

SECTION 240 – ANNUAL AGENCY PERFORMANCE PLANNING AND REPORTING

Table of Contents

Annual Performance Planning

- 240.1 What is the annual Agency Performance Plan (APP)?
- 240.2 What is the purpose of an annual Agency Performance Plan (APP)?
- 240.3 How does the annual Agency Performance Plan relate to the Strategic Plan?
- 240.4 What is the relationship between the Agency Performance Plan, Agency Performance Report and Congressional Budget Justification?
- 240.5 Does the Agency Performance Plan include contributions to the Cross-Agency Priority Goals and other Administration priorities or initiatives?
- 240.6 How will agencies be expected to link resources to the performance plan this year?
- 240.7 Can agencies change performance indicators or measures in the Agency Performance Plan?
- 240.8 How does the annual Agency Performance Plan relate to agency organizational health and organizational performance frameworks?
- 240.9 What content should be included in the annual Agency Performance Plan and how will it be published?
- 240.10 How should agencies report performance improvement actions for items identified as major management challenges in the Agency Performance Plan?
- 240.11 What are data of "significant value?" What attributes and dimensions should agencies consider when selecting and gathering data to improve agency progress on goals?
- 240.12 How do performance measurement and evaluation complement each other in the Federal Performance Framework?
- 240.13 What kind of evidence is considered appropriate for use in managing organizational performance under the GPRA Modernization Act?
- 240.14 What can be used to measure performance in areas where quantifiable performance goals cannot be developed?
- 240.15 How should evidence, aside from performance goals and indicators, be incorporated in the Agency Performance Plan?
- 240.16 What is required by the GPRA Modernization Act on lower-priority program activities?
- 240.17 How do agencies prepare and publish lower-priority program activities to meet the reporting intent of this provision of the Act?
- 240.18 The GPRA Modernization Act requires each agency to make available on the web an update on agency performance. How and when will agencies annually publish the final Agency Performance Plan?
- 240.19 How does the Agency Performance Plan relate to the agency's enterprise architecture?

Annual Performance Reporting

- 240.20 What is the annual Agency Performance Report (APR)?
- 240.21 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?
- 240.22 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 Agency Performance Report?

Table of Contents – Continued

- 240.23 How are agencies expected to work with OMB or Congress in the preparation of the performance report?
- 240.24 How do agencies deliver the report to the President, Congress and the public?
- 240.25 Should agencies consolidate the Agency Performance Report with the Agency Performance Plan?
- 240.26 What information should the annual Agency Performance Report contain?
- 240.27 What other parts selectively apply to the Agency Performance Report, as applicable?
- 240.28 How should agencies assess the completeness, reliability, and quality of performance data reported in the Agency Performance Report?
- 240.29 How does the update to OMB Circular No. A–123, Appendix A, Management of Reporting and Data Integrity Risk affect agency preparation of the Agency Performance Plan and Agency Performance Report?

Summary of Changes

Updates timelines to align the FY 2025 Agency Performance Plan (APP) with the President's 2025 Budget. Adds guidance explaining how the Agency Performance Plan relates to agency assessments of organizational health and organizational performance. Incorporates reference to list of example indicators of performance goals for measuring, monitoring, and improving organizational performance and organizational health.

ANNUAL PERFORMANCE PLANNING**240.1 What is the annual Agency Performance Plan (APP)?**

The annual Agency 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 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 making progress towards each strategic objective.

240.2 What is the purpose of an annual Agency Performance Plan (APP)?

Agencies annually prepare an Agency 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 year's APP to reflect changes in plans, funding decisions, and changes in the operating environment.

240.3 How does the annual Agency Performance Plan relate to the Strategic Plan?

The annual Agency Performance Plan should align to the agency's strategic goals and objectives, explaining how they will be achieved. Reviewed and updated annually, the shorter-term organizational planning and goal-setting of the APP complements the Agency Strategic Plan, translating the longer-term strategic goals and objectives in the Strategic Plans to programmatic performance goals, including Agency Priority Goals,

in the Agency's Annual Performance Plan. 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 focused.* 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.
- *Mission/Service focused.* 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.
- *Mission-support and Management-focused.* The improvement priorities for management functions that support and strengthen organizational health and organizational performance; and 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 Agency 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 2025 APP to align with the strategic plan framework of goals and objectives reflected in the agency FYs 2022-2026 Strategic Plan. The FY 2025 APP will be developed throughout the course of 2023, and include performance goals, measures, and targets covering FY 2024 and projected for FY 2025. Thus, agencies will have an opportunity in the FY 2025 APP to update, as needed, performance goals, measures, and targets originally identified in the FY 2024 APP in order to support strategic objectives and priorities reflected in the agency Strategic Plan.

