

SECTION 240 – ANNUAL PERFORMANCE PLANNING AND REPORTING

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Summary of Changes

Consolidates guidance on Annual Performance Reporting into a revised Section 240 on Agency Performance Planning and Reporting. Updates milestones for publishing the FY 2020 Annual Performance Plan and FY 2018 Annual Performance Report concurrent with the Agency's FY 2020 final congressional budget justifications, and clarifies for agencies how to incorporate policy and management initiatives into the agency's APP / APR. Provides guidance on the application of A-123, Appendix A to APP/APR.

ANNUAL PERFORMANCE PLANNING

240.1 What is an Annual Performance Plan?

The Annual Performance Plan (APP) is a description of the level of performance to be achieved during the fiscal year in which the plan is submitted and the next fiscal year. The plan should also be specific in describing the strategies the agency will follow, explaining why those strategies have been chosen, and identifying performance targets and key milestones that will be accomplished in the current and next fiscal year. It should be comprehensive of the agency's mission by showing the plan for each strategic objective.

240.2 What is the purpose of an Annual Performance Plan?

Agencies prepare an Annual Performance Plan to communicate the agency's strategic objectives and performance goals with other elements of the agency budget request. The plan describes how the goals will be achieved, identifies priorities among the goals and explains how the agency will monitor progress. The APP also updates the previous APP to reflect changes in plans, funding decisions, and changes in the environment.

240.3 How does the Annual Performance Plan relate to the Strategic Plan?

The Annual Performance Plan should align to the agency's strategic goals and objectives, explaining how they will be achieved. Strategic goals are advanced by strategic objectives, which in turn, are supported by specific performance goals and indicators. For each strategic goal, the annual plan should show the supporting strategic objectives and performance goals. The indicators that will be used to track, interpret or improve progress on performance goals must also be included in the performance plan. Agencies should add performance goals as needed to reflect multiple objectives:

- *Mission.* The core functions and activities of Federal agencies that are reflected in statutory requirements or leadership priorities and which serve to drive their efforts in addressing pressing and relevant national problems, needs, and challenges.
- *Service.* The activities that reflect the interaction(s) between individual citizens or businesses and Federal agencies in providing a direct service on behalf of the Federal Government, and which is core to the mission of the agency.
- *Stewardship.* The responsibilities of Federal agencies to provide appropriate safeguards in executing mission and service related activities effectively and efficiently, including minimizing instances of waste, fraud, and abuse.

The Annual Performance Plan supports the agency's budget request by identifying the performance goals and key milestones that an agency will pursue in the coming year. Results of agency progress on strategic objectives and performance goals are presented and discussed in the Annual Performance Report.

Agencies will develop their FY 2020 APP to align with the strategic plan framework of goals and objectives reflected in the agency FYs 2018-2022 Strategic Plan. Agencies will also have an opportunity in the FY 2020 APP to update as needed performance goals, measures, and targets from the FY 2019 APP to support the agency's strategic objectives and priorities reflected in the agency Strategic Plan. Agencies may choose to drop or add measures in the Annual Performance Plan, in consultation with OMB. Agencies should include a consolidated list or summary of changes in the FY 2020 APP that identifies performance measures that are added or dropped. Agencies should still report FY 2018 results of any performance goals and indicators that will be discontinued in the FY 2020 APP; targets for dropped measures no longer need to be set as part of the FY 2020 APP.

240.4 What is the relationship between the Annual Performance Plan, Annual Performance Report and Congressional Budget Justification?

Section [51](#) outlines agency budget justification requirements. The performance plan may be used to structure the budget submission, or at minimum, be part of the agency's budget submission to OMB and to Congress. Changes in the plan should reflect changes to the program activities in the budget request.

To reduce duplication and to communicate future plans in the context of historical trends, agencies are strongly encouraged to consolidate the Annual Performance Plan with the Annual Performance Report to deliver them concurrent with the Congressional Budget Justification and on Performance.gov. Agencies should consult with relevant congressional appropriations committees to confirm their support for modifications to the format of the Congressional Budget Justification.

240.5 Does the agency Annual Performance Plan include contributions to the Cross-Agency Priority Goals and other Administration priorities or initiatives?

