



United States
General Accounting Office
Washington, D.C. 20548

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Resources, Community, and
Economic Development Division

B-280083

May 28, 1998

The Honorable Don Young
Chairman, Committee on Resources
House of Representatives

Subject: Results Act: Department of the Interior's Annual Performance Plan for
Fiscal Year 1999

Dear Mr. Chairman:

As requested, this report summarizes our observations on the Department of the Interior's (DOI) annual performance plan for fiscal year 1999, which was submitted to the Congress in February 1998. As you know, the Government Performance and Results Act of 1993 (the Results Act) requires federal agencies, beginning with fiscal year 1999, to prepare annual performance plans covering the program activities set out in their budgets. These plans are to (1) establish performance goals to define the level of performance to be achieved by an agency's program activities, (2) briefly describe the strategies and resources required to meet the performance goals, (3) provide a basis for comparing actual program results with the performance goals, and (4) describe the means to verify and validate the information used to report on performance. (See enc. I for a more detailed overview of the Results Act.)

We reviewed DOI's performance plan in terms of three basic questions: (1) To what extent does the plan provide a clear picture of intended performance across the agency? (2) How well does the plan discuss the strategies and the resources the agency will use to achieve its performance goals? (3) To what extent does the plan provide confidence that the agency's performance information will be credible? These questions are based on criteria in the Results Act, the Office of Management and Budget's (OMB) guidance to federal agencies on developing their plans, and on a December 1997 letter to OMB from eight congressional leaders on their expectations for these plans.

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In summary, we found the following:

- Several of the component plans for the agencies in the Department contain performance goals and measures that do not sufficiently provide (1) a succinct and concrete statement of expected performance and (2) annual performance goals that are linked to the respective agency's mission, strategic goals, and program activities in the budget. Furthermore, most of the plans do not adequately identify crosscutting activities and thus do not identify whether the agencies are coordinating their efforts associated with related strategic or performance goals.
- None of Interior's component performance plans adequately discuss how the strategies and resources will help achieve their goals. Most of the component plans do not adequately provide clear and reasonable strategies describing how they intend to meet their performance goals. Furthermore, even when the strategies are provided, often there is only limited information explaining how the strategies relate to achieving the performance goals. In addition, most of the component plans do not adequately describe the capital, human, financial, and other resources that the agencies will use to achieve performance goals.
- Most of the component performance plans do not provide sufficient confidence that their performance information will be credible. Specifically, the plans do not adequately identify (1) the verification and validation procedures that are needed to ensure that the performance information is complete, accurate, and consistent and (2) the significant data limitations and their implications for assessing the achievement of the performance goals.

Overall, we found the Department's performance plan to not be user-friendly. It consists of nine components—a Departmental Overview and eight subagency plans that have to be reviewed in conjunction with the budget justifications. Understanding the totality of what the plans contain is an overwhelming and time-consuming task involving a review of about 3,500 pages of material. Also, the information in the plans needs to be presented in a more coherent and consistent format to better facilitate the use, readability, and understanding of this document.

We provided a draft of our observations on the performance plan to DOI for review and comment. DOI provided oral comments, which are reflected in enclosure II. DOI stated that its 1999 performance plan meets the requirements of the Results Act. However, the Department acknowledges that improvements

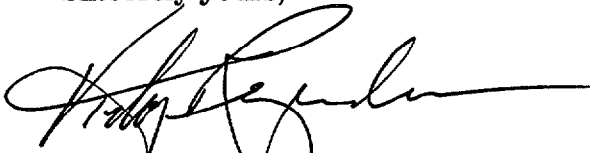
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can be made to its plan in several areas. Interior also noted that the development of its performance plan is an iterative process and that future versions will address areas in which we, and others, show a need for improvement. Overall, the Department agreed that, in total, its plan was too voluminous and that a shorter plan with standardized formats would make it more comprehensible and user-friendly.

We performed our review of DOI's plan from February 1998 through April 1998 in accordance with generally accepted government auditing standards. We are sending copies of this report to appropriate congressional committees; the Secretary of Interior; and the Director, Office of Management and Budget.¹ We will also make copies available to others on request.

If you or your staff have any questions about this report, please call me at (202) 512-3841. Major contributors to this report were Cliff Fowler and Roy Judy.

