

Agency Performance Reporting Update

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Overview

Requirements

When reporting on its performance, the agency is to follow certain requirements for the reporting process and must ensure that its performance reporting updates contain specific elements:

- performance reporting process;
- review of performance for preceding 5 years;
- evaluation of current performance plan to performance achieved;
- actions for unmet goals;
- describe the use and assess the effectiveness in achieving agency performance goals of any waivers for managerial accountability and flexibility;
- a review of the performance goals relative to the agency's strategic human capital management;
- describe how the agency ensures data accuracy and reliability; and
- summary of program evaluation findings.

11 U.S.C. § 1116.

Select Legislative History

Annual program performance reports are the feedback to managers, policymakers, and the public as to what was actually accomplished for the resources expended—in other words, how well the original goals were met. This type of information is ideally available to program managers on a more regular basis throughout the year, but at a minimum there needs to be an annual compilation and reporting of results. S. Rep. No. 103-58, at 16 (1993).

There may be more performance information tracked by the agency for management purposes than is summarized in the annual report, but there should be a match between the report and the goals of the previous performance plan. And while the nature of some of what is measured might change periodically, that should not be a frequent, widespread occurrence (especially after the first few years' experience). Otherwise, it will be difficult to spot trends in program performance, which is often the most revealing type of information for managers and policymakers. S. Rpt. 103-58, at 16 (1993).

The annual performance reports are to include explanatory information on goals not met. This includes plans for achieving the goals, or reasons why that is not possible and recommended action. The goal itself might be unreasonable, given the resources allocated. Or the goal might be reasonable, if the program is restructured. Or an unforeseen occurrence might have interfered with the goals attainability. Or the entire underlying premise of the program might be flawed. Or the program might simply have been mismanaged. Each of these and other possible explanations suggest different responses by top executives and the Congress. S. Rpt. 103-58, at 16 (1993).

The reports should also relate performance measurement information to program evaluation findings, in order to give a clear picture of the agency's performance and its efforts at improvement. S. Rpt. 103-58, at 16 (1993).

Agencies are encouraged to provide more frequent updates for performance indicators that provide significant value to the federal government, Congress, or other key stakeholders, at a reasonable level of administrative burden. Among other things, these updates are required to include a review of the agency's success in achieving performance goals, along with results for the five preceding fiscal years; and information about the reliability and validity of the data used to measure the agency's progress towards its performance goals. S. Rep. No. 111-372, at 16 (2010).

Finally, where an agency has not met its performance goals, the Act requires that the head of the agency submit a performance improvement plan to the Office of Management and Budget; where there have been unmet performance goals for two consecutive years, the agency head is required to submit additional information to Congress and to describe additional funding the agency will obligate to achieve the relevant goals. S. Rep. No. 111-372, at 16 (2010).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- addressing management challenges and program risk in performance reports ([GAO-03-225](#));
- reporting performance information ([GAO/GGD-00-35](#), pp. 18-20; [GAO/GGD-96-118](#), pp. 34-35); and
- practices for enhancing the usefulness of agency performance reports ([GAO/GGD-00-35](#), pp. 18-20; [GAO/GGD-96-66R](#)).

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Performance Reporting Process

Requirements

Each year, no later than 150 days after the end of the fiscal year, the agency is to provide an update on its performance, by comparing actual performance achieved against the performance goals established in its performance plan. 31 U.S.C. § 1116(b).

The agency is to provide more frequent updates of actual performance for indicators that provide data of significant value to the federal government, Congress, or program partners at a reasonable level of administrative burden. 31 U.S.C. § 1116(b).

The agency is to make the performance update available on its website and to the Office of Management and Budget. 31 U.S.C. § 1116(a).

The agency is to include the performance update for any classified program activities or information in the classified appendix of the agency's performance plan. 31 U.S.C. § 1116(d).

The functions and activities related to agency performance reporting updates are considered inherently governmental functions, only to be performed by federal employees. 31 U.S.C. § 1116(e).

