



OFFICE OF INSPECTOR GENERAL

MEMORANDUM

DATE: September 30, 2003

TO: Inspector General

THRU: Thomas Cline
Assistant Inspector General for Audits

FROM: Steve Rickrode
Director, Financial Management Audits

SUBJECT: Survey of FCC Initiatives for
Implementing the Government Performance and Results Act of 1993

As part of the fiscal year (FY) 2002 audit plan, we have completed a survey on the implementation of the Federal Communications Commission's (FCC's) initiatives relating to the compliance with Government Performance and Results Act of 1993 (GPRA). The objectives of the survey were to : update our understanding of and review FCC's methodology for developing GPRA requirements, assess FCC's compliance with GPRA, review Annual Performance Plans per established guidance, (4) review the resulting Annual Performance Reports, (5) perform verification and validation of sampled performance measures from the performance reports, review the status of prior audit recommendation(s) (OIG 98-01, dated 3/99), and identify areas where additional audit work should be performed.

REASON FOR SELECTION

GPRA is intended to improve the efficiency and effectiveness of Federal programs through the establishment of specific goals for program performance. Specifically, the act requires the FCC to prepare multi-year Strategic Plans, Annual Performance Plans, and an Annual Performance Report to be issued by March 31 each year. The Director, Office of Management and Budget, has called upon Inspectors General to "assess agencies technical compliance with the Results Act as well as their capacity to comply [with the law] from a data and systems perspective."

OBJECTIVE

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BACKGROUND

As Congress seeks to reduce the cost and improve the performance of the Federal government, holding agencies accountable for results is believed to be key to better management of programs. However, Congress found that the lack of adequate information on agencies' performance was handicapping congressional policymaking, spending decisions, and oversight and diminishing Federal accountability for program results. In response, Congress enacted GPRA to address these concerns and thereby improve Federal program effectiveness and public accountability.

GPRA seeks to improve the management of Federal programs by shifting the focus of decision-making from staffing and activity levels to the results of Federal programs. Under GPRA, executive agencies are to prepare five-year strategic plans that set the general direction for their efforts. Agencies then are to prepare annual performance plans that establish the connections between the long-term strategic goals outlined in the strategic plans and the day-to-day activities of program managers and staff. Finally, GPRA requires that each agency report annually on the extent to which it is meeting its annual performance goals and the actions needed to achieve or modify those goals that have not been met.

FCC submitted its first strategic plan to Congress on November 27, 1996. A revised strategic plan was subsequently submitted in August 1999. FCC has submitted required strategic plan and annual performance plans with its Fiscal Year Budget Estimates since FY 1999. FCC's GPRA process has come full circle with the release of its Annual Performance Reports for FYs 1999 and 2000 in March 1999 and 2000, respectively. FCC continues to report its performance per the GPRA reporting process.

SCOPE OF SURVEY WORK PERFORMED

This project was conducted as a survey. A survey is the preliminary audit work done before an audit and is not an audit conducted in accordance with Government Auditing Standards (i.e., GAO "Yellow Book" standards). The purpose of a survey is to gather general working information on important aspects of an entity, activity, or program and to determine the nature and extent of any subsequent audit effort.

The purpose of this particular survey was to examine the Commission's initiatives for implementing GPRA, perform follow-up steps to a previous Office of Inspector General (OIG) audit, and recommend the next course of action.

SUMMARY OF OBSERVATIONS

As part of the survey process, we evaluated the Commission's implementation of the GPRA reporting process to identify areas where weaknesses or inefficiencies exist which may require more comprehensive audit coverage. Additionally, performance reporting is included in the scope of the annual financial statement audit conducted by the OIG. A brief summary per key component of GPRA follows:

Strategic Plan

The revised annual strategic plans did not contain a description of program evaluations used in revising the general goals and objectives. Additionally, revised annual strategic plans did not include a schedule of future program evaluations. The plans did not outline the general methodology to be used, timetable, general scope of the evaluation(s), or particular issues to be addressed. A statement to the effect that the agency would not be conducting program evaluations during the time period of the plan(s) was not included either.

Annual Performance Plan

FCC annual plans submitted with the *Budget Estimate to Congress* do not include a description of the means that will be used to verify and validate measured values. Additionally, the plans did not clearly address a description of the operational processes; skills and technology; and the human, capital, information, or other resources required to meet the performance.

Annual Performance Report

FCC performance reports did not include a summary of findings for program evaluations completed during the fiscal year covered by the report, nor did they describe the use or assess the effectiveness of achieving the performance goals. Additionally, FCC's performance reports did not consistently explain and describe, where a performance goal had not been met, why the goal was not met and the plans and schedules for achieving the established performance goal. Furthermore, no deferrals of the explanations were noted in the reports.

Future GPRA Audit Coverage

The OIG plans to perform an audit of the Commission's first annual Performance and Accountability Report (PAR) which will be issued, at the end of and, covering fiscal year 2004. FCC is not required to issue a PAR for fiscal year 2003 per the implementation guidance for the Accountability of Tax Dollars Act of 2002.

CONCLUSION

Based on the results of this survey and the coverage of performance reporting in the annual financial statement audit, the OIG should not perform any additional audit work on the current implementation of GPRA at the FCC. Instead, the OIG should focus on continue performing GPRA work as part of its future financial statement audits. However, upon the release of the PAR in early fiscal year 2005, the OIG should and intends to conduct an audit of the Commission's performance reporting process supporting the creation and submission of its annual PAR.