Sincerely yours,



Victor S. Rezendes
Director, Energy, Resources, and
Science Issues

Enclosures - 2

¹A list of GAO reports relating to this issue appears at the end of this report.

OVERVIEW OF THE GOVERNMENT
PERFORMANCE AND RESULTS ACT

The Government Performance and Results Act of 1993 (the Results Act) is the primary legislative framework through which federal agencies are being required to set strategic goals, measure performance, and report on the degree to which their goals were met. For the first component, the act required each federal agency to develop, no later than the end of fiscal year 1997, strategic plans that cover a period of at least 5 years. These plans are to include the agency's mission statement; identify the agency's long-term strategic goals; and describe how the agency intends to achieve these goals through its activities and through its human, capital, information, and other resources.

For the second component, the Results Act requires each agency to submit to the Office of Management and Budget (OMB), beginning for fiscal year 1999, an annual performance plan. The first annual performance plans were submitted in the fall of 1997. The performance plan is to provide the direct linkage between the strategic goals outlined in the agency's strategic plan and the activities that managers and employees conduct day-to-day. In essence, this plan is to contain the annual performance goals the agency will use to gauge its progress toward accomplishing its strategic goals and to identify the performance measures the agency will use to assess its progress. OMB will use individual agencies' performance plans to develop an overall federal government performance plan that it will submit annually to the Congress with the President's budget, beginning for fiscal year 1999.

For the third and final component, the Results Act requires that each agency submit to the President and to the Congress an annual report on program performance for the previous fiscal year. The first of these reports, on program performance for fiscal year 1999, is due by March 31, 2000, and subsequent reports are also due by March 31. For fiscal years 2000 and 2001, agencies' reports are to include performance data beginning with fiscal year 1999. For each subsequent fiscal year, agencies are to include performance data for the fiscal year covered by the report and 3 prior years.²

In each report, an agency is to review and discuss its performance compared with the performance goals it had established in its annual performance plan. When a goal is not met, the agency's report is to explain why; provide the plans and the schedules to meet the goal; and, if the goal was impractical or not feasible, identify the reasons for

²The Congress recognized that in some cases not all of the performance data will be available in time for the March 31 reporting date. In such cases, agencies are to provide whatever data are available, with a notation as to their incomplete status. Subsequent annual reports are to include the complete data as part of the trend information.

that and the actions recommended. The actions needed to accomplish a goal could include legislative, regulatory, or other actions. When the agency finds a goal to be impractical or infeasible, it should discuss whether that goal ought to be modified.

In addition to evaluating the progress made toward achieving the annual goals established in the performance plan for the fiscal year covered by the report, an agency's program performance report is to evaluate the agency's performance plan for the fiscal year in which the performance report was submitted. (For example, in their fiscal year 1999 performance reports, due by March 31, 2000, agencies are required to evaluate their performance plans for fiscal year 2000 on the basis of their reported performance in fiscal year 1999.) This evaluation will help to show how an agency's actual performance is influencing its plans. Finally, the report is to include the summary findings of program evaluations completed during the fiscal year covered by the report.

In crafting the Results Act, the Congress also recognized that managerial accountability for results is linked to managers' having sufficient flexibility, discretion, and authority to accomplish desired results. Beginning with fiscal year 1999, the Results Act authorizes agencies to apply for waivers of administrative procedural requirements and controls in order to provide federal managers with more flexibility to structure an agency's systems to better support program goals. The nonstatutory requirements that OMB can waive under the Results Act generally involve the allocation and use of resources, such as restrictions on shifting funds among items within a budget account. Agencies must report in their annual performance reports on the use and effectiveness of any Results Act waivers that they receive.

OBSERVATIONS ON THE DEPARTMENT OF THE INTERIOR'S
ANNUAL PERFORMANCE PLAN FOR FISCAL YEAR 1999

As requested, we reviewed the Department of the Interior's performance plan for fiscal year 1999, which was submitted to the Congress in February 1998. Interior's performance plan includes nine components—a Departmental Overview plan as well as eight subagency plans.³ The eight subagencies in Interior are the Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), Bureau of Reclamation (BOR), U.S. Fish and Wildlife Service (FWS), Minerals Management Service (MMS), National Park Service (NPS), Office of Surface Mining Reclamation and Enforcement (OSM), and U. S. Geological Survey (USGS).

