



**Certificate of Excellence in Accountability
Reporting (CEAR) Program®**

SUMMARY OF RESULTS

Performance and Accountability Reports for
Fiscal Year Ended September 30, 2003

COMMENDABLE PRACTICES	
MANAGEMENT DISCUSSION AND ANALYSIS	
Agency head transmittal letter	Department of Energy, Agency for International Development
Presentation of performance information in the Management's Discussion and Analysis	Department of State, Social Security Administration
Agency head's assurance letter on internal control	Nuclear Regulatory Commission
Description of management integrity and controls review process	Nuclear Regulatory Commission, Social Security Administration
Summary of FMFIA material weaknesses	Department of the Interior, Department of State
Descriptions of individual weaknesses in management control	Department of Agriculture
Discussion of compliance with Federal Financial Management Improvement Act	Department of State, General Services Administration, Nuclear Regulatory Commission
Description of audit follow-up process and status	Department of Agriculture, Department of Education
Forward looking information	Department of the Interior, Department of State, General Services Administration, Nuclear Regulatory Commission, Federal Aviation Administration
Summary of most serious management and performance challenges	Department of Labor, Nuclear Regulatory Commission
Explanation of purpose and format of financial statements	Department of the Interior, Small Business Administration

Summarization of financial results in a manner that illustrates significant indicators of financial operations and changes in financial condition	Department of Defense, Department of Energy, Social Security Administration
Reporting the results of component audits	Department of the Interior
Discussion of President's Management Agenda	General Services Administration, Department of State
PERFORMANCE SECTION INFORMATION	
Explanation of the performance measurement system	Department of State, Department of Education
Portraying the relationship between the mission, the strategic goals, and the annual performance goals	Department of Education, Department of State
Explanation of how the performance measures information is presented	Department of Education, Department of State, Agency for International Development, Social Security Administration
Table of performance goals summarizing the targeted and actual results for every goal, and possibly other information such as data sources and comments	Department of State, Government Accountability Office
Succinct, yet comprehensive presentations of performance measures, complete with goals, trend data, symbols for indicating accomplishment or non-accomplishment, reasons why a goal was not accomplished, steps to be taken to accomplish the goal, and verification process	Department of State
Descriptions of measures and methods for calculating results	General Services Administration
Output and outcome measures	Department of State
Analysis of significance of performance measures	Social Security Administration
Presentation of accomplishments for difficult to define and measure programs	Department of State, Agency for International Development,
Data verification and validation	Department of Education, United States Patent and Trademark Office
Presentation of future targets	Federal Aviation Administration
Organizing the presentation of evaluations according to the strategic goal that they support	Social Security Administration

FINANCIAL SECTION INFORMATION	
Chief Financial Officer transmittal letter	Department of State
Concise, complete, easy-to-understand footnotes	Department of Education, Department of Labor, Office of Personnel Management, Small Business Administration
Comprehensive footnote disclosure of composition of entity and non-entity assets and of liabilities covered by budgetary resources and not covered by budgetary resources	Department of Energy, Department of the Interior,
Footnote disclosure of gross and net costs incurred for each strategic goal by the Department and by its components	Department of the Interior
Comprehensive, interesting presentation of investment in human capital	Department of Education
Meaningful reporting of outputs/outcomes resulting from investment in research and development	Department of Energy
Concise, easy-to-read auditor's report	Department of the Interior, Office of Personnel Management, Social Security Administration
ACCESSIBILITY AND READABILITY	
Table of Contents	Department of Education, Department of State
Separate section on how to use the report	Department of State, General Services Administration, Small Business Administration
Explanation of content of Management Discussion and Analysis and/or entire report	Department of the Interior, Small Business Administration
Executive Summary or Agency-at-a-Glance	Department of Energy
Use of side bars to emphasize significant matters and/or add interest	Department of State
Use of color, photos (with captions worded to support the related narrative), graphics, and text boxes to enhance attractiveness and readability	Department of the Interior, Department of Labor, Department of State, General Services Administration
Easy to use glossary	Social Security Administration
Clear identification in agency's home page of hyperlink to electronic version of the Report	Department of the Interior, Patent and Trademark Office

