



CERTIFICATE OF EXCELLENCE IN ACCOUNTABILITY REPORTS  
SUMMARY OF RESULTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2019

COMMENDABLE PRACTICES

(Examples of commendable practices are listed alphabetically in the order of Departments, independent agencies, component agencies, and Congressional agencies. Agencies listed in italics are agencies that prepared Agency Financial Reports.

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| <b>AGENCY HEAD LETTER</b>  |  |
| Comprehensive and informative  | <i>Department of Health and Human Services, Federal Trade Commission, National Credit Union Administration, Government Accountability Office</i>                                   |
| <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>  |  |
| Organization chart   | <i>Department of Defense, United States Agency for International Development; Government Accountability Office</i>   |
| Descriptions of each component's responsibilities  | <i>Department of Health and Human Services, Department of the Treasury</i>   |
| Narrative description and/or pictorial display of the various levels in the performance management structure | <i>United States Agency for International Development; Government Accountability Office</i>  |
| Presentation of strategic goals and strategic objectives   | <i>Department of Health and Human Services</i>   |
| Vignettes and pictures to illustrate reported performance results  | <i>United States Agency for International Development</i>  |
| Presentation of performance results  | <i>Department of Commerce, Department of Homeland Security, Federal Trade Commission, National Credit Union Administration, United States Agency for International Development</i> |
| Presentation of performance for agency priority goals  | <i>Department of Health and Human Services</i>   |
| Use of symbols or words to distinguish between met and unmet targets   | <i>National Credit Union Administration</i>  |
| Explanation of how performance data are verified and validated   | <i>United States Agency for International Development</i>  |
| Description of the management control program  | <i>Department of State, United States Agency for International Development,</i>  |



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| Complete statement of assurance on internal controls and financial system   | <i>Department of Health and Human Services</i>  |
| Analysis of the financial statements  | <i>Department of Commerce, Department of Defense, Department of Health and Human Services, Department of the Treasury, Commodity Futures Trading Commission, Federal Trade Commission, United States Agency for International Development</i> |
| Description of financial management systems structure   | <i>Department of Health and Human Services</i>  |
| Status and plans for various support functions (e. g., grants management, human capital, collections, payments, purchase cards) | <i>Department of Commerce</i>   |
| Demands, risks, uncertainties, events, conditions, and trends and the possible future effects                                   | <i>Federal Trade Commission, National Credit Union Administration, Government Accountability Office</i>   |
| Summary of status of improper payments activities and results (with reference to complete report in Other Information)          | <i>Department of Health and Human Services</i>  |
| Balanced integrated Management's Discussion and Analysis, including insightful economic contributions summary                   | <i>Department of the Interior</i>   |

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| <b>PERFORMANCE SECTION</b>   |  |
| Narrative description and/or pictorial display of the various levels in the performance management structure | <i>National Credit Union Association</i>                                 |
| Useful Performance Results Status Indicators, Presentation of all aspects of performance                     | <i>Farm Credit Administration, National Credit Union Administration,</i> |

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| <b>FINANCIAL SECTION</b>   |  |
| Chief Financial Officer letter   | <i>General Services Administration</i>   |
| Inspector General's memorandum transmitting the auditors' report             | <i>Department of Homeland Security, Department of the Treasury, General Services Administration</i>          |
| Explanation of the purpose and format of the individual financial statements | <i>Department of Education, Federal Trade Commission, United States Agency for International Development</i> |

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| Footnotes, including the Summary of Significant Accounting Policies  | <i>Department of Homeland Security</i>   |
| Reporting Entity footnote (i. e., disclosure of policies for implementing SFFAS 47 <i>Reporting Entity</i> ) | <i>Department of Commerce</i>  |
| Deferred Maintenance and Repairs   | <i>Department of Commerce, Department of Homeland Security</i>   |
| <b>OTHER INFORMATION AND APPENDICES</b>  |  |
| Schedule of Spending   | <i>Department of Health and Human Services, Department of Homeland Security,</i>   |
| Inspector General’s summary of most serious management and performance challenges                            | <i>Department of Education, United States Agency for International Development</i>   |
| Payment Integrity  | <i>Department of Defense, Department of Health and Human Service</i>   |
| Civil Monetary Penalty Adjustment for Inflation  | <i>Department of Commerce, Department of Health and Human Service, National Credit Union Administration</i>  |
| <b>ACCESSIBILITY, READABILITY AND OTHER FEATURES</b>   |  |
| Location of electronic version clearly identified on agency’s home page                                      | <i>United States Agency for International Development,</i>   |
| Use of inside front cover to provide useful and/or highlight information                                     | <i>Department of Education, Department of State, Department of the Treasury, National Credit Union Administration, United States Patent and Trademark Office</i>   |
| Foreword or other section explaining the purpose and/or content of the report and/or the agency              | <i>Department of Commerce, Department of Health and Human Services, Department of State, Department of the Treasury, Federal Trade Commission, National Credit Union Administration, Small Business Administration, United States Agency for International Development</i> |
| Agency At-A-Glance   | <i>Department of Defense, Federal Aviation Administration, Federal Trade Commission United States Agency for International Development</i>   |