To do this review, we used the criteria in the Government Performance and Results Act, the Office of Management and Budget's (OMB) guidance on developing the plans (Circular A-11, part 2), our February 1998 guidance for congressional review of the plans and its accompanying evaluator guide (GGD/AIMD 10.1.18; GGD 10.1.20), and the December 17, 1997, letter to OMB Director Raines from eight congressional leaders. For the purposes of our analysis, we collapsed the six requirements for annual performance plans in the Results Act and the related guidance into three core questions: (1) To what extent does the agency's performance plan provide a clear picture of intended performance across the agency? (2) How well does the performance plan discuss the strategies and resources the agency will use to achieve its performance goals? (3) To what extent does the agency's performance plan provide confidence that its performance information will be credible?⁴ The scope of our review included reviews of the Departmental Overview and the eight subagency plans. We reviewed the overview and the subagency plans because Interior considers them, as a whole, to constitute its performance plan for purposes of the Results Act. Furthermore, because Interior did not prepare its plan as a stand-alone document, but one that needs to be reviewed in conjunction with the respective budget justifications of the Department and its subagencies, we also reviewed the budget justifications, as necessary. On April 20, 1998, we briefed your staff on our major observations. The key points from that briefing are summarized below.

³As used in this report, subagency refers to agencies and bureaus within Interior.

⁴A number of criteria are associated with each question. A plan generally meets expectations if it addresses all the key issues and contains no significant deficiencies; it partially meets expectations if it addresses most of the key issues yet has some significant deficiencies; and it falls well short of meeting expectations if it does not address most of the key issues.

Overall, because the Departmental Overview and the subagency plans use different formats and the volume of information presented is so large—about 3,500 pages, including the budget justification—the plan is difficult to comprehend and is not user-friendly. In addition, Interior's plan does not provide a clear picture of intended performance across the agency, is not clear about how the agency's strategies and resources will help it achieve the plan's performance goals, and provides limited confidence that the information the agency will use to assess performance will be accurate, complete, and credible.

The strengths of the plan are that many of its component plans have established performance goals that clearly identify the level of performance that the agency intends to accomplish and which are linked to the respective agencies' primary functions. In addition, the component plans have performance measures that, for the most part, are linked to the goals and demonstrate results toward achieving the goals. Furthermore, the annual performance goals generally reflect the strategic goals and mission statements identified in the agencies' strategic plans.

Areas in which the performance plan could be most improved to better meet the purposes of the Results Act are in identifying (1) how the agencies are coordinating crosscutting efforts both within Interior and outside of it; (2) the strategies to be used and explanations of how those strategies help to achieve the desired outcomes or outputs; (3) the resources (human, financial, and other) needed to achieve the goals; and (4) the procedures that the subagencies will use to ensure that their performance information is complete, accurate, and consistent and what, if any, data limitations exist. In addition, the information in the plans could be presented in a more clear, coherent, and readable manner and in a consistent format, making them more informative and usable.

We found that the quality of Interior's performance plan was sometimes related to the quality of its strategic plan dated September 30, 1997. For example, we found that the lack of clarity in explaining how specific strategies will lead to meeting performance goals may have been caused, in part, by the need to more fully develop the strategic plan's program evaluation components. More fully developed program evaluations would help facilitate a better understanding of the planned strategies' effectiveness. Similarly, we found that the need to more clearly address how Interior and its subagencies are addressing crosscutting issues in performance plans may have been caused by the agencies not addressing these issues more explicitly in the strategic plan.

INTERIOR'S PERFORMANCE PLAN
IS NOT USER-FRIENDLY

Interior's performance plan is not user-friendly. This problem is primarily the result of two factors: the inconsistent formats used in the plans and the volume of information provided. These factors in combination undermine the usefulness of the overall plan. The format of many plans is not consistent nor does it provide the users with sufficient information to readily assess whether the plans contain all of the information required by the Results Act, OMB, or other guidance. For example, FWS' performance plan provides a discussion of the strategies, resources, verification and validation procedures, and other important elements for each performance goal. The Departmental Overview plan was organized similarly. However, many of the other plans do not contain discussions of all of these elements for each performance goal. Although FWS' plan has limitations, its format is more easy to follow than other plans. It would appear that Interior needs to require a consistent format for use in preparing all of the Department's performance plans. Given the voluminous amount of material provided in the plans and associated budget documents, a common format would greatly facilitate the usefulness of the document.