Spiral Binding	Department of Transportation, Agency for International Development, Nuclear Regulatory Commission
Availability of the report on a CD-ROM	Department of State, Agency for International Development
Issuance of a summary report	Department of the Interior, Department of State, Agency for International Development, Social Security Administration, Federal Aviation Administration, Government Accountability Office
FORMATTING AND OTHER	
Organization and flow from Management's Discussion and Analysis to the financial statements and auditor's reports and presentation in the Table of Contents	Department of State, General Services Administration
Presentation of the Certificate of Excellence in Accountability Reporting awarded for the prior year's report	Department of State, Social Security Administration
Request for comments to improve report	Department of Education, Department of Labor
Thoroughness and responsiveness of responses to comments on last year's report	Department of Education, Government Accountability Office

EXAMPLES OF CREATIVITY

Department of Education

- Identification of a special phone number and Internet address for persons needing telecommunications devices. Making report available in alternate forms, e.g., Braille, large print, audiotape, CD.
- Beginning the Management's Discussion and Analysis with a two-page spread, printed on different color stock, that presents brief, highly readable vignettes about several of the Department's program and management achievements.
- Building the Management's Discussion and Analysis around a theme.
- Presenting at the bottom of each chart, the data source for the numbers in the chart; footnoting the data source for numbers presented in the text and providing in the footnote the Internet address at which the entire data source can be accessed.
- Adding colors to the organization chart to show the distribution of primary responsibilities over the various organizational units, e.g., executive leadership, external relations, programs, White House initiatives, budget/accountability, and operations.
- Providing URLs for obtaining additional information about matters discussed in the report.
- Inclusion of pictures in the footnotes to make their reading more inviting.
- Depicting a sample internal program performance report and providing the Internet address at which these reports can be viewed.
- Cross-walk for each strategic goal identifying the component programs, and for each program, the FY 2003 budget and cost, and the percentage of annual performance goals met, not met, and for which there is no data for FY 2003 and FY 2002.

Department of Energy

- Coloring the edges of the reports pages to help readers locate the different sections in the report.

Department of the Interior

- Two page section at beginning of report titled "From Mission to Measurement: How to Read This Report".
- Chart presenting components' missions that uses the components' shields to capture attention.
- Charts presenting expenses and accomplishments by strategic goals accompanying the narrative presentations of the program performance.

Department of Labor

- Summary and charts presenting costs incurred during the current and two prior years for each of the Department's strategic goals and outcome goals.

- Internet addresses of Department's components and programs, organized by type of likely user.

Department of State

- Section titled "About This Report" that explains content of each section and provides phone numbers at which additional information can be obtained.
- Section presenting seven improvements undertaken during the year to enhance the reporting of performance measures.
- Using headers with titles on each page to help readers know where they are in report, as well as locate other sections.
- Inserts on the inside front cover and elsewhere in the report that improve readability and provide useful/interesting information, e.g., milestones of American diplomacy, interesting historical notes, summary of the Department's history, derivation and history of passports.
- Side bar presentation of FMFIA material weakness criteria.

General Services Administration

- "How to use this report" on inside front cover, which succinctly provides authority for report; Internet addresses for obtaining electronic versions of Strategic Plan, Annual Performance Plan, and Performance and Accountability Report; request for feedback on report; and an identification and explanation of each section.
- Use of section headings on each page that help readers navigate when flipping through the report, and margin headings identifying the office names in the report's Performance Section.

Nuclear Regulatory Commission

- Information on how to obtain various NRC documents presented on the inside back cover.

Small Business Administration

- Including with each of the Inspector General's management challenges a list of the IG's recommendations accompanied by a color-coding that signifies the agency's status in regard to implementation of the recommendation.

