



## OFFICE OF INSPECTOR GENERAL

### MEMORANDUM

**DATE:** March 26, 1999

**TO:** Chairman

**FROM:** Inspector General

**SUBJECT:** Final Report on the Audit of the Federal Communications Commission's Implementation of the Government Performance and Results Act (GPRA)

Attached please find a copy of the subject audit report. The primary objective was to review the Commission's implementation of GPRA. This encompassed reviewing documents, conducting interviews, and evaluating the framework of the strategic plan.

The auditors determined that, while the Commission has made significant strides in meeting GPRA requirements, a major weakness of the plan is its lack of outcome-oriented annual performance goals.

This report contains a recommendation that the Commission take necessary actions to address this condition by making outcome-based performance goals. Management concurred with our recommendation and stated that they have already begun work on completely revising the Commission's strategic plan.

H. Walker Feaster III

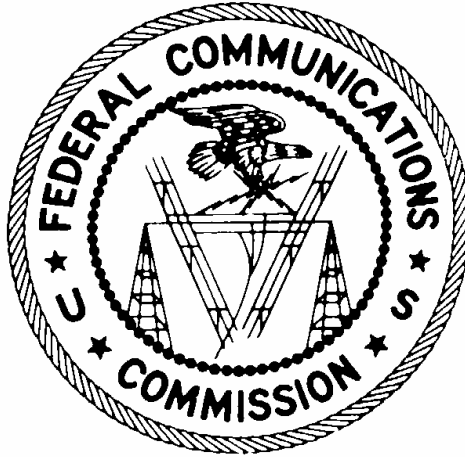
Attachment

cc: Chief of Staff

Managing Director

Associate Managing Director, PERM

**FEDERAL COMMUNICATIONS COMMISSION**  
**OFFICE OF INSPECTOR GENERAL**



**AUDIT REPORT NO. OIG 98-01**

**REPORT ON AUDIT OF THE FEDERAL COMMUNICATIONS  
COMMISSION IMPLEMENTATION OF THE GOVERNMENT  
PERFORMANCE AND RESULTS ACT (GPRA)**

**March 26, 1999**

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**ASSISTANT IG FOR AUDITS**

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**SENIOR AUDITOR**

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**INSPECTOR GENERAL**

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**REPORT ON AUDIT OF THE  
FEDERAL COMMUNICATIONS COMMISSION  
IMPLEMENTATION OF THE GOVERNMENT  
PERFORMANCE AND RESULTS ACT (GPRA)**

**Table of Contents**

	<u>Page</u>
EXECUTIVE DIGEST .....	1
AUDIT SCOPE .....	2
BACKGROUND .....	2
AUDIT FINDINGS/RECOMMENDATION .....	2
MANAGEMENT RESPONSE .....	3
APPENDIX A – Performance Goal Evaluation	
APPENDIX B – Management Response	

## **EXECUTIVE DIGEST**

As a result of our audit, we determined that the FCC met all GPRA mandated reporting dates, drafted a Strategic Plan reflecting Congressional intent that contains a results-oriented Mission Statement based on statute (Telecommunications Act of 1996) and outcome-oriented activity goals. However, because of extensive use of output oriented performance goals, it did not fully comply with the objectives of the GPRA.

## **AUDIT SCOPE**

The OIG's audit scope incorporated steps necessary to form an opinion as to the FCC's compliance with GPRA requirements. Through research, analysis and interviews the auditors obtained sufficient evidentiary matter from which audit conclusions could be reached. The audit only addressed those components of GPRA which were to have been implemented as of the date audit fieldwork was concluded. This initial GPRA audit did not incorporate evaluation of supporting documentation prepared at the Bureau and Office level and included in the FCC's GPRA comprehensive reports. This work will be undertaken in the second phase of our GPRA audit.

## **BACKGROUND**

On August 3, 1993, Congress passed GPRA (P.L. 103-62). In ratification of GPRA, Congress sought to make Federal agencies accountable for their performance. Specifically, GPRA required agencies to develop strategic plans and performance goals, in addition to measurement techniques which can be used by Congress to determine, on an annual basis, whether they have met their performance goals.