Select Legislative History

The Act requires agencies to provide a performance update at least annually, occurring no later than 150 days after the end of the fiscal year. However, agencies are encouraged to provide more frequent updates that would provide significant value to the federal government, Congress, or other key stakeholders. S. Rep. No. 111-372, at 6 (2010).

The Act addresses an omission from the original law, which did not specify how or where agencies should report on the performance of any classified activities, even though it did allow for a classified annex. To this end, the Act clearly requires that agencies provide performance updates for classified program activities in the classified appendix of the agency performance plan. S. Rep. No. 111-372, at 6-7 (2010).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- tailoring information presentations to congressional needs ([GAO/GGD-00-35](#), pp. 18-20); and
- presenting performance information in a user-friendly manner ([GAO/GGD-96-66R](#), p. 12).

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Review of Performance for Preceding 5 Years

Requirements

The agency performance update is to review the success of achieving the performance goals and include actual results for the 5 preceding fiscal years. 31 U.S.C. § 1116(c)(1).

Select Legislative History

These reports will contain two main parts: a report on the actual performance achieved compared to the performance goals expressed in the performance plan and of the steps to be taken to achieve those goals that were not met. S. Rep. No. 103-58, at 33 (1993).

The Senate Committee on Homeland Security and Governmental Affairs (the Committee) recognized that in some cases not all of the performance data would be available in time for the reporting date. In that situation, the Committee expected that the agency would provide whatever data is available, with the notation that it is incomplete. The preliminary figures should be updated as part of the trend information in future annual performance reports. S. Rep. No. 103-58, at 33 (1993).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- using program evaluation studies to assess program contributions to observed results ([GAO-10-30](#); [GAO-06-67](#); [GAO/GGD-00-204](#));
- discussing the relationship between annual performance and strategic goals and mission ([GAO/GGD-96-66R](#), p. 5);
- providing baseline and trend data ([GAO/GGD-96-66R](#), pp. 6-8); and
- including explanatory information ([GAO/GGD-96-66R](#), p. 11).

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Evaluation of Current Plan to Performance Achieved

Requirements

The agency performance update is to evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals during the period covered by the update. 31 U.S.C. § 1116(c)(2).

Select Legislative History

These reports will contain two main parts: a report on the actual performance achieved compared to the performance goals expressed in the performance plan and of the steps to be taken to achieve those goals that were not met. S. Rep. No. 103-58, at 33 (1993).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- discussing the nature, extent, and significance of changing performance goals or measures ([GAO/GGD-96-66R](#), pp. 10-11).

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Actions for Unmet Goals

Requirements

The agency performance update is to explain and describe where a performance goal has not been met:

- why the goal was not met;
- those plans and schedules for achieving the established performance goal; and
- if the performance goal is impractical or infeasible, why that is the case and what action is recommended.

31 U.S.C. § 1116(c)(3).

Select Legislative History

These reports will contain two main parts: a report on the actual performance achieved compared to the performance goals expressed in the performance plan and of the steps to be taken to achieve those goals that were not met. If a performance goal

becomes impractical or infeasible to achieve, the agency should explain what legislative, regulatory, or other actions are needed to accomplish the goal or whether the goal ought to be modified. S. Rep. No. 103-58, at 33 (1993).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- using program evaluation studies to explain and identify ways to improve program performance ([GAO-10-30](#); [GAO-06-67](#); [GAO/GGD-00-204](#));
- identifying performance gaps ([GAO/GGD-96-118](#), pp. 32-34); and
- identifying how the findings of program evaluations are being used to improve performance for unmet goals ([GAO/GGD-96-66R](#), pp. 8-10).

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Waivers for Managerial Accountability and Flexibility

Requirements

The agency performance update is to describe the use and assess the effectiveness in achieving performance goals of any waiver for managerial accountability and flexibility. 31 U.S.C. §§ 1116(c)(4); 9703.