In addition, the plans are not easy to follow because some of the information is contained in the budget justifications without any easy cross-reference as to where to locate essential information associated with each performance goal. For example, NPS' fiscal year 1999 goal is to have 48 percent of the historical structures on its List of Classified Structures in good condition. Understanding the definition of "good condition" is important to determining whether the assessment criteria are consistently applied from year to year. However, the definition of good condition is contained in the details of the budget justification, not in the performance plan. Therefore, any users of the plan would have to review a significant amount of detailed information to determine whether certain elements are covered in either the plan or budget justifications. For the most part, tracking the information from the performance plans to the budget justification is an extremely time-consuming process as evidenced by the fact that the nine performance plans and their respective budget justifications account for about 3,500 pages of material. In addition, many of the plans generally do not provide a succinct, clear, and concrete picture of what the agencies expect to accomplish with a given level of resources and how each will measure its performance. In essence, many of the plans do not provide a structure appropriate to inform the reader. To the contrary, the amount of information presented is overwhelming.

Furthermore, the Department-wide overview section of Interior's plan includes a description of 10 overarching commitments. According to the plan, these commitments guided the development of the individual subagencies' strategic plans and performance goals. While the information that is provided is very helpful in terms of providing a

unifying framework for the agency's and subagencies' plans, it does not go far enough in doing this. The text draws on selected examples of subagencies' performance goals to demonstrate the kinds of goals that relate to each departmental commitment. As a result, the material does not provide a clear or complete understanding of how many and which subagencies will contribute to achieving each of the Department's commitments.

INTERIOR'S PERFORMANCE PLAN DOES NOT
PROVIDE A CLEAR PICTURE OF INTENDED
PERFORMANCE ACROSS THE AGENCY

We found that seven of Interior's nine component performance plans do not provide a clear picture of intended performance across their respective agencies. Specifically, we found that the performance goals and measures associated with most of the plans do not adequately provide (1) a succinct and concrete statement of expected performance and (2) annual performance goals that are linked to the respective agency's mission, strategic goals, and program activities in the budget. Furthermore, most of the plans do not sufficiently recognize or fail to recognize crosscutting activities and thus do not fully identify whether the agencies are coordinating their efforts associated with related strategic or performance goals.

Defining Expected Performance

Most of the component performance plans do not adequately provide a succinct and concrete statement of expected performance for subsequent comparison with actual performance. One of the elements important to addressing this issue is that the goals and measures are to be objective, measurable, and quantifiable. However, we found that some of the goals or measures for five component performance plans do not sufficiently address this issue. For goals and measures to be considered objective, they should be reasonably free of any significant bias or manipulation that would distort the accurate assessment of performance, and to the greatest extent possible, they should not require subjective considerations or judgments to dominate the measurement. For example, some of the performance indicators for NPS do not provide clear definitions of the criteria that would be used to accurately assess the performance. One of NPS' performance goals is to ensure that 50 percent of the cultural landscapes on its Cultural Landscapes Inventory are in good condition. However, the criteria for determining what constitutes "good condition" is not defined in the performance plan, nor does NPS make reference to where such a definition can be found. Without a clear definition, it would be difficult to assess if the performance is being measured consistently from year to year or to understand how a change in definition could affect the end result desired from the expected performance. We have similar problems with the plans for BIA, FWS, MMS, and OSM.

We have issued several reports that generally focused on the condition of the resources entrusted to NPS, to include cultural resources. We have found that information about many cultural resources is insufficient or absent altogether—specifically, that the location and status of such resources is largely unknown. Many of the cultural sites and structures at parks that we visited have been damaged, while others had deteriorated into the surrounding landscapes. To its credit, NPS has established a performance goal that focuses on increasing the information and knowledge about its cultural resources by inventorying, analyzing, evaluating, and describing those resources that have not been previously inventoried and analyzed.