240.4 What is the relationship between the Agency Performance Plan, Agency 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 and be consistent with 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 Agency Performance Plan with the annual Agency 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 Performance Plan include contributions to the Cross-Agency Priority Goals and other Administration priorities or initiatives?

Yes, as applicable, annual Agency 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:

- [OMB Memorandum M-22-12](#), *Advancing Effective Stewardship of Taxpayer Resources and Outcomes in the Implementation of the Infrastructure Investment and Jobs Act (IIJA)*, provided initial guidance to agencies that have responsibilities for implementing IIJA programs including detailed guidance on performance planning, measurement, and evaluation requirements. Additionally, transparency into IIJA goal-setting and reporting activities by agencies will strengthen the performance management routines that support effective implementation, while also holding agencies accountable for the basis of decisions and their results. To underscore the importance of the Act's implementation to agencies' overall efforts to improve outcomes for the American public, agencies should also highlight or tag in their next annual FY 2024 Agency Performance Plan specific performance goals and measures that directly implement or align to IIJA programs. Agencies should also highlight or tag in the FY 2024 Agency Annual Evaluation Plan and/or Learning Agenda specific evidence-building activities connected to IIJA programs.
- [OMB Memorandum M-21-22](#) directed alignment of agency strategic goals and objectives, including Agency Priority Goals, with Administration policy priorities, in particular continuing to meet the health, welfare, and economic challenges of the COVID-19 pandemic, advance equity, and address climate change;
- [OMB Memorandums M-21-20](#) and [M-20-21](#) instructed agencies to incorporate, respectively, American Rescue Plan (ARP) and Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, programs, and related efforts into existing organizational performance management routine and plans and reports;
- Per [OMB Memorandum M-20-03](#), all landholding agencies, beginning within their FY 2022 Annual Performance Plan, should incorporate performance goals and metrics developed as part of the agency's capital planning for real property.
- Per [OMB Memorandum M-19-17](#), agencies should incorporate objectives for improving Identity, Credential, and Access Management (ICAM) into their strategic and performance plans;
- Per [OMB Memorandum M-19-13](#), identifying agency-specific goals in consultation with OMB for making smarter use of common contract solution through 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 Agency Performance Plan (APP), 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 the agency's FY 2025 final budget submission should reflect funding levels the agency believes are needed to meet proposed FY 2025 targets identified in the FY 2025 APP. The performance goals in the Agency Performance Plan should be consistent with those set through agency strategic and performance planning processes.

As funding levels are finalized through the Budget Process, agencies must update their FY 2025 APP as applicable to reflect budgeted resources as well as other policies or directives provided to the agency

through OMB Passback. In addition to incorporating budget policies or other guidance provided in Passback, current fiscal year performance goals should also be updated to reflect final congressional action on appropriations and other changes in external conditions or management priorities as necessary.

Program activities are a key organizing component that connects budget and funding requests as part of the coordinated strategies for achieving goals and objectives in the agency Strategic Plan. Thus, strategic goals and objectives in the performance plan should capture efforts for all program activities in the budget request, and support the implementation strategies for achieving strategic objectives and performance goals. 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 How does the annual Agency Performance Plan relate to agency organizational health and organizational performance frameworks?

Agency Performance Plans establish performance goals to define the level of performance to be achieved during the year in which the plan is submitted and the next fiscal year. Performance goals should be expressed in an objective, quantifiable, and measurable form unless otherwise authorized (i.e., agreed to in advance between the agency and OMB), and include a balanced set of performance indicators to be used in measuring or assessing progress toward each performance goal, including, as appropriate, customer service, efficiency, output, and outcome indicators. OMB Memorandum [M-23-15](#), *Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments* outlines steps that agencies should take to ensure that agency decisions regarding work environments continue to improve organizational health and organizational performance. The frameworks and routines outlined in that memorandum should align to and integrate with agency-level and component-level strategic plans, and annual Agency Performance Plans. Appendix 1 of [M-23-15](#) identifies a range of example performance indicators for performance goals that may be set for measuring and monitoring organizational health and performance, which should be considered when developing and updating annual Agency Performance Plans.

