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RESULTS ACT

Observations on USDA's
Draft Strategic Plan

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Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss the U. S. Department of Agriculture's (USDA) draft strategic plan required by the Government Performance and Results Act of 1993 (Results Act). Our testimony is based primarily on our July 1997 review of USDA's May 1997 draft strategic plan,¹ and our observations on the August 1997 revised draft plan, which we recently obtained from USDA. Our testimony does not reflect any subsequent changes that may have been made and included in the final plan that USDA submitted to the Congress on September 30, 1997.

In summary, our July 1997 report stated that a significant amount of work remained to be done before USDA's plan fulfilled the requirements of the Results Act. Specifically we found that USDA's May 1997 draft strategic plan did not

- contain all six elements required by the Results Act; and
- provide a comprehensive strategy to accomplish the Department's mission because it lacked some key attributes that are necessary for a quality strategic plan.

Our review of the August revised draft strategic plan indicates that while USDA has made significant progress in addressing these concerns there remains a need for additional work in some areas.

Background

With an operating budget of about \$57 billion, USDA is one of the largest civilian agencies in government. USDA administers over 200 programs that cover a wide range of issues related to food and agriculture. Among other things, USDA's programs support farmers' incomes, stabilize domestic markets, promote U.S. exports, manage national forests, conserve agricultural lands, provide access to food for low-income households, improve the nutritional status of the American people, ensure a safe food supply, and support research for the development of new agricultural products and processes. The programs are administered by 18 agencies in seven mission areas.

The diverse nature of USDA's programs raises several challenges in developing a comprehensive strategic plan that adequately addresses all the responsibilities falling under the Department's purview. To best address the wide range of program activities and functions that support its

¹Results Act: Observations on USDA's Draft Strategic Plan (GAO/RCED-97-196R, July 10, 1997).

mission and respond to the Results Act, USDA chose to develop a strategic plan that consists of a departmentwide strategic overview accompanied by 30 plans for the mission areas, agencies, and staff offices that constitute the Department. While the departmentwide strategic overview lays out the overall mission and goals for USDA, the agency plans provide greater detail on the missions and the goals of the individual agencies that make up the Department.

For our July 1997 report, we reviewed the departmentwide strategic overview and the 16 agency plans that are directly related to accomplishing USDA's mission and implementing its programs. These 16 agency plans cover USDA's seven primary mission areas: Farm and Foreign Agricultural Services; Food, Nutrition, and Consumer Services; Food Safety; Marketing and Regulatory Programs; Natural Resources and Environment; Research, Education, and Economics; and Rural Development.

USDA's May 1997 Draft Plan Did Not Contain All the Required Elements

USDA's May 1997 draft plan did not contain all six elements required by the Results Act. The six critical components required by the act are (1) a comprehensive mission statement; (2) agencywide long-term goals and objectives for all major functions and operations; (3) approaches (or strategies) and the various resources needed to achieve the goals and objectives; (4) a relationship between the long-term goals and objectives and the annual performance goals; (5) an identification of key factors, which are external to the agency and beyond its control, that could significantly affect the achievement of the strategic goals; and (6) a description of how program evaluations were used to establish or revise strategic goals and a schedule for future program evaluations.

We found that the departmentwide strategic overview only provided a mission statement for USDA as a whole and laid out four general goals and their related subgoals. The overview referred readers to the agencies' plans for detailed information on all six required elements of the Results Act. However, our review of the 16 agencies' plans found that they were generally incomplete and, except for the plan of the Food and Consumer Service, none of them contained all six key elements required by the Results Act. While all of the 15 incomplete plans contained a mission statement and goals and objectives, the information provided for the other four key elements varied significantly. Specifically, for these 15 agency plans we found that

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- 7 did not provide information on the resources needed to achieve the agencies' goals and objectives;
 - none provided sufficient information on the relationship between an agency's long-term goals and annual performance goals; most plans indicated that this information was being developed;
 - 7 did not provide information on the external factors that were beyond the control of the agency and that could affect the achievement of its goals; and
 - 13 plans alluded to the fact that program evaluations might be used to modify goals and objectives in the future, but none described the general scope and methodology for the evaluations, the key issues that would be addressed during the evaluations, or the timing of the evaluations.

We also found that while many of the agencies' plans included sections that should have covered information on the required elements, the information actually provided was incomplete and often not relevant or directly linked to the goals and objectives stated in that agency's plan. As we have discussed with USDA officials, merely having a subheading for a required element does not satisfy the requirements of the Results Act. For example, almost all of the 16 agency plans included a section that discussed the external environment facing the agency, but only about half of the plans provided any indication of how these external factors could affect the agency's ability to accomplish specific goals and objectives. Because external factors can influence the achievement of a goal directly and significantly, not including a discussion of these factors could invalidate the assumptions underlying a goal. Similarly, providing a schedule of future program evaluations is important not because it is required but because without these evaluations an agency cannot have the confidence that it has set the right goals and that its strategies will be effective in achieving them.