Also, although agencies can use output goals, outcome goals could be used whenever possible or explanations could be provided as to why they were not used. However, several of the plans do not provide a clear explanation as to why outcome goals were not used. Many of the output goals are not linked to a higher-end result. For example, the BOR has 70 performance goals, only 13 of which are linked to outcomes. (The remaining 57 goals are not outcome goals.) For example, completing five drought workshops to assist others in completing Drought Contingency Plans by the end of fiscal year 1999 is an output goal, not an outcome goal. In this case, the goal is linked to a specified number of outputs, not to the desired result that the agency should achieve. Likewise, about one-half of BIA's 95 performance goals are clearly output-related and not results-oriented. These goals include such things as (1) providing \$5.3 million to meet severance and lump-sum annual leave costs, (2) funding five new tribes, and (3) performing 52 fish hatchery projects. In addition to BOR's and BIA's, two other plans—NPS' and FWS'—frequently use output goals as opposed to outcome goals.

Connecting Missions, Goals, and Activities

Several of Interior's performance plans have goals that are generally linked to the agency's missions, strategic goals, and program activities in its budget request. However, some of the plans have goals that only partially address this issue. Specifically, we found that BIA's plan does not sufficiently show that its annual goals reflect the strategic goals and mission. BIA's performance plan contains strategies for achieving its strategic goals that in some cases are very different from those identified in its strategic plan. For example, BIA's strategic plan discusses four major initiatives or strategies toward the achievement of its self-determination goal of allowing the tribes to provide their own services rather than having these services provided by BIA and other federal agencies. However, these four initiatives are not discussed in BIA's performance plan, nor are they reflected in the performance goals. As a result, the Congress will not have the information it needs to assess how performance goals help accomplish the agency's strategic goals. FWS' plan is not always clear on how achieving the performance goal contributes to or supports the strategic goal. For example, FWS has an annual performance goal for the National Wildlife Refuge System to increase migratory bird

management efforts by 3 percent from the previous year. However, it is not clear how this goal relates to its strategic goal of conserving migratory bird populations in accordance with the partnerships with state, tribal, and local entities and approved migratory bird management plans to which it is linked.

Parts of the plan do not show clear relationships between performance goals and the program activities in Interior's budget request. For example, 12 of NPS' 31 performance goals are not linked to program activities in the budget, even though the accomplishment of some of the goals appears dependent upon having sufficient funding resources available. NPS has a goal that 10 percent of its employee housing units, classified as being in "poor or fair" condition in 1997, be either removed, replaced, or upgraded to "good" condition in fiscal year 1999. However, there is no explanation in the performance plan as to why the 12 goals are not linked to any program activities in the budget.

Several subagencies aggregated and consolidated their program activities and related each program activity to multiple performance goals. For example, MMS links at least two of its program activities to each of its goals. Although its "outercontinental" lands and "royalty management" program activities are associated with several goals, none of these goals address important functions within these program activities, such as lease abandonment or royalty audits. As a result, decisionmakers who need to know more about what these important programs are to accomplish and what is budgeted for them would find it difficult to do so.

Recognizing Crosscutting Efforts

Most of Interior's component performance plans do not fully indicate how the agencies are coordinating programs with other agencies having related strategic or performance goals. Specifically, we found that BLM's, the Departmental Overview's, and FWS' plans contain a limited discussion, whereas NPS', MMS', BIA's, and BOR's plans generally do not address the issue. For example, reducing serious crimes on Indian reservations must be a joint effort between BIA and other federal agencies. Crosscutting issues are generally not discussed in BIA's performance plan, although some additional information is provided in its budget justification. Additionally, BLM manages the oil and gas leases for which MMS collects the revenue, and BLM provides significant information to MMS that is needed to timely collect, verify, and distribute mineral revenues from federal and Indian lands. This issue is not addressed in either BLM's or MMS' performance plans.

Furthermore, beyond a few generalities, BOR's plan fails to indicate how the agency is coordinating crosscutting areas, such as water resources, energy supply, or environmental quality, with agencies like the Army Corps of Engineers, Department of

Energy, or Environmental Protection Agency. NPS' plan states only that it is working with other agencies to identify shared goals. At a minimum, NPS should have identified what agencies it is working with and the issues that are crosscutting in nature for which it is contemplating goals. The Departmental Overview plan has some discussion of crosscutting issues and has developed some goals; however, they are not complete for all issues. For example, in discussing several crosscutting "partnership" issues, there is some discussion of how agency goals that are related to other federal agencies' goals are coordinated and what they are to accomplish. However, for issues identified in the plan as crosscutting departmental "commitments," there is little information on how the commitments will be achieved and how they are to be implemented by the affected subagencies throughout Interior. Furthermore, no related goals have been established for Interior, even though the commitments address federal programs throughout the Department. As a result, in the Departmental Overview plan it is not clear what the scope of the coordination is with the subagencies and what is to be accomplished for each commitment.