240.8 Can agencies change performance indicators or measures in the Agency Performance Plan?

Yes, agencies may choose to revise, drop, or add measures in the annual Agency Performance Plan, in consultation with OMB, in order to reflect the analyses and results of organizational learning obtained through the agency's strategic review or other data-driven reviews conducted throughout the year. Agencies should include a consolidated list or summary of changes in the FY 2025 APP that identifies performance measures that are added or dropped compared to the prior year's published FY 2024 APP. Agencies should still report FY 2023 results of any performance goals and indicators that will be discontinued in the FY 2025 APP but were originally identified in the FY 2024 APP. Targets for dropped measures no longer need to be set as part of the FY 2025 APP.

240.9 What content should be included in the annual Agency Performance Plan and how will it be published?

The content table in section [210](#) establishes what information must be included in the annual Agency Performance Plan, and describes requirements for publication of the APP on Performance.gov. Section [210](#) should also be considered in conjunction with section [51](#) on Basic Justification Materials. Agencies that are required to establish Agency Priority Goals on Performance.gov will also be expected to publish Agency Performance Plan information on Performance.gov. The FY 2025 Agency Performance Plan will be developed to align with Administration policies and should reflect, where applicable, the agency's FYs

2024-2025 APGs. The FY 2025 Agency Performance Plan will be published concurrent with the agency's final FY 2025 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.

Machine-Readable. To more fully implement provisions of the GPRA Modernization Act of 2010 that require agency plans and reports be produced in a searchable, machine-readable format, OMB will continue to work with a small subset of Federal agencies to explore the production of machine-readable components or portions of their Agency Performance Plans and Agency Performance Reports. Producing agency performance plans and reports in a machine-readable format improves accessibility of agency performance data contained within the APP and APR, as well as enhances transparency through advanced data visualization tools. This machine-readable initiative for agency performance plans and reports will be conducted in conjunction with OMB and agency efforts that is also focused on exploring the production of machine-readable components of congressional budget justifications as part of the Budget cycle (see section [22.6](#)). The purpose of the effort will be to identify processes, resources, and best practices in order to inform a timeline and additional guidance for full implementation of machine-readable performance plans and reports required by all Federal agencies in future Budget and Performance Planning and Reporting cycles.

240.10 How should agencies report performance improvement actions for items identified as major management challenges in the Agency 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's 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 No. 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 annual Agency 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 Agency 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](#).

240.11 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 the 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 offices, among delivery partners, the public or the 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?

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.