Social Security Administration

- Use of different paper stocks to differentiate among sections.
- Explanation of content of Management's Discussion and Analysis provided at beginning of the Management's Discussion and Analysis.
- Provision of both Internet and regular mail addresses for obtaining copies of the Strategic Plan and Annual Performance Plan.
- Cross-referencing among sections.
- Using formatting to facilitate use of glossary.

Federal Aviation Administration

- Use of titles in the Table of Contents that encourage readers to read text, e.g., Evaluating our Performance, Tying Performance to Cost.
- Use of 3-year moving averages for presenting program measures that can have significant year-to-year changes.

Office of Personnel Management

- Explanation of the adoption of a new strategic plan and reassignment of annual performance goals during the year, with an identification of how the performance goals were reassigned.

Patent and Trademark Office

- Self-assessment of implementation of the President's Management Agenda, since as a component, not assessed by Office of Management and Budget.

General Accounting Office

- Table of mission, goals, themes, objectives, and core values on inside front cover clearly depicting the interrelationships of these elements and a subsequent table that depicts the relationships between strategic goals and strategic objectives.
- Organization chart that depicts how goals are distributed among organizational components.
- Inclusion of 2004 targets in tables summarizing performance.
- Presenting four-year moving averages for selected measures.
- Attractive summary graphic for each strategic goal that depicts the total cost of pursuing the goal in dollars and as a portion of GAO's total costs; and the key results.
- Including an appendix that presented details for accomplishments reported in the body of the report, as well as selected other accomplishments.
- Inclusion of report of Audit Advisory Committee.

PRACTICES IN NEED OF IMPROVEMENT

Overall

- Increased length of several reports, at the same time other reports are getting smaller, which can only be addressed by a definitive decision to reduce the size by eliminating redundancies, paring back examples and excess information, and scrubbing verbose language.

Message from the Agency Head

- Tendency to present only positive matters without identifying challenges and problems.

Forward-looking Information

- Presenting forward-looking information, but without including the related financial effects, as was contemplated in SFFAS No. 15.

Financial Analysis

- Limiting the financial analysis to only an identification of significant amounts without identifying and explaining the reasons for significant changes from the prior year, particularly in terms of the factors that caused the change.

Systems, Controls, and Legal Compliance

- Agency head providing the FMFIA assurance regarding management controls, but not addressing the Section 4 requirement for assurance regarding the accounting systems.

Improper Payments

- Agencies incorrectly referring to Erroneous Payments, which is broader than Improper Payments.

Reporting Performance Results

- Continuing paucity of cost-effectiveness measures.
- Increasing use of “substantially met” as a category of accomplishment, even though the performance goal was not met.
- Lack of sufficient discussion of poor performance and what can and will be done to address it.

- Spotty reporting of program evaluations, with more than a few agencies not limiting program evaluations to systematic collections of information about the activities, characteristics, and outcomes of programs in order to make judgments about the program, improve program effectiveness, and/or inform decisions about future programming.

Chief Financial Officer Message

- Ambiguity regarding whether the letter is addressing audit-related material weaknesses or FMFIA-related material weaknesses.

Auditors' Reports

- Management assertions on internal controls used to support auditors' opinions on internal control are less than adequate and the location of the assertion is frequently not identified.

Inspector General Materials

- Need for a clear identification of the summary of most serious management and performance challenges as the Inspector General's so readers will not mistakenly assume it is management's summary.
- Tendency of agencies to view the challenges as shortcomings and problems they have to correct—which requires a frequently adversarial response as to how they are proceeding, rather than viewing the summary as the IG's long term perspective on matters that are likely to affect the agency and its programs and therefore should be planned for and otherwise addressed.
- Continuing, but diminishing, thinness of the assessments of management's progress addressing the most serious management and performance challenges.

Ease of Reading

- Providing an Internet address for the report that is other than the page on which it appears.
- Presenting the materials required for the Management's Discussion and Analysis in more than one section, sometimes divided by non-Management's Discussion and Analysis sections, rather than in a single section.