Yes, as applicable, agency Annual Performance Plans shall, include contributions to Cross-Agency Priority (CAP) goals as well as establish performance goals, measures, and targets in management and policy priority areas required by Executive Orders or OMB memoranda and guidance. In developing the APP, agency PIOs should coordinate across the organization to ensure the APP is comprehensive of the agency's mission, including identified policy or management priorities the agency is working to achieve. For example:

- Per [E.O. 13807](#), agencies with environmental review, authorization, or consultation responsibilities for infrastructure projects shall include in the agency's Annual Performance Plan agency performance goals related to the completion of environmental reviews and authorization for infrastructure projects consistent with the CAP Goal on Infrastructure Permitting Modernization; and
- Per OMB Memorandum [M-17-23](#), agencies are required to establish performance goals and associated indicators related to regulatory reform accountability under E.O. 13777.
- Instances where CAP Goals teams, as part of the goal's implementation strategy, have developed specific reporting to support goal progress (e.g., [Category Management](#)).

See sections [210](#) and [220](#) for additional details on how to incorporate these policy and management priority areas in the APP.

240.6 How will agencies be expected to link resources to the performance plan this year?

Performance information in the Annual Performance Plan, especially the goals, indicators of past performance and other evidence such as evaluations, should inform agency budget decisions, complementing other factors considered in the budget process. The funding proposed in agency FY 2020 final budget submissions should reflect funding levels the agency believes are needed to meet proposed FY 2020 targets. Current fiscal year performance goals should be updated to reflect final congressional action on appropriations and other changes in external conditions or management priorities as necessary. The performance goals in Annual Performance Plans should be consistent with those set through agency strategic and performance planning processes.

The strategic goals and objectives in the performance plan should capture efforts for all program activities in the budget request. Agencies may aggregate, disaggregate, or consolidate program activities for the purposes of aligning performance information and resources as appropriate for the agency size, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

240.7 What content should be included in the Annual Performance Plan and how will it be published?

The content table in section [210](#) establishes what information must be included in the Annual Performance Plan. This section should be considered in conjunction with section [51](#), on Basic Justification Materials as well as section [210](#) which describes requirements for publication of the plan on Performance.gov. Agencies that were required to establish FYs 2018–2019 Agency Priority Goals on Performance.gov will also be expected to publish Annual Performance Plan information on Performance.gov. The FY 2020 Annual Performance Plan will be developed to align with Administration policies and will be published concurrent with the agency's final FY 2020 congressional budget justification, with all agencies producing a full agency performance plan for posting on the agency's website with all required content. The agency's congressional committees may also require additional information for the performance plan that is submitted to Congress.

240.8 How should agencies report performance improvement actions for items identified as major management challenges in the Annual Performance Plan?

The GPRA Modernization Act of 2010 (Pub. L. No. 111-352) requires agencies to describe the major management challenges the agency faces as part of the Agency Annual Performance Plan. Major management challenges are programmatic or management functions, within or across agencies, and may have greater vulnerability to waste, fraud, abuse, and mismanagement (such as issues the Government Accountability Office identifies as high risk or issues that an Inspector General (IG) identifies) or where failure to perform well could seriously affect the ability of an agency or the Federal Government to achieve its mission or goals. Agencies may consider IG recommendations on serious management and performance challenges as well as management issues and risks or areas most critical to the agency's mission delivery when developing performance goals as part of performance planning, or as an input to the agency's enterprise risk management planning and processes (See OMB Circular A-123). Where applicable, agencies should highlight instances where a performance goal has been developed as a result of a major management challenge, and include detailed performance information required in section [210](#).

Agencies should address identified major management challenges in the Agency Annual Performance Plan as a part of Other Information if not addressed as agency priority or performance goals elsewhere in the performance plan. Agency discussion of major management challenges in the Annual Performance Plan should include: planned actions to address major management challenges; performance goals, indicators and/or milestones used to measure progress for the major management challenges identified; and the agency official (title and office) responsible for resolving such challenges. See section [210](#).

240.9 What are data of "significant value?" What attributes and dimensions should agencies consider when selecting and gathering data to improve agency progress on goals?

