

CERTIFICATE OF EXCELLENCE IN ACCOUNTABILITY REPORTS
SUMMARY OF RESULTS

FISCAL YEAR ENDED SEPTEMBER 30, 2006

COMMENDABLE PRACTICES

<u>AGENCY HEAD LETTER</u>	
Comprehensiveness and informativeness	Department of Housing and Urban Development, Department of Labor, Federal Trade Commission, Peace Corps, Federal Aviation Administration, Government Accountability Office
Identification and discussion of challenges	Department of Labor, Federal Trade Commission, Peace Corps
<u>MANAGEMENT DISCUSSION AND ANALYSIS</u>	
Description of the content of the Management's Discussion and Analysis	Nuclear Regulatory Commission, Social Security Administration
Informative, interesting, and plain English presentation of how the agency's programs benefit the public	Government Accountability Office
Narrative description and/or pictorial display of the various levels in the performance management model	Department of State, Government Accountability Office
Table presenting most important performance goals and results	General Services Administration
Presentation of costs incurred for each performance goal and most performance indicators	Department of Labor,
Description of processes used to improve quality of performance data	Department of Labor
Description of the management control evaluation and reporting process	Department of State, Nuclear Regulatory Commission, Peace Corps, Security and Exchange Commission
Description of the A-123 Appendix A requirement and actions	Department of State
Financial analysis	United States Patent and Trademark Office
Demands, risk, uncertainties, events, conditions, and trends and the possible future effects	Commodities Futures Trading Commission, Federal Aviation Administration,

Analysis of the financial statements	Commodities Futures Trading Commission, General Services Administration, Nuclear Regulatory Commission, Federal Aviation Administration
President's Management Agenda progress and status	Department of State, Small Business Administration
Timely payments/electronic payments	Nuclear Regulatory Commission, Department of State ⁽²⁾
User fees	Nuclear Regulatory Commission
Audit follow-up	Department of Agriculture

PERFORMANCE SECTION INFORMATION	
Description of how performance information is presented	Department of Labor
Presentation of all aspects of performance	Department of Labor, Department of State, Social Security Administration
Explanation of performance measures and analysis of results	Department of Defense
Use of symbols to provide a quick distinction between met and unmet targets	Federal Aviation Administration, Social Security Administration, United States Patent and Trademark Office
Explanations of unmet targets and plans for meeting them	Department of Defense, Department of Labor,
Identification of deleted measures and reasons thereof	Department of Defense
Summaries of evaluation findings and recommendations	Department of Labor,
Presentation of Program Assessment Rating Tool (PART) results	Department of Agriculture, Department of State
FINANCIAL SECTION INFORMATION	
Chief Financial Officer letter	Department of Housing and Urban Development, Department of the Interior, Federal Aviation Administration, Government Accountability Office
Auditors' report	Department of Labor, Federal Aviation Administration
Auditors' report addressing disagreements with management	Department of the Interior
Auditors' report on the status of the prior year's audit findings	Federal Aviation Administration,
Explanation of the purpose and format of the individual financial statements	Small Business Administration, Government Accountability Office

Footnotes	Department of the Interior, Department of State, Small Business Administration
OTHER ACCOMPANYING INFORMATION	
Inspector General's summary of most serious management and performance challenges	Department of Defense, , Security and Exchange Commission,
Synopsis and Table of Challenges Removed in Inspector General summary of most serious management and performance challenges	Department of Agriculture
Improper Payments Information Act accomplishments and plans	Department of Agriculture ⁽¹⁾
ACCESSIBILITY AND READABILITY AND OTHER	
Appearance of involvement of professional designers and writers	Department of Labor Department of State, Armed Forces Retirement Home
Information for accessing the report	Department of the Interior, Department of State, Government Accountability Office
Foreword or other section explaining the purpose and/or content of the report	Department of the Interior Department of Labor, Department of State, Armed Forces Retirement Home, Government Accountability Office
Narrative and charts that explain and illustrate the performance management, measurement, and reporting process	Government Accountability Office
Using sidebars to present useful information and enhance reader interest	Department of Agriculture, Department of the Interior, Small Business Administration, Federal Aviation Administration;
Placement of historical notes, relevant human interest vignettes, and other information within the report to support the narrative and retain reader interest.	Department of Defense, Department of the Interior, Department of Labor, Department of State, Armed Forces Retirement Home, Small Business Administration
Use of colored page headers or edges to identify sections of the report	Department of the Interior, Commodity Futures Trading Commission, Small Business Administration United States Patent and Trademark Office
Use of formatting, pictures, charts, and color to facilitate understanding and retain reader interest	Department of Labor, Department of State, National Aeronautics and Space Administration