240.12 How do performance measurement and evaluation complement each other in the Federal Performance Framework?

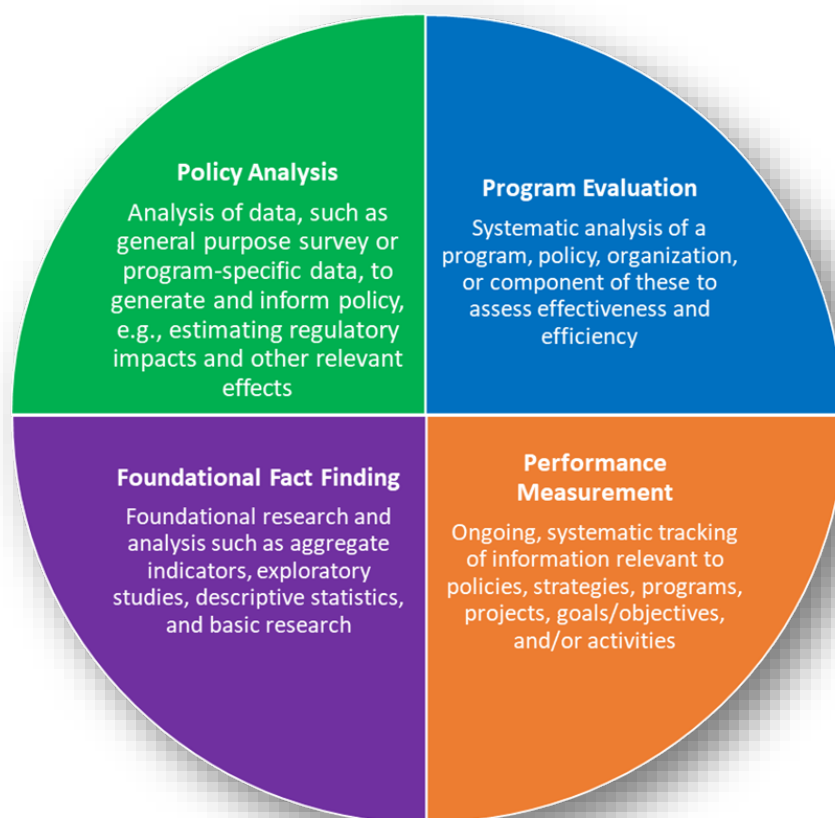
Performance measurement and evaluation should generally be viewed as two of the key tools available to help policymakers and program managers develop systematic evidence in order to support decision-making, understand how well policies and programs are working, and identify or promote possible changes that improve performance. Both evaluation and performance measurement generate information that falls along the continuum of evidence, serve as methods for systematic assessment, and aim to facilitate learning about and improve results of government activities. While often undertaken separately, collaboration between performance measurement and evaluation teams can lead to stronger evidence-building. For example, opportunities in which the two may work hand in hand include:

- Performance measurement can help identify priority questions to be addressed by evaluations, informing decisions about allocating evaluation resources.
- Evaluation findings can clarify which indicators are predictive of an activity's success and should be tracked in performance measurement.
- Performance measurement can identify outliers in performance (either poor or strong) that warrant evaluation, while evaluation can provide context and potential explanations for variation over time or across sites revealed by performance measurement.
- When performance measures suggest that many participants in a program experience a certain outcome, evaluation can confirm (or refute) whether that is directly attributable to the program by comparing outcomes seen in a control or comparison group when possible.
- Performance measurement can suggest to evaluators what types of indicators are important to program operators and might thus be useful to include in selecting evaluation measures.

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

For the purpose of managing performance under the GPRA Modernization Act of 2010 and the Federal Performance Framework, evidence as a general construct should be viewed and approached as the available body of facts or information indicating whether a belief or proposition is true or valid. This view of evidence does not displace the definitions of key terms provided for in the Foundations for Evidence-Based Policymaking Act of 2018 ("Evidence Act") related to 'evidence,' 'evaluation,' 'statistical activities,' and 'statistical purposes' (see section [200.22](#)), as information produced by 'statistical activities' with a 'statistical purpose' is potentially useful when assessing policies or programs. However, approaching evidence more broadly as a body of information in the context of performance management and the Federal Performance Framework is used to illustrate how it should be applied to support and advance the organizational performance and goals/objectives/outcomes articulated by agencies' strategic and performance plans.

Evidence can be quantitative or qualitative and may come from a variety of sources or include various components, including foundational fact finding (e.g., aggregate indicators, exploratory studies, descriptive statistics, and other research), performance measurement, policy analysis, and program evaluations. Evidence has varying degrees of credibility, and the strongest evidence generally comes from a portfolio of high-quality, credible sources rather than a single study. The Figure below, which is also found in [OMB Memorandum M-19-23](#), provides a graphical depiction of how these sources combine to represent the components of evidence.



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 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 would 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 evidence on outcomes and impacts by providing insight or context into how programs and practices can be successfully implemented with particular populations and under what circumstances (see Section [200](#) for definitions of the different types of evaluation).

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. It is important that agencies use the appropriate tools and methods to answer the questions of interest.

240.14 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, measurable 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.

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

Evidence can include many sources, such as foundational fact finding, performance measurement, policy analysis, and program evaluation. Each of these sources can support agencies as they carry out their missions, though may do so in different ways. When combined, various sources of evidence can be combined to create a portfolio of evidence, each piece of which may provide information about a different aspect of a particular program, policy, or organization. While some evidence can help agencies determine whether a program is effective, others can address whether a policy is being implemented as intended or if an intervention is reaching its target population. Evidence is a critical tool to help agencies ensure that resources are used in the smartest way possible to achieve intended impacts and continuous improvement. Thus, using evidence to support budget, management, programmatic, policy, and regulatory decisions is critical to make government work effectively.