Data are most valuable when they are meaningful for analyzing progress and identifying ways to improve performance. Data need to be sufficiently accurate, and timely to inform a decision, behavior, or outcome by those who have authority to take action to drive progress towards mission, service, and stewardship outcomes. For information to be actionable, it must be prepared in a format appropriate for the user. A first step for agencies will be to identify data sources that are already available and assess whether they adequately measure the performance goal or other indicator of interest. Agencies may be able to adapt existing data, or they may find that new data sources will need to be developed. Data attributes to consider include:

- **Frequency**—How often should the data be collected in order to impact future performance? How quickly is it needed to make sound decisions? Annually, quarterly, monthly, weekly, daily?
- **Time**—Is the time of day, day of the week, or week of the year likely to correlate with performance or causal factors affecting performance (e.g.; time of incidents, demand patterns)? If so, is it worth tagging performance indicators with this information so that they can be sorted to see variations in performance patterns across time?
- **Users**—Who uses the data to learn from experience, improve performance, or make decisions and for what purpose? Are they responsible for achieving the task, accountable for accomplishing it, potentially supportive of the endeavor, likely to be consulted due to their expertise, or do they need to be kept informed? Are they in central offices, field, among delivery partners, public or Congress? What does that information-using role imply for the form, timing, collection and dissemination of the collected indicators?

- **Format**—How will people use the information and what format is most conducive to its use?
- **Methods**—How are data collected or delivered and what methods are used to get feedback on the data to continually improve its quality or usefulness? What challenges related to data collection may impact its use?
- **Context and Analysis**—What analysis and evaluation will be needed in order to be able to use the data to make decisions or improve performance?
- **Cost**—How costly or burdensome is the data collection or analysis before it can be put to use.

240.10 What kind of evidence is considered appropriate for use in managing performance under the GPRA Modernization Act?

For the purpose of managing performance under the GPRA Modernization Act, evidence is the available body of facts or information indicating whether a belief or proposition is true or valid. Evidence can be quantitative or qualitative, and may come from a variety of sources, including performance measurement, evaluations, statistical series, retrospective reviews, data analytics, and other research. Evidence has varying degrees of credibility, and the

strongest evidence generally comes from a portfolio of high-quality, credible evidence rather than a single study. The credible use of evidence in decision-making requires an understanding of what conclusions can be drawn from the information, and equally important, what conclusions cannot be drawn. For example, multiple rigorous impact and implementation evaluations may provide strong evidence that a particular intervention is effective with a particular population, but it may be less definitive on how effective that intervention may be in other settings or with different populations. Quasi-experimental evidence from large, diverse samples of administrative data may address concerns about generalizability, but could lack definitive evidence on causality or be silent on important outcomes not captured in the administrative data. Descriptive analyses from Federal statistical series provide context to examine societal and economic trends over time, but do not speak to program outcomes or impacts. Qualitative evidence can complement other

Other Indicators are Sometimes Essential for Interpreting Performance Indicators

Some performance indicators require context and analysis to interpret the agency's performance trends accurately, so other indicators are needed to accompany performance indicators. Here are a few examples:

Other indicators: When an agency faces a process backlog and sets a target to reduce the backlog, it is not sufficient to track only the size of the backlog or the percent of applications processed within the threshold processing time set. It is also essential to track input indicators (e.g.; the number of applications coming in to the agency) and output indicators (e.g.; number of applications processed by the agency) for the same time period to interpret accurately the agency's performance addressing the backlog.

External factor indicators: When an agency reviews the performance across field offices or delivery partners, meeting indicator targets does not always mean the intended outcome is being achieved. The number of people receiving jobs after participating in a state's employment readiness program could be very high as compared to another program in a different state. In that situation, contextual indicators may be critical to understanding the performance of individual delivery units. The participants, economic conditions, or level of demand for services in an area may be critical to interpreting the job placement rates and for finding effective practices for improving performance.

evidence on outcomes and impacts by providing insight into how programs and practices can be successfully implemented.

This is a broad definition of evidence, and portfolios of evidence have varying degrees of credibility. The 'intended use' of evidence compels agencies to set expectations for levels of credibility that are aligned to and appropriate for the specific purpose for which the portfolio of evidence, including specific activities, will be used.

240.11 What can be used to measure performance in areas where quantifiable performance goals cannot be developed?

When agencies cannot express a performance goal in a quantifiable form for a particular program, an "alternative form" performance goal or suite of indicators may be used instead. For example, milestones are often used as the basis of an alternative form performance goal. In other cases, the attainment or maintenance of a third-party, established, standard can be a qualitative, measureable performance goal, such as obtaining an unmodified audit opinion on the agency's financial statements. For certain programs, a suite of indicators in lieu of a performance goal will be appropriate. Evaluations and other assessment tools may also be helpful.