Our review of USDA's August draft strategic plan found significant improvements in two of the four required elements. All of the agencies' plans included sections describing the (1) resources needed to accomplish the stated goals and (2) key external factors that could affect the achievement of their goals and objectives. However, the agencies' plans continued to lack sufficient information on the relationship between the long-term goals and annual performance goals as well as program evaluations that will be used in the future to ensure that those goals and objectives are being achieved. We found that although all the agencies' plans had subheadings to address these two requirements, the information provided in about half of them continues to be inadequate.

Key Attributes Necessary for a Quality Plan Were Missing

Collectively, USDA's May 1997 departmentwide overview and the agencies' plans did not provide a comprehensive strategy for carrying out the Department's mission or achieving the purposes of the Results Act (such as improving management, program effectiveness, and public accountability and confidence) because some key attributes were missing. Many of the attributes necessary for a quality strategic plan are described in the Office of Management and Budget's Circular A-11, Part 2. We found that the attributes missing from USDA's May 1997 plan included the following:

- As we just stated, many agency plans were incomplete. Until all the plans are completed, they cannot provide an overall guide to help the agencies set priorities and allocate resources consistent with these priorities.
- Some agency plans had inadequate descriptions of the strategies that an agency would use to achieve its goals and objectives. General goals and objectives should elaborate how an agency will carry out its mission, outline planned accomplishments, and schedule their implementation. Without fully descriptive strategies, it was unclear to us how these agencies would achieve their stated goals and objectives.
- Some agency plans contained goals and objectives with results that exceeded the agency's span of influence. In these cases, achieving the performance goal often depended on several external factors, some of which may be more significant than the agency's functions and programs. As we discussed with USDA officials, at a minimum, these external factors should be recognized in the agency's plan and linked to particular goals.
- Only a few agency plans included clear linkages between the agency's goals and objectives and how they contributed to USDA's major goals. We believe that these linkages are important because an agency's goals and objectives set out the long-term programmatic policy and goals of the Department as a whole and are important for providing direction and guidance to that agency's staff.
- Many agency plans lacked a clear emphasis on externally focused goals that directly relate to the mission of the agency. While the Results Act does not preclude the development of agency goals that are process-oriented, we believe that formulating goals that relate to an agency's mission are important because this process provides an opportunity for the agency to identify programs that are essential, as well as those that can be eliminated, reduced in scope, or transferred to another agency.
- Some of the goals and objectives in the agency plans were not measurable and thereby may preclude a future assessment of whether the goals have been or are being achieved. While the Results Act does not require agencies' goals to be stated in a quantitative fashion, we found that some

of them were stated so broadly that they were inherently unmeasurable, either directly or through the use of performance measures.

- Many agency plans had performance measures that were either missing, not useful, or incomplete, thus making a comprehensive assessment of performance and results difficult. Although some agency plans did provide information on performance measures, the information was not sufficient to show the relationship between an agency's strategic goals and the performance goals to be included in the annual performance plans.

Our review of the August revision of USDA's draft strategic plan found that it was generally better because the agency plans had been improved in three specific areas. First, the agency plans had a clearer focus on mission-related goals and objectives partly because process-oriented and internal goals had been separated from strategic goals. Second, the agency plans included better linkages between an agency's goals and objectives and its authorizing legislation, as well as clearly identified how the agency goals contributed to the Department's overall goals. Finally, the agency plans provided more detailed information on the various governmental and nongovernmental entities involved in accomplishing the agencies' goals. However, we remain concerned about the lack of complete information in some agency plans on the strategies that will be used to achieve the goals as well as the performance measures that will be used to gauge an agency's progress in meeting its goals. In particular, some of the agency plans continue to have broadly defined objectives and incomplete performance measures that will preclude an assessment of an agency's progress.

In conclusion, it is important to recognize that while USDA's May 1997 draft strategic plan was inadequate in many respects, the Results Act anticipated that the process of developing an effective strategic plan may take several planning cycles to perfect. We are pleased to see improvements in USDA's August draft strategic plan, which has incorporated many of the suggestions that we made during informal meetings with USDA officials after the issuance of our July 1997 report as well as suggestions that the Department received from congressional committees and the Office of Management and Budget. We look forward to continuing to work with the Congress and USDA to ensure that the requirements of the Results Act are met. Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or Members of the Subcommittee may have.

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