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| Section headers explaining the purpose and content of the sections   | <i>Department of Education, Department of Health and Human Services, National Credit Union Administration</i>  |
| Appearance of involvement of professional designers and writers  | <i>Department of Commerce, Department of State, United States Agency for International Development</i>   |
| Use of sidebars to present historical notes, relevant human-interest vignettes, photographs, and other useful information to support the narrative and enhance reader interest | <i>Department of Defense, Department of Health and Human Services, Department of Homeland Security, Department of State, Federal Trade Commission, United States Agency for International Development, Peace Corps</i>   |
| Inclusion of Internet links to sites that provide additional information about agency and its programs   | <i>Department of Defense, Department of Education, Department of Health and Human Services, Department of Homeland Security, Department of State, Architect of the Capitol, National Credit Union Administration, United States Agency for International Development; Government Accountability Office</i> |
| Use of colored page headers or edges to identify sections of the report  | <i>Department of Defense, Department of Education, Department of Health and Human Services, Commodity Futures Trading Commission</i>   |
| Providing a list of offices and other sources, along with e-mail addresses or phone numbers, for obtaining information about the agency's programs                             | <i>Department of Education, Department of Veterans Affairs, National Credit Union Administration</i>   |
| Providing a list of URLs for social media  | <i>Department of State, Architect of the Capitol</i>   |
| Glossary of Acronyms   | <i>Department of Agriculture, Department of Commerce, Federal Housing Finance Agency, National Credit Union Administration, United States Agency for International Development</i>   |



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| Acknowledgements | <i>Department of Commerce, Department of Education, Department of Homeland Security, Department of State, General Services Administration, United States Agency for International Development</i> |
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## EXAMPLES OF CREATIVITY

(Examples of creativity are listed alphabetically in the order of Departments, independent agencies, component agencies, and Congressional agencies.)

### **Department of Defense**

Creative use of graphics to portray the various components of improper payments for each program susceptible to improper payments.

### **Department of Education**

A Key Accomplishments timeline that identifies and describes the Department's key accomplishments in FY2019 and notes the page numbers in the Agency Financial Report presenting the information.

A graphic that depicts the flow of funds from the agency and Treasury needed to finance and (subsidize) loans.

An appendix presenting descriptions of selected department web links and education resources and providing a hyperlink to each.

### **Department of Energy**

**A chart that links the Department's management priorities with the FY2020 IG challenge areas and the GAO High Risk List areas managed by the Department.**

### **Department of Health and Human Services**

The Improper Payments Information Act Report provides a coded table of contents that identifies what the report presents.

### **Department of Homeland Security**

Provides readers with the ability to click on a Table of Contents section name in the report's electronic version and jump to that section in the report.

The Improper Payment Reporting Detail section presents a list of risk factors used to determine programs susceptible to improper payments.

### **Department of State**

Detailed presentation of steps taken to implement the National Institute of Standards and Technology's Cybersecurity Framework.



## **Department of the Treasury**

List of Department's components and their website addresses on the inside front cover.

The Table of Contents for the financial statement footnotes is linked to the individual footnotes, which facilitate accessing the footnotes.

Explanation and presentation of the components of the tax gap, i. e., the amount of tax liability that is not paid voluntarily and on time.

## **Department of Veterans Affairs**

The Accountability section within Payment Integrity identifies for each program reporting improper payments, the accountable official's position and a statement that the Senior Accountable Officials' performance plans include measurable metrics to reduce future improper payments.

## **Architect of the Capitol**

Clear, concise, comprehensive executive summary.

## **Commodity Futures Trading Commission**

Fast Read, which provides an attractive, easily read of CFTC's role, history, scope, priorities, finances, and plans.

Inclusion in the Appendix of a section titled CFTC Oversight of Regulated Entities that explains the futures and SWAP markets; defines the roles and specifies the numbers of the numerous participants in the commodities market, and explains CFTC's regulatory role for each group of participants.