240.12 How should evidence, aside from performance goals and indicators, be incorporated in the Annual Performance Plan?

Agencies should demonstrate the use of evidence throughout their FY 2020 budget submissions, particularly in support of the performance goals and strategies in the Annual Performance Plan and 2020 final congressional budget justification. Evidence comes in different forms that can be useful (e.g.; evaluations, research studies, data analytics and retrospective reviews of regulation). Some evidence helps programs better understand the characteristics of the problems they are trying to tackle, while other evidence reveals agency practices and other factors that affect the problems agencies want to affect. Use of evidence in budget, management, and policy decisions is critical to make government work effectively.

240.13 What is required by the GPRA Modernization Act on lower-priority program activities?

Agencies are required to identify lower-priority program activities as a part of the FY 2020 performance planning process and final budget submission. In cases where small agencies have only one program activity in the President's Budget the agency may disaggregate the program activity for the purposes of identifying lower-priorities appropriate to the agency's size.

240.14 How should agencies prepare and publish the lower-priority program activities?

Agency budget submissions to OMB must include a draft list of the agency's proposed lower-priority program activity designations using the instructions provided on MAX. Agencies should provide to OMB in their final FY 2020 budget submission a draft list of lower-priority program activities.

According to the law, the agency's draft submission to OMB must include an explanation of the lower-priority program activity selection based on the agency's analysis of the programs' contribution to the mission and goals of the agency, and an evidence-based justification for designating a program activity as lower-priority.

As in previous years, OMB will work with agencies to approve and finalize lower-priority program activity lists under the budget process, prior to the publication of the President's Budget. OMB will work with

agencies to approve and finalize lower-priority program activities under the budget process, prior to the publication of the President's Budget.

Agencies must publish in the agency's performance plan a clear reference to the President's Budget for the agency's lower priorities such as "*The President's Budget identifies the lower-priority program activities, as required under the GPRA Modernization Act, 31 U.S.C. § 1115(b)(10). The public can access the volume at: <http://www.whitehouse.gov/omb/budget>.*"

240.15 What criteria should agencies use when selecting their lower-priority program activities?

Criteria that agencies could consider, in combination, for identifying lower-priority programs may include:

- **Alignment**—Program activities that are not aligned with mission of the organization or a Cross-Agency Priority Goal.
- **Duplication**—Program activities addressing issues that are already addressed by another entity within or outside the Federal Government.
- **Scope**—Program activities considered to be small scope, low-budget, inconsequential or insignificant.
- **Impact**—Program activities that do not affect the public significantly, directly, or indirectly.
- **Stakeholders**—Program activities that, if reduced or eliminated, would not have significant negative impacts on stakeholders.

240.16 The GPRA Modernization Act requires each agency to make available on the web an update on agency performance. How and when will agencies publish the final Annual Performance Plan?

Since the passage of the GPRA Modernization Act, agencies have been aligning the annual performance plan and report with the agency's congressional budget justification, both to improve the accessibility and usefulness of agency performance reporting for stakeholders, as well as to reduce the burden of duplicative planning and reporting timelines. The FY 2020 Annual Performance Plan should be developed to align with and published concurrent with the agency's final FY 2020 congressional budget justification.

The timeline for development and publication of the FY 2020 Annual Performance Plan is in section [200](#). Agencies must first submit electronically the draft Annual Performance Plan to OMB for review in September 2020 by posting it on the agency's [Performance Submission Portal](#) accessible from OMB's Performance Portal page on MAX Community.

Notification to Congress is transmitted electronically by the agency head. When delivering notification to Congress, agencies should also notify the President by emailing the OMB Director at performance@omb.eop.gov. Agencies shall post a copy of the final document on the agency's website and provide a hyperlink to the plan on Performance.gov. Related submission questions should be emailed to performance@omb.eop.gov.

240.17 How does the Annual Performance Plan relate to the agency's enterprise architecture?

Once an agency's performance plan is established, agencies should ensure that the enterprise architecture planning documents are consistent with achieving the agency goals and objectives. This will require direct alignment of the capital and enterprise architecture planning efforts to meet the strategic objectives and performance goals in agency strategic and annual performance plans, to the extent that information technology resources are critical to the achievement of those objectives and goals.