Select Legislative History

Agencies are allowed to propose, and the Office of Management and Budget to approve, waivers of certain non-statutory administrative procedural requirements and controls in return for specific individual or organizational accountability to achieve a higher performance goal. S. Rep. No. 103-58, at 34 (1993).

These waivers can include specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among certain budget object classifications. S. Rep. No. 103-58, at 34 (1993).

The annual performance report is to include a description on the use and effectiveness of any waiver in achieving a performance goal. This description should also identify the individual or organizational consequences resulting from a failure to maintain the previous level of performance as a result of using the waiver. This latter information would supplement that portion of the annual performance report that addresses the reasons why a performance goal was not achieved, and the plans and actions that will be taken to achieve the goal. S. Rep. No. 103-58, at 35 (1993).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- lessons learned from managerial accountability and flexibility pilot phase ([GAO/GGD-97-36](#)).

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Strategic Human Capital Management

Requirements

The agency performance update is to include a review of the performance goals and evaluation of the performance plan relative to the agency's strategic human capital management. 31 U.S.C. § 1116(c)(5).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- a model for strategic human capital management ([GAO-02-373SP](#));

- assessing and investing in federal training and development efforts ([GAO-12-878](#); [GAO-04-546G](#));
- addressing long-standing challenges in strategic human capital management ([GAO-11-278](#), pp. 52-57; [GAO-03-120](#));
- key principles for strategic workforce planning ([GAO-04-39](#));
- insights on succession planning ([GAO-03-914](#)); and
- creating a □line of sight□ between individual performance and organizational success ([GAO-03-488](#)).

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Data Accuracy and Reliability

Requirements

The agency performance update is to describe how the agency ensures the accuracy and reliability of the data used to measure progress towards its performance goals, including an identification of:

- the means used to verify and validate measured values;
- the sources for the data;
- the level of accuracy required for the intended use of the data;
- any limitations to the data at the required level of accuracy; and
- how the agency has compensated for such limitations if needed to reach the required level of accuracy.

31 U.S.C. § 1116(c)(6).

Select Legislative History

Credible performance information is essential for accurately assessing an agency□s progress towards its goals and, in cases where goals are not met, identifying opportunities for improvement or whether goals need to be adjusted. In order to improve the credibility of performance data, the Act requires an agency to provide additional information about how it will ensure the validity and reliability of such data. S. Rep. No. 111-372, at 6 (2010).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- discussing data accuracy and reliability issues in performance reports ([GAO-02-372](#); [GAO/GGD-96-66R](#), p. 11);
- challenges agencies face in producing credible performance information ([GAO/GGD-00-52](#)); and
- approaches for verifying and validating performance data ([GAO/GGD-99-139](#)).

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Summary of Program Evaluation Findings

Requirements

The agency performance update is to include the summary findings of those program evaluations completed during the period covered by the update. 31 U.S.C. § 1116(c)(7).

Select Legislative History

A performance report shall also summarize the findings of those program evaluations completed during the year covered by the report. S. Rep. No. 103-58, at 33 (1993).

Program evaluation is an objective and formal assessment of the results, impact, or effects of a program or policy. While most often aimed at assessing the degree to which a program's stated objectives are being or have been realized, program evaluations are also frequently used for measurement of "unintended" results, good or bad, that were not explicitly included in the original statement of objectives or foreseen in the implementation design. Thus, they can serve to validate or find error in

the basic purposes and premises that underlay a program or policy. Finally, this definition should be read as including evaluations of program implementation process and operating policies and practices when the primary concern is about these issues rather than program outcome. However, the definition is not intended to include program monitoring activities that are (or should be) a routine component of good program management. S. Rep. No. 103-58, at 32-33 (1993).

Related GAO Work

GAO has elaborated on and suggested several practices that support this requirement, including:

- combining findings across multiple studies ([GAO-10-30](#), pp. 30-31; [GAO/PEMD-10.1.5](#)); and
- using program evaluations to help measure or explain program performance ([GAO/GGD-00-204](#); [GAO/GGD-96-66R](#), pp. 8-10).

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