Request for comments	Department of the Interior, Armed Forces Retirement Home
Acknowledgements	Department of State, Small Business Administration,
Providing Internet addresses for Department's programs and components	Department of Labor, National Aeronautics and Space Administration
Issuance of a summary report	Department of State, Federal Aviation Administration, Small Business Administration, Social Security Administration, Government Accountability Office
Issuance of a CD-ROM containing the report	Department of State, Small Business Administration, Federal Aviation Administration, General Services Administration, Social Security Administration, Government Accountability Office

- (1) Presented in Appendix
- (2) Presented in Financial Section

EXAMPLES OF CREATIVITY

Department of Defense

Listing all the Department's performance goals and measures, and differentiating with italics those presented in Performance and Accountability Report and those appearing only on the web.

Providing, in an appendix, a list of internal and external Internal links.

Department of Housing and Urban Development

Alerting the reader in various parts of the Management's Discussion and Analysis to look to other parts of the report containing more detail

Providing the program websites as part of the presentations of performance results.

Department of the Interior

Table and color-coded bar graph depicting the distribution of PART results among the components.

For each performance results reported in the Management's Discussion and Analysis, providing a reference to the more complete presentation in the report's Performance Section.

Department of Labor

Including in the Management's Discussion and Analysis, a table that presents the net costs for each strategic goal, each performance goal, and many performance indicators.

Table of net costs incurred for each Performance Goal in the current and two prior years.

Description of the process and limitations in collecting performance data.

Comprehensive, albeit lengthy, documents that report the findings and recommendations (plus the program impact, findings, recommendations actions taken, actions remaining, and expected completion date of evaluations completed during the year).

List of Internet addresses of the Department's components and other interesting and frequently used sites provided on page facing inside back cover.

Department of State

Presenting a pie chart depicting the portion of the Federal Government dollar expended for International Affairs

Using the title page for each section to describe the contents of the section.

Effective use of maps to present selected conditions and selected accomplishments throughout the world.

Including a section that lists and provides the reasons for excluded indicators.

Significantly modifying the materials presented in the Summary Report from those presented in the Performance and Accountability Report in order to better meet the needs of readers of the Summary Report.

Formatting and using titles in the CD ROM in a manner that facilitates understanding its content and accessing the information.

Commodity Futures Trading Commission

Including in the description of each section of the report the name and phone number of the person who can be contacted for additional information about the content of that section.

Federal Aviation Administration

Using color coding in the organization chart to differentiate among different types of units

Including the 2007 targets in tables summarizing performance.

Imbedding in the discussions of various subjects Internet links to web sites that provide additional information. to the

Federal Maritime Commission

List of statutes the report satisfies with Internet address for each.

Federal Trade Commission

Presenting hyperlinks in the Message from the Chairman to Internet pages that provide additional information and pages that readers can use to obtain government services.

General Services Administration

Presenting a side bar box that describes the meaning of “progress” on the President’s Management Agenda.

Pictorial representation of the internal control review process.

Nuclear Regulatory Commission

Definition of what constitutes a serious management challenge in the Inspector General's summary of the most serious management and performance challenges.

Small Business Administration

Providing in Spanish instructions for accessing an Internet page that provides information about SBA's programs in Spanish.

Enabling users of the CD-ROM, when connected to the Internet, to click on the map of SBA offices and link directly to SBA's regional websites.

Using color codes to signify the status of agency actions needed to address the Inspector General's summary of the most serious management and performance challenges.

Including with the acronym definitions, a description of the program or organization and the Internet address for obtaining additional information.

Social Security Administration

Presenting on the report's Internet home page an excellent description of what the report is and contains.