ANNUAL PERFORMANCE REPORTING**240.18 What is the Annual Performance Report (APR)?**

The Annual Performance Report (APR) provides information on the agency's progress achieving the goals and objectives described in the agency's Strategic Plan and Annual Performance Plan, including progress on strategic objectives, performance goals and Agency Priority Goals. The term Annual Performance Report means the same as the performance section of the Performance and Accountability Report (PAR) published by agencies in November, or the Annual Performance Report that is published by agencies in February concurrent with their APP and congressional budget justifications.

240.19 The GPRA Modernization Act requires "more frequent updates of actual performance on indicators that provide data of significant value to the Government, Congress, or program partners at a reasonable level of administrative burden." How will agencies meet this requirement?

Agencies report progress quarterly on Priority Goals of the Administration on Performance.gov. In addition, Cross-Agency Priority (CAP) Goal progress is updated quarterly by CAP Goal Leaders in coordination with the GSA, OMB and contributing agencies.

All agencies are encouraged to report performance on their other performance goals more frequently than annually, if cost-effective, valuable, or required by Executive Order or other OMB memoranda and guidance to agencies. Each agency should determine the areas and kinds of information where more frequent data will lead to better decisions by the public, field offices, and delivery partners that generate more value and/or lower cost. Agencies should use their own websites to provide more frequent performance updates, where cost effective or required, and explore opportunities for establishing Application Programming Interface (API) feeds directly to Performance.gov. See "actionable information/data of significant value" in sections [200](#), [240.9](#), and [280](#).

240.20 The GPRA Modernization Act requires each agency to make available on the website of the agency an update on agency performance. When are agencies required to publish the Annual Performance Report?

With the passage of the GPRA Modernization Act, agencies have been aligning the annual performance plan and report with the agency's congressional budget justification, both to improve the accessibility and usefulness of agency performance reporting for stakeholders, as well as to reduce the burden of duplicative planning and reporting timelines. Agencies should publish their FY 2018 Annual Performance Report with their FY 2020 Annual Performance Plan and final FY 2020 congressional budget justification in February 2019. Small agencies will maintain the flexibility to publish the Annual Performance Report (APR) for FY 2018 on the agency's website as a Performance and Accountability Report (PAR) (November 2018), but

are encouraged to produce a combined annual performance plan and report. Agencies will also be required to link to the APR from [Performance.gov](https://www.performance.gov).

Concurrent with the release of the agency's final FY 2020 congressional budget justifications, large (CFO-Act) agencies are required to publish content from the Strategic Plan, Annual Performance Report, and Annual Performance Plan through [Performance.gov](https://www.performance.gov). See sections [200](#) and [210](#) for more information on development timelines and required content for each plan and report.

240.21 How are agencies expected to work with OMB or Congress in the preparation of the performance report?

When preparing an agency-specific Annual Performance Report, agency staff and OMB should discuss the presentation and work out any concerns, if needed, in advance of the submission of the reports to Congress. Agencies are encouraged to reach out to Congress, where possible, to obtain input on how they might improve their communication of performance information to Congress. Agencies should work with their legislative affairs offices to determine the best ways to consult with Congress.

240.22 How do agencies deliver the report to the President, Congress and the public?

For the FY 2018 performance report, agencies should make Annual Performance Reports available on the agency website. A hyperlink to the agency performance report will also be published via [Performance.gov](https://www.performance.gov). For notification to the President, agencies should post final reports on the agency's website, and email the Director of OMB at email performance@omb.eop.gov with the hyperlink to the published report.

Agencies should notify Congress electronically of the availability of the final Annual Performance Report. The report notification must be from the head of the agency, but may be transmitted electronically by his or her delegate. An agency may add other signatories, such as the Deputy Secretary, Chief Operating Officer, Performance Improvement Officer or Chief Financial Officer, as necessary to the transmittal, thus recognizing a shared responsibility within the agency. Transmittal letters to Congress are addressed to the Speaker of the House of Representatives, the President of the Senate and the President pro tempore of the Senate. Copies of the congressional transmittal are sent electronically, unless otherwise requested in print by Congress, to the chair and ranking minority members of the budget committees, relevant authorization and oversight committees, appropriation subcommittees, and the chair and ranking minority member of the Senate Committee on Homeland Security and Governmental Affairs and the House Oversight and Government Reform Committee. Agencies should work with their legislative affairs and congressional staff to determine the optimal way to transmit notification to Congress.

If an agency performance update includes any program activity or information that is specifically authorized under criteria established by an Executive Order to be kept secret in the interest of national defense or foreign policy and is properly classified, the head of the agency will make such information available in a classified appendix.