Inclusion in the Glossary of Abbreviations and Acronyms of a hyperlink to a more extensive glossary of the language of the futures industry.

## **Federal Trade Commission**

A line graph and timeline chart of the FY 2019 Non-Entity Fund Balance with Treasury Activity that presents each event, either a collection of funds from a settlement or a disbursement of funds to consumers, the companies involved, hyperlinks to press releases and other materials explaining the actions, and providing the monies collected or disbursed from each action, and its effect on the non-entity Fund Balance with Treasury balance.

## **General Services Administration**

Frequently Asked Questions-a three page section at the beginning of the report that, through a question and answer format, explains the reasons for the Agency Financial Report and the various components.



How GSA Benefits the Public--a five page introduction that explains each of GSA's strategic goals in terms of how it benefits the public.

### **National Aeronautics and Space Administration**

Highlights visually appealing, interesting, informative, "reader friendly" report including interesting and inspiring stories.

### **National Credit Union Administration**

Recognizing its complex financial structure, presenting a graphic portraying its resources and how they are used. by fund, to support programs and support functions, and to achieve strategic goals.

### **Securities and Exchange Commission**

Creatively highlights key entity historical events.

### **Social Security Administration**

Clearly and concisely highlights key national benefits and concisely summaries complex social insurance financial matters.

### **United States Agency for International Development**

Uses the About This Report section to provide a brief description of every statute for which information is presented in the report.

### **United States Patent and Trademark Office**

Highlights proactive financial management strategies and practices that support mission continuity, despite a lengthy government funding lapse.



## PRACTICES IN NEED OF IMPROVEMENT

Most of these practices are being addressed by the agencies, so they are far less prevalent than in the early years. Nonetheless, they are present in sufficient instances to bear repeating.

### **Accessing the Reports Electronically**

The electronic versions of some Agency Financial Reports and Performance and Accountability Reports are accessed under a title “Budget and Performance” or “Performance,” with no indication that this is the location of the Agency Financial Report or Performance and Accountability Report.

### **Agency Head Message**

Describes the agency’s accomplishments without identifying the agency’s mission and strategic goals, which prevents the accomplishments from having a context.

### **Performance Information**

There is an 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).

There is a paucity of information regarding the procedures management designed and follows to provide reasonable assurance that the reported performance information is relevant and reliable,

### **Financial and Performance Information**

Agencies could improve accountability reporting by better integrating key financial and performance/results information. Specifically, a more robust integration of financial and performance information, including related efficiency insights, could improve reports.

### **Independent Performance Assessment Information**

Agencies could improve accountability reporting by adding independent performance assessment information. An independent assessment of agency performance information could not only strengthen accountability but also help evolve agency performance information/systems and help strengthen report readers understanding and acceptance of performance information. Currently, many agencies highlight a modicum of performance validation process information but provide little independent assessment, including related insights on the relevance, merits and validity of the performance information (measures, indicators, progress, and trends).



## **Internal Controls and Financial Systems**

The Statements of Assurance frequently neglect to include assurance for the financial systems as required by Section 4 of the Federal Managers' Financial Integrity Act and the Federal Financial Management Improvement Act,

The Agency Head Messages, Management's Discussion and Analysis' discussions of systems and controls, and Messages from the Chief Financial Officer frequently exult the absence of material weaknesses, but neglect to mention the existence of significant deficiencies, even if the significant deficiencies are long-standing.

## **Forward-Looking Information**

The forward-looking information frequently fails to identify the demands, events, conditions, or trends that are the basis for the actions the agency plans to take in the ensuing years.

## **Chief Financial Officer Message**

Similar to the previously-reported practice in need of improvement, many Chief Financial Officer messages consider auditor-determined weaknesses to include only material weaknesses, not significant deficiencies even if they are numerous or long-standing, and thus do not discuss plans for correcting this level weakness or the associated impediments. Nor do the Messages necessarily present corrective action plans and time frames for correcting audit weaknesses and compliance deficiencies or identify other places in the report where the information is presented.

## **Financial Statements**

Many agencies fail to classify their costs by strategic goal, either in the Statement of Net Cost of the accompanying footnotes

## **Other Information**

In many summaries of the most serious management and performance challenges, the Inspector General does not assess the agency's progress assessing the challenge. This causes management to prepare an extensive description of steps it has taken and plans to take for each of the challenges, which does not always align with the summary of challenges and would not be considered as objective as the Inspector General's assessment..