Part of the problem in identifying and discussing crosscutting issues in Interior's component performance plans appears to carry over from concerns that we had in commenting on Interior's draft strategic plan. On the basis of our prior work at Interior, we had identified several areas in which improved coordination should have occurred to address the issues of duplication and overlap.⁵ Four land management agencies—BLM, FWS, NPS in Interior, and the Forest Service in the Department of Agriculture—manage about 95 percent of the land owned by the federal government for a variety of commodity uses, such as hardrock mining, timber harvesting, and oil and gas exploration and development. These four agencies also manage the land for noncommodity uses, including fish and wildlife; natural, scenic, cultural, and historic resources; recreation; water; and wilderness. Our work has shown that the responsibilities of these four agencies have become similar over time. Interior said that unless the Congress changes the Department's statutory responsibilities, the strategic plan must reflect the Department's current mission. However, we stated that addressing crosscutting issues in the strategic plan would facilitate a dialogue on the issue during consultations between Interior and the Congress. When Interior issued its final strategic plan in September 1997, it did include some discussion of efforts to coordinate a number of crosscutting issues; however, the plan still does not explicitly address the crosscutting issues that we had identified in our July 1997 report. These included the Department's environmental protection and remediation, stewardship assets, Indian, land and natural resource management, and recreation programs. However, in conjunction with preparing its yet to

⁵Results Act: Observations on the Department of the Interior's Draft Strategic Plan (GAO/RCED-97-207R, July 18, 1997).

be released financial statements, Interior has made improvements related to information about environmental protection and remediation.

INTERIOR'S PERFORMANCE PLAN COULD MORE FULLY
DISCUSS HOW THE AGENCY'S STRATEGIES AND
RESOURCES WILL HELP ACHIEVE ITS GOALS

In our review, we found that none of Interior's component performance plans adequately discuss how the strategies and resources will help achieve their goals, although eight of Interior's nine component performance plans contain partial discussions. Specifically, we found that the majority of the component plans do not adequately provide clear and reasonable strategies describing how they intend to meet their performance goals. In some component plans, the strategies for achieving the goals are discussed only in summary form and not discussed relative to each performance goal. Furthermore, even when the strategies are provided, often there is only limited information explaining how the strategies relate to achieving the performance goals. In addition, most of the component plans do not adequately describe the capital, human, financial, and other resources that the agencies will use to achieve performance goals.

Connecting Strategies to Results

A majority of Interior's plans do not adequately describe the agency's strategies to accomplish its performance goals. For example, both USGS' and NPS' plans discuss the strategies only in general terms, and they are not linked to specific performance goals. There is also no discussion in these two plans of how the strategies relate to achieving the goals. In another example, BIA's plan generally does not contain strategies for achieving its performance goals. For example, BIA has a goal to increase the number of students who stay in school to 90 percent, yet it does not provide any information on how it plans to achieve this goal.

Strategy discussions in the annual plans will be most useful to congressional and other decisionmakers if they address how any external factors could affect the agency's achievement of its goals. However, most of the plans do not sufficiently discuss this point. We also found that most of the performance plans do not discuss the respective agencies' actions to address external factors that are likely to affect their performance. For example, the plans for BOR and NPS have performance goals whose achievement depends on partnerships with various entities, such as state, local, and other federal agencies, as well as local water districts and Native American tribes. Yet there is no, or insufficient, discussion of how these partnerships might affect the achievement of the goals or what actions are needed to mitigate concerns that may arise from nonperformance.

Connecting Resources to Strategies

Interior's performance plan does not sufficiently discuss the resources it will use to achieve the specific level of performance. Most of the component plans do not adequately identify the capital, human, financial, or other resources that the agencies will use to achieve their performance goals. Also, most of the component plans do not discuss how the resources will contribute to improving performance. For example, FWS has performance goals that are linked to more than one budget activity and, conversely, many of the budget activities that are linked to more than one performance goal. As a result, Interior's plan is not as useful as it could be in identifying the level of budgetary resources needed to achieve performance goals.