Within the FCC, the Associate Managing Director for Performance Evaluation and Records Management (PERM), Office of the Managing Director (OMD), is designated as the FCC's GPRA coordinator. Under her stewardship, the FCC met the initial GPRA implementation requirement by submitting the initial FCC Strategic Plan to the public, via the Internet, for comment and to OMB and Congress as part of its FY 1998 budget submission. Additionally, updated versions of the plan were provided in the FY 1999 and FY 2000 budget submissions.

## **AUDIT FINDINGS**

### **Finding 1**

The Commission has made substantial progress towards developing a plan to meet GPRA objectives and requirements. It has assigned program oversight to a senior level official within the Office of the Managing Director, the Associate Managing Director, PERM. This official met with representatives from all Commission bureaus and offices to educate them as to the components of GPRA and the related impact upon their offices and the Commission as a whole. PERM established a FCC framework for complying with GPRA reporting requirements. For example, in concert with FCC management, a determination was made to align the FCC with the Telecommunications Act and along its four primary activities: Authorization of Service, Policy and Rulemaking, Enforcement, and Public Information Services. With this basic framework established, PERM worked with agency representatives to establish means, strategies and resources required to meet specific goals and objectives for each of those primary activities. As a result of PERM's

efforts, the FCC complied with all required GPRA reporting dates and submitted a Strategic Plan that contained the following six, GPRA required, critical components:

1. Comprehensive, results-oriented, mission statement based on statute, the Telecommunications Act of 1996;
2. Commission-wide general long-term goals and objectives covering the four primary FCC activities: Authorization of Service, Policy and Rulemaking, Enforcement, and Public Information;
3. Disclosure of the means, strategies, and resources the Commission plans to employ or need in order to achieve its goals and objectives for each of the above primary activities;
4. Identification of the FCC's annual performance goals by including them as sub-elements of each general long-term goal and objective for each primary activity;
5. Discussion of the key factors, external to the Commission and beyond its control, that could significantly affect achievement of its strategic goals, including: passage of the Telecommunications Act of 1996, the Year 2000 issue, and the impact if any, of cross cutting issues resulting from FCC interaction with other Federal agencies; and,
6. Description of how the Commission will use program evaluations to establish or revise its strategic goals. Specifically, the FCC cited analyzing its Quarterly Workload Report Evaluations, Speed of Disposal processing statistics, and other internal management reviews as its principal evaluation tools.

### **Finding 2**

While the Commission has made significant strides in meeting GPRA requirements a major weakness of its plan is the lack of outcome-oriented annual performance goals. Based upon an OIG analysis\* of the performance goals included in the FY 2000 budget submission to Congress, only 8 percent (5 of 61) could, in our opinion, be characterized as outcome based. Program officials attributed this condition to a number of factors:

- Implementation of the Telecommunications Act of 1996 and its impact on the Commission that was beyond its control;
- The Commission does not have management systems in place for measuring outcome-oriented performance;

\* Please see Appendix A

- The Commission lacked the resources to plan more outcomes or implement data collection systems for measuring results; and,
- The difficulty in assessing the results of a regulatory agency's impact on its constituents, because measurement is usually delayed approximately one to two years after a regulatory action is taken.

While the OIG understands the difficulty in developing and measuring outcome-oriented goals, it is our belief that the lack of clearly defined outcomes and measurement criteria may have a negative impact on the Commission in FY 2000 when agencies are to submit measurement reports.

## **RECOMMENDATION**

We recommend that the FCC should take the necessary actions to review its current plan and to develop performance goals that are outcome-oriented.

## **MANAGEMENT RESPONSE**

The Managing Director and Chief OMD-PERM concur that these findings are a fair and accurate analysis of the Commission's FY 2000 strategic planning efforts\*. They further stated that the Commission has already begun to completely revise its strategic plan by hiring an outside consultant to train the FCC's senior level executives in the strategic planning process.

\*Please see Appendix B