Differentiating the location of the financial statements within the Performance and Accountability Report by printing them on a different paper stock

Beginning the Management's Discussion and Analysis with an informative, interesting, and plain English presentation of how Social Security Administration's programs benefit the public, including graphs that supplement the understanding but do not distract from the narrative

Providing in the Management's Discussion and Analysis discussion of the most important performance goals and results, the page number in the Performance Section containing a complete discussion.

Federal Aviation Administration

Providing the Internet addresses for related organizations.

Including the 2006 targets in the FY 2005 Performance at a Glance Table.

United States Patent and Trademark Office

Providing a table that presented the target, actual results, and a symbol specifying met, partially met, or not met for the USPTO's performance measures on the report's inside front cover.

Government Accountability Office

Providing a pictorial display of GAO's Strategic Planning Hierarchy

Including a table listing numerous ways in which the Government Accountability Office assisted the nation.

Using sidebars to present an example of the levels for a sample strategic goal and its component strategic objective, performance goals, and key efforts.

Presenting four-year rolling averages for selected measures.

Including the 2007 targets in tables summarizing performance and providing explanations for the levels at which the targets are set..

Providing Internet addresses throughout the report for obtaining additional information on the subject addressed.

Presenting two comparative bar graphs depicting net cost for each of the four goals for the current and three prior years, one adjusted for inflation and the other unadjusted for inflation.

Advising readers that in the PDF version of the report, they can link directly to products identified in the report.

Identifying in *Performance and Accountability Highlights*, the pages in the full report that additional information about a subject can be obtained.

PRACTICES IN NEED OF IMPROVEMENT

Overall

Reports are too long. The same is applicable to the Management's Discussion and Analysis.

Some reports suffer from difficult-to-read writing styles, e., g., redundancies, verbosity, stiltedness, incorrect syntaxes. The reports that have avoided this problem are the ones that have used professional designers and writers.

Some reports include material that is not necessary for reporting performance and accountability, which also adds unnecessarily to the report length.

The agency head message, Management's Discussion and Analysis, and Chief Financial Officer message are generally exclusively positive and do not address the significant and frequently publicly known deficiencies and challenges, even when they are reported elsewhere in the report by the Inspector General or external auditor.

Performance Information (either in the Management's Discussion and Analysis or the Performance Section)

The failure to present costs aligned directly with the major goals and outputs described in the agencies' strategic and performance plans, in the Management's Discussion and Analysis, Performance Section, and even the financial statements

The absence of measures that enable readers to ascertain the efficiency or cost-effectiveness with which the agency is managing the resources to which it has been entrusted (i. e., measures that relate financial or other inputs to outputs or outcomes).

Financial Statement Analysis

Explanation of major changes in amounts of assets, liabilities, costs, and revenues, focus on account balances that changed rather than the reasons for the changes.

Internal Controls and Financial Systems

The reports identify and material weaknesses and corrective action plans, but obscure the distinction between the two types of material weaknesses (FMFIA, auditor-identified) in order to avoid addressing one or the other, and use semantics to avoid addressing reportable conditions and system non-conformances. Management Challenges

Limiting the title of the Inspector General's summary of major challenges to management challenges, even though the Reports Consolidation Act and OMB Circular A-136 requires a summary of management and performance challenges.

Including in the Management's Discussion and Analysis, or elsewhere, a lengthy management response to the most serious management and performance challenges summarized by the Inspector General in the Financial Section, even though that discussion duplicates the assessment of the agency's progress addressing the challenges that the Inspector General is required to include with his or her summary and thereby unnecessarily lengthens the reports.

Chief Financial Officer Message

Chief Financial Officer messages appearing immediately following the agency head messages, rather than at the beginning of the Financial Section, as specified in OMB Circular A-136, which inappropriately provides an impression that the Performance and Accountability Report is primarily a financial report

Too little or no discussion by the Chief Financial Officer in his or her message of material weaknesses in controls and other systems and control problems and how and when the agency will address them

Financial statements

Inclusion of other than investments, as defined in Statement of Federal Financial Accounting Standard No. 8, in human capital and research and development in the Required Supplementary Stewardship Information statements of investments in human capital and in research and development.