Most of the component plans also do not adequately identify their agency's capital assets, information technology, and financial management plans where appropriate. For example, the Departmental Overview plan notes the application of information technology as part of the Department's overall strategies to achieve its objectives. However, with the exception of USGS, the subagencies' plans generally do not discuss how information technology will be used to help achieve annual performance goals or improve performance for long-term objectives. In addition, the Departmental Overview plan lists, as a strategic goal, ensuring that the Department's critical information systems and processes are year 2000 compliant by March 31, 1999. However, except for two, the subagencies' plans do not address the year 2000 computer-date issue. Since this is a serious global issue, users of the plan could benefit from an understanding of the subagencies' goals and strategies for ensuring that critical business processes and computer systems (1) are being addressed and (2) will function properly in the new millennium.

INTERIOR'S PERFORMANCE PLAN PROVIDES LIMITED
CONFIDENCE THAT THE AGENCY'S PERFORMANCE
INFORMATION WILL BE CREDIBLE

In our review, we found that eight of Interior's nine performance plans do not provide sufficient confidence that its performance information will be credible. Six of these plans only partially address this issue, whereas two plans fall well short of addressing it. Specifically, we found that all nine of the plans fall short in identifying the verification and validation procedures that are needed to adequately ensure that their performance information is complete, accurate, and consistent. Furthermore, most of the plans do not identify significant data limitations and their implications for assessing the achievement of the performance goals.

Verifying and Validating Performance

Most of Interior's performance plans do not adequately discuss how the agency will ensure that its performance information will be verified and validated. Specifically, we found that the Departmental Overview plan discusses performance data validation in general and assigns responsibilities to program managers. Neither the Departmental Overview plan nor the subagencies' plans fully describe the data verification and validation processes and management controls over data they will use. While the NPS plan identifies some processes it will use—field operations evaluations, random sampling and testing, statistical analysis, and modeling—they are not identified with any specific performance goals. Nor is it understood which processes will be used under what circumstances, by whom, and when. Without specific details about the types of checks performed, the frequency and results of recent tests, and whether the checks are done internally or by some independent source, such as the Inspector General, it is difficult to have confidence that the data collected are accurate and reliable for supporting the desired performance. Thus, the nine plans provide users with little assurance that the performance data will be reliable and that Interior and subagency systems are secure from risks, such as tampering, that could affect the reliability and availability of performance data.

Recognizing Data Limitations

Most of Interior's performance plans do not sufficiently identify significant data limitations. The plans either do not sufficiently identify limitations relative to their own data sources or those from external sources, or they do not adequately discuss or make reference to any significant new or modified information systems to make more credible data available for performance measures.

In connection with its own data sources, we found that the plans for Departmental Overview, NPS, and USGS partially recognize known significant limitations, whereas the plans for BIA, BOR, FWS, MMS, and OSM fall well short of recognizing any limitations. For example, we have reported data problems in NPS' employee housing inventory and its maintenance backlog.⁶ Specifically, we said that the employee housing inventory had not been recently assessed and that therefore we questioned the need for all of the units and the accuracy of data in the NPS system. We also questioned the accuracy and reliability of the data that NPS uses to develop its maintenance backlog. The plan does not discuss the actions the agency plans to take to address these data limitations. To illustrate, NPS has a goal that by the end of fiscal year 1999, it will have a list of the highest-priority

⁶National Park Service: Employee Housing Issues (GAO/T-RCED-98-35, Oct. 29, 1997) and National Park Service: Maintenance Backlog Issues (GAO/T-RCED-98-61, Feb. 4, 1998).

backlogged construction and maintenance projects totaling \$500 million and allocate funds to address at least 20 percent of these priority items. It would appear that NPS should have accurate and reliable data in order to achieve this goal.

Furthermore, for the most part, Interior's plans do not sufficiently indicate when performance data will come from external sources and do not recognize known, significant data limitations. For example, MMS receives data critical to its mission from BLM and oil and gas companies. We have previously reported problems with verifying data on gas production provided by oil and gas companies. However, MMS' performance plan does not discuss this concern nor identify what actions it has taken or plans to take to mitigate the concern raised. BOR has some goals that appear to be affected by data from external sources, such as its measure that relies on the average production costs in the hydropower industry. However, BOR's plan provides no detailed discussion of the source of data for the goal or the reliability of the data. BIA's plan generally does not discuss the problem of obtaining data from Indian tribes, which are the main external data sources for about 60 percent of BIA's programs. In its strategic plan, BIA acknowledges that getting performance data at the local tribal level would be a major challenge.