240.23 Should agencies consolidate the Annual Performance Report with the Annual Performance Plan?

Yes. To streamline agency planning and reporting of performance information for stakeholders and more efficiently manage duplicative planning and reporting timelines, agencies are strongly encouraged, but not required, to consolidate the Annual Performance Plan and Annual Performance Report. Agencies are required to provide a hyperlink to [Performance.gov](https://www.performance.gov) from the agency's website where the Annual Performance Report is published.

240.24 What information should the Annual Performance Report contain?

Annual Performance Reports should clearly articulate how the work of the agency benefits the public, enable the public to understand the actions agencies have taken to make progress and explain what the agency is doing to improve performance. The APR must address the content established in Section [210](#), with agencies encouraged to format the FY 2018 APR by strategic goal and objective. The FY 2018 APR should include a summary assessment of progress as described in Sections [210](#) and [270](#) for strategic objectives, and focus on comparing and reporting results achieved against performance goals and associated measures and indicators established in the agency's Annual Performance Plan. Agencies must still report the FY 2018 results of any performance goals and indicators that will be discontinued by the agency in future performance plans, and targets for dropped measures no longer need to be set or included in the FY 2020 Performance Plan.

240.25 What other parts selectively apply to the Annual Performance Report, as applicable?

The following parts selectively apply to agencies.

- *Information on use of non-Federal parties.* The GPRA Modernization Act states that preparation of an annual report is an inherently governmental function. However, the report should include an acknowledgment of the role and a brief description of any significant contribution made by a non-Federal entity in supporting preparation of the report.
- *Classified appendices not available to the public.* Agencies that conduct classified activities may prepare a classified appendix for the Annual Performance Plan. Also, if an agency believes that reporting of actual performance will impede goal achievement, a non-public appendix may be prepared for the Annual Performance Report. Agencies should consult with OMB to determine whether such an appendix is necessary.

240.26 How should agencies assess the completeness, reliability, and quality of performance data reported in the Annual Performance Report?

The GPRA Modernization Act requires agencies to prepare information on the reliability of data presented. Agencies may develop a single data verification and validation appendix used to communicate the agency's approaches, and/or may also choose to provide information about data quality wherever the performance information is communicated (e.g., websites). Agencies should discuss their verification and validation techniques with their respective OMB Resource Management Office, if necessary. The transmittal letter included in Annual Performance Reports must contain an assessment by the agency head of the completeness and reliability of the performance data presented and a description of agency plans to improve completeness, reliability, and quality, where needed.

Data limitations. In order to assess the progress towards achievement of performance goals, the performance data must be appropriately valid and reliable for intended use. Significant or known data limitations should be identified to include a description of the limitations, the impact they have on goal achievement, and the actions that will be taken to correct the limitations. Performance data need not be perfect to be valid and reliable to inform management decision-making. Agencies can calibrate the accuracy of the data to the intended use of the data and the cost of improving data quality. At the same time, significant data limitations can lead to bad decisions resulting in lower performance or inaccurate performance assessments. Examples of data limitations include imprecise measurement and recordings, incomplete data, inconsistencies in data collection procedures and data that are too old and/or too infrequently collected to allow quick adjustments of agency action in a timely and cost-effective way.

Verification and validation. Verification and validation of performance data support the general accuracy and reliability of performance information, reduce the risk of inaccurate performance data, and provide a sufficient level of confidence to the Congress and the public that the information presented is credible as appropriate to its intended use. The GAO defines verification as a process of checking or testing performance information to assess other types of errors, such as errors in keying data. The GAO defines validation as an effort to ensure that data are free of systematic error or bias and that what is intended to be measured is actually measured. The GAO information can be found in the GAO publication GAO/GGD-10.1.20 [The Results Act, An Evaluator's Guide to Assessing Agency Annual Performance Plans](#). See also GAO's [Verification and Validation of Performance Data](#).

Agencies should have in place verification and validation (V&V) techniques that will ensure the completeness and reliability of all performance measurement data contained in their Annual Performance Plans and reports as appropriate to the intended use of the data. In addition, the Performance Improvement Council (PIC) through an interagency working group, has developed a Data Quality Maturity Model and Example Practices guidebook to assist agencies in improving their data quality programs over time. Copies of the guidebook can be obtained by emailing the PIC directly at PICStaff@pic.gov.

The guidance that follows provides agencies with a list of reasonable V&V criteria that when applied should increase the level of confidence Congress and the public have in the performance information presented.

