assist agencies with compiling their briefing materials for the meeting, though agencies have flexibility in the final design of their presentations. Agencies should coordinate with their OMB RMO to identify issues appropriate for the discussion.

In addition to their Strategic Review Briefing, agencies will also submit the following materials as part of the 2018 Strategic Review process.

2. **Summary of Findings by Strategic Objective**: See Appendix 2 for additional information. *Note there is no template for this submission to OMB.*

3. **GAO High Risk Update:** See Appendix 3 for additional information. Templates are available on the MAX Community page for providing the agency's [High Level Summary](#) and more [Detailed Analyses](#) to OMB.
4. **Assessment of Agency's Enterprise Management and Decision-Support Capabilities:** See Appendix 4 for additional information. A [template](#) for completing this assessment is available for download from the MAX Community page.
5. **Update on Agency Learning Agendas:** See Appendix 5 for additional information. A [template](#) for providing this update to OMB is available for download from the MAX Community page.
6. **Implementing the Foreign Aid Transparency and Accountability Act (FATAA) of 2016:** See Appendix 6 for additional information. A [template](#) for providing this update to OMB is available for download from the MAX Community page.
7. **Implementing the Program Management Improvement Accountability Act (PMIAA) of 2016:** See Appendix 7 for additional information. A [template](#) for provide this update to OMB is available for download from the MAX Community page.

How should agencies submit these items to OMB?

Agencies will upload all of their 2018 Strategic Review materials using the Performance Submission Portal on MAX Community at <https://community.max.gov/x/FRZwIg>. Agencies will navigate to the Performance Submission Portal and click on their agency's submission page hyperlink. This will take the agency to their submission page that only the agency and OMB can access. Agency's will click on the hyperlink for the applicable performance activity submission (e.g., Strategic Review), and then access the applicable planning year (e.g., 2018 Strategic Review). Click on '+ Add Attachment(s)' to upload the agencies briefing materials and strategic review findings.

APPENDIX 2: 2018 STRATEGIC REVIEW SUMMARY OF FINDINGS BY STRATEGIC OBJECTIVE

1. Summary of Findings for each Strategic Objective.

Submission Requirement. In preparing for the 2018 Strategic Review engagements with OMB, agencies are required to submit to OMB **by May 21, 2018** an overview of the key findings from the agency strategic review and present the data used in their decision making. The Summary of Findings by Strategic Objective should address the following areas for analysis for each Strategic Objective:

- *Performance Results and Evaluation:* Summarize key results or provide synopsis of key areas of progress. Summaries should be a synthesis that provides a brief analysis and key conclusions from the agency's strategic review.
 - 10% to 20% of agency strategic objectives should be identified as "Area Demonstrating Noteworthy progress" and "Focus Area for Improvement."
 - Additional guidance on the Strategic Reviews is provided in Part 6, Section 270 of OMB Circular A-11.
- *Summary of Risks and Opportunities:* Brief discussion of future risks, challenges, and opportunities that may impact mission outcomes.
 - Additional guidance on development of agency Risk Profiles is provided in OMB Circular A-123.
 - Note: Agencies may separately present the findings of their ERM findings and discuss the operational impacts and risks presented to achieving performance goals and objectives, or integrate this analysis as part of the Strategic Objective Summary of Findings.
- *Next Steps:* Brief discussion of actions and decisions needed to improve achievement of mission-outcomes, based on the findings discussed above. Outline proposed next steps and options under consideration, and if applicable, efforts to close evidence gaps where information is not sufficient.

How to Submit this Analysis.

- There is no template for this submission. Agencies should submit information utilizing their own internal templates to address the three areas items outlined above.
- Agencies should upload their Summary of Findings analysis using the Performance Submission Portal on [MAX Community](#).

APPENDIX 3: GAO HIGH RISK LIST UPDATE

1. GAO High Risk (Summary).

Submission Requirement. By **May 21, 2018**, agencies will submit a high-level summary update for discussion during the Strategic Review Meeting with OMB that highlights any significant agency areas identified on the GAO High Risk list in which the agency:

- Disagrees with the recommendation;
- Faces implementation barriers preventing progress, or
- Requires support from OMB, other agencies, or Congress for achieving progress.

How to Submit this Analysis.

- Agencies should include their GAO High Risk summary analysis using the 2018 SR Briefing Materials [template](#) available on MAX Community.

2. GAO High Risk (Detailed Analysis).

Submission Requirement. By July 13, 2018, agencies with an action identified on GAO's High Risk list will submit to OMB a more detailed analysis that addresses the following items:

- Agency assessment of GAO's recommendation (e.g., agree with the recommendation and taking action to address, agree with the recommendation but factors outside of the agency's control, disagree with the recommendation, etc.); and
- Estimated date when the agency believes it will have sufficient evidence to present to GAO that the area, or part of the high risk area, will be fully addressed.

How to Submit this Analysis.

- A [template](#) for agency submissions of this more detailed analysis is available on the MAX Community page.
- Agencies should submit this analysis to OMB using the Performance Submission Portal for the 2018 Strategic Reviews on [MAX Community](#).

APPENDIX 4: ASSESSMENT OF AGENCY'S ENTERPRISE MANAGEMENT AND DECISION-SUPPORT CAPABILITIES

As part of the 2018 Strategic Review and in support of a broader effort by OMB and agencies to collaborate on strategies, actions, and reforms to improve management competencies needed to drive progress on PMA implementation, agencies will conduct an assessment of the agency's enterprise management and decision-support capabilities.

By **May 21, 2018**, agencies will complete and submit their analyses and assessment utilizing the [Template](#) provided on the MAX Community page.

Agencies should submit this analysis to OMB using the Performance Submission Portal for the 2018 Strategic Reviews on [MAX Community](#).

APPENDIX 5: UPDATE ON AGENCY LEARNING AGENDAS

As part of the 2018 Strategic Review submissions, agencies will provide an update on agency progress in developing a learning agenda that builds and utilizes evidence and evaluation findings to inform agency strategies and decisions making.

By **May 21, 2018**, agencies will complete and submit their analyses and assessment utilizing the [Template](#) provided on the MAX Community page.

Agencies should submit this analysis to OMB using the Performance Submission Portal for the 2018 Strategic Reviews on [MAX Community](#).

APPENDIX 6: IMPLEMENTING THE FOREIGN AID TRANSPARENCY AND ACCOUNTABILITY ACT (FATAA) OF 2016

As part of the 2018 Strategic Review submissions, agencies will provide an update on agency implementation and evaluation policies as required by the Foreign Aid Transparency and Accountability Act of 2016.

By **May 21, 2018**, agencies will complete and submit their progress update utilizing the [Template](#) provided on the MAX Community page.

Agencies should submit this analysis to OMB using the Performance Submission Portal for the 2018 Strategic Reviews on [MAX Community](#).

**APPENDIX 7: IMPLEMENTING THE PROGRAM MANAGEMENT
IMPROVEMENT ACCOUNTABILITY ACT (PMIAA) OF 2016**

As part of the 2018 Strategic Review submissions, agencies will provide an update on implementing the Program Management Improvement Accountability Act of 2016 and outline of agency implementation plans.

By **May 21, 2018**, agencies will complete and submit progress update utilizing the [Template](#) provided on the MAX Community page.

Agencies should submit this analysis to OMB using the Performance Submission Portal for the 2018 Strategic Reviews on [MAX Community](#).