We also found that a number of plans do not adequately discuss information systems that could make available more credible data for performance measurement. Several of the subagencies indicated that they will be either enhancing, upgrading, integrating, interfacing, or developing new data systems. Yet most of the plans do not provide sufficient information on how these new or improved systems will enhance or make more credible data available for performance measures. Interior's Inspector General issued two subagency (BOR and BIA) reviews of computer controls covering fiscal year 1996, which identified security weaknesses in their financial information. However, the Departmental Overview plan does not specifically address the need for enhanced computer security over financial information.

OTHER OBSERVATIONS

It was also interesting to note that the National Indian Gaming Commission is not covered in Interior's strategic or performance plans. The Commission has requested authority to spend \$8 million in fiscal year 1999. Given the sensitivities of Indian gaming issues and the potential for criminal activities related to gaming, it would seem that Indian gaming is an important area to develop performance goals and measures to explain what it plans to accomplish with these funds.

AGENCY COMMENTS

On April 13, 1998, we met with Interior officials, including the Director, Office of Planning and Performance Management; Office of the Assistant Secretary for Policy, Management, and Budget, to obtain the agency's comments on our observations about its performance plan. The officials believe that the agency's 1999 performance plan meets the requirements of the Results Act. However, the Department acknowledges that improvements can be made to its plan in several areas. Interior also noted that the development of its performance plan is an iterative process and that future versions will address areas in which we, and others, show a need for improvement. Overall, the Department agreed that, in total, its plan was too voluminous and that a shorter plan with standardized formats would make it more comprehensible and user-friendly.

The Department also said that our report was too vague in some areas. The officials were particularly concerned about our description of the plans as either generally meeting, partially meeting, or falling well short of meeting established guidelines. We have added a footnote that defines these terms.

In addition, the Department made several other specific comments on this report. In connection with the point we raised about program evaluations, Interior officials said that such evaluations are frequently expensive and would only be used as a last resort and in instances in which it is not possible to develop quantifiable goals. However, we believe that program evaluations are needed because we found that the strategies for measuring performance were not always clearly defined. Under these circumstances, well-thought-out program evaluations can go far toward validating the effectiveness of the strategies used. We also pointed out that Interior's plans have a number of goals that are not generally linked to the agency's missions, strategic goals, and program activities in its budget request. However, Department officials said that they believe all of the plans have goals that are generally linked to the agency's missions, strategic goals, and program activities in the budget request. However, in making this assertion, the officials provided us with no information to support their view. Therefore, we have made no changes to our report.

Furthermore, Department officials said that because the issue of ensuring that the Department's critical information systems and processes are year 2000 compliant was covered in the overview plan it was not necessary to cover it in each individual component plan. However, we believe that this particular issue should be highlighted in each component plan, given the potential problems that could result from a malfunction in computer systems that could affect virtually all aspects of Interior's operations. Finally, Department officials said that our observation that each of the plans should provide assurance that the performance data are secure from risks such as tampering is

getting at a level of detail not appropriate for the plans. However, in our opinion, the benefits of such assurances dictate that this issue be explicitly addressed in the plans.

RELATED GAO PRODUCTS

National Park Service: Maintenance Backlog Issues (GAO/T-RCED-98-61, Feb. 4, 1998).

Managing for Results: Agencies' Annual Performance Plans Can Help Address Strategic Planning Challenges (GAO/GGD-98-44, Jan. 30, 1998).

National Park Service: Employee Housing Issues (GAO/T-RCED-98-35, Oct. 29, 1997).

Results Act: Observations on the Department of the Interior's Draft Strategic Plan (GAO/RCED-97-207R, July 18, 1997).

Park Service: Managing for Results Could Strengthen Accountability (GAO/RCED-97-125, Apr. 10, 1997).

National Parks: Park Service Needs Better Information to Preserve and Protect Resources (GAO/T-RCED-97-76, Feb. 27, 1997).

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