Agency internal assessments. Agencies are encouraged to consider the verification and validation factors outlined below.

1. Standards and procedures

- Source data are well defined, documented; definitions are available and used.
- Collection standards are documented/available/used.
- Data reporting schedules are documented/distributed/followed.
- Supporting documentation is maintained and readily available.
- Collection staff are skilled/trained in proper procedures.

2. Data entry and transfer

- Data entry methodology is documented and followed.
- Data are verified as appropriate to the needed level of accuracy.
- Procedures for making changes to previously entered data are documented and followed.
- Data are available when needed for reporting, learning and critical decision making cycles.
- Data entry staff are skilled and trained in proper procedures.

3. Data integrity

- Whenever possible, data should be returned to data suppliers with value added so that data suppliers benefit from the analysis of the data and are engaged to improve its quality over time.
- Third-party measurement is often preferable to self-measurement.
- Administrative data that is used for other purposes and validated by its use can be a source of high-quality performance data at a relatively low cost

4. Data quality and limitations

- Accuracy limits of all data are appropriate to their intended use.
- Data limitations are explained and documented.

- Method for handling anomalous data is established and used, not just to isolate data artifacts but also to search for promising practices to validate and possibly solve problems needing attention.
- Third party evaluations are conducted.
- Use of externally controlled data is documented.

5. Oversight and certifications

- Accountability for data accuracy exists in a responsible employee's performance standards.
- Responsible officials certify that procedures were followed each reporting period.
- Responsible officials certify that data accuracy has been checked each reporting period.

External Assessments. External assessments such as evaluations and peer reviews can be helpful to determine data or information gaps and whether changes in performance trends are attributable, in whole or in part, to agency action or to other factors. Agencies are expected to consider the available evidence, including any available evaluation results, when conducting this analysis. As appropriate, such analysis should consider whether the goals and indicators have been validated through 1) research to be well correlated with ultimate outcomes; 2) implications of available research on the appropriateness of the measure; and 3) the relative strength or weakness of the measure overall. Agencies should determine when and how to complement performance measurement with evaluations or other high-quality external assessments to improve the quality and comprehensiveness of the data being reported.

External Audits. It is important to note the GPRA Modernization Act does not require the use of audits for performance data contained in Annual Performance Plans or reports.

Scope. Because most agencies process a large amount of performance measurement data, agencies should apply judgment when deciding which performance indicators will be verified and validated. Agencies should consider priorities, spending, GAO high risk lists, IG reports and management challenges.

Frequency of Validation and Verification. Agencies should determine the appropriate frequency of validation and verification needed for the intended use and should allocate appropriate resources to carry out validation and verification on an appropriately periodic basis. Data presented annually should typically be validated annually or biennially.

Agency Head Responsibility. Agency heads are officially accountable for the accuracy and reliability of performance data. The agency head shall include in the transmittal letter of the agency's APR a brief statement on the completeness and reliability of the performance data, and on what data limitations exist.

240.27 How does the update to OMB Circular A-123, Appendix A, Management of Reporting and Data Integrity Risk affect agency preparation of the Annual Performance Plan and Annual Performance Report?

[OMB Circular A-123, Appendix A](#) provides updated guidance to agencies that integrates internal control over reporting (ICOR) with enterprise risk management (ERM) processes, and assurances over internal control. Specifically, the 2018 update to OMB Circular A-123, Appendix A expanded internal controls from financial reporting (internal controls over financial reporting, e.g., ICOFR) to all reporting objectives (internal controls over reporting, e.g., ICOR). By aligning the updated Appendix A to the agency's ERM processes, agency management should apply their analysis of risk in the agency's risk profiles across a portfolio view of the agency's objectives (e.g., Strategic, Operations, Reporting, and Compliance Objectives – see OMB Circular A-123) when deciding where internal controls will be most effectively employed to those reporting objectives where inaccurate, unreliable, or outstanding reporting would significantly impact

the agency's ability to accomplish its mission and performance goals or objectives. Importantly, management decisions to apply ICOR should not be done against the entire Annual Performance Plan or Annual Performance Report. Rather, management decisions to apply ICOR should be made at the individual performance goal and indicator level, applying only in those instances where:

- there is a significant risk that a material reporting error may impact achievement of the agency's mission objectives; and
- application of ICOR is likely to cost effectively mitigate that risk.