Whereas agencies will use their Annual Evaluation Plan to describe the significant evaluations that they plan to conduct following from the agency's Learning Agenda, other priorities, and evaluations required by Congress, agencies should demonstrate the use of evidence throughout their FY 2024 budget submissions, in particular illustrating how evidence will support agency assessments of performance goals and implementation strategies in the Annual Agency Performance Plan and final congressional budget justification. In the Agency's Annual Performance Plan, an agency's use of evidence may focus on identifying which evidence is needed and articulating how it will be used to measure progress in achieving performance goals and objectives. This may be a part of the evidence-building activities outlined in the agency's Learning Agenda, but the Learning Agenda will include evidence-building activities that go beyond performance measurement. See section [210](#).

240.16 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 performance planning process and final budget submission for FY 2025. 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.

240.17 How do agencies prepare and publish their lower-priority program activities to meet the reporting intent of this provision of the Act?

Program Activities are the main organizing unit around which agency budget and funding requests are structured. As changes to resource and/or funding requests are reflected from one fiscal year to the next, agency budget submissions to OMB necessarily reflect those program activities upon which an agency places a lower-priority on the program activity relative to the funding requested in previous years. Thus, it

is through the annual Budget process that facilitates production of the annual President's Budget then that agencies prepare and publish their lower-priority program activities and therefore meet the reporting intent of this provision of the GPRA Modernization Act. As in previous years, OMB works with agencies through the annual Budget process to approve and finalize lower-priority program activity lists as part of publishing 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>.*"

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

Since the passage of the GPRA Modernization Act of 2010, 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 2025 Agency Performance Plan should be developed to align with and publish concurrent with the agency's final FY 2025 congressional budget justification.

The timeline and key milestones for development and publication of the FY 2025 Agency Performance Plan are identified in section [200](#), with those dates aligned to section [25](#), which provides key dates for Budget development. Agencies must first submit electronically the draft Agency Performance Plan to OMB for review September 11, 2023 by posting it on the agency's [Performance Submission Portal](#) accessible from OMB's Performance Portal page on MAX Community.

Notification to the Congress is transmitted electronically by the agency head when released publicly concurrent with the President's Budget in February. When delivering notification to the 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.

240.19 How does the Agency 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

240.20 What is the annual Agency Performance Report (APR)?

The annual Agency Performance Report (APR) provides information on the agency's progress achieving the goals and objectives described in the agency's Strategic Plan and Performance Plan, including progress on strategic objectives, performance goals and Agency Priority Goals. It is the primary organizational document for detailed, comprehensive organizational performance reporting of results and progress, comparing actual performance achieved against goals and objectives established. The term Agency Performance Report means the same as the performance section of the Performance and Accountability

Report (PAR) published by agencies in November, or the Agency Performance Report that is published by agencies in February concurrent with their APP and congressional budget justifications.

240.21 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 section [200](#).

240.22 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 Agency Performance Report?

With the passage of the GPRA Modernization Act of 2010, 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 are required to publish their FY 2023 Agency Performance Report with their FY 2025 Agency Performance Plan and final FY 2025 congressional budget justification on February 5, 2024. Small agencies maintain the flexibility to publish the Annual Performance Report (APR) for FY 2023 on the agency's website as a Performance and Accountability Report (PAR) (November 2023), but are encouraged to produce a combined annual performance plan and report where the capacity for doing so exists.

240.23 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 the Congress. Agencies are encouraged to reach out to the Congress, where possible, to obtain input on how they might improve their communication of performance information to the Congress. Agencies should work with their legislative affairs offices to determine the best ways to consult with the Congress.

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

Agencies shall make the annual Agency Performance Report available on the agency's website. A hyperlink to the agency performance report will also be published via [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 the 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 the 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 the 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 the 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.

240.25 Should agencies consolidate the Agency Performance Report with the Agency Performance Plan?

Generally, yes (see [210](#) for exceptions during Presidential election and transition years). 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 Agency Performance Plan and Agency Performance Report. Agencies are required to provide a hyperlink to Performance.gov from the agency's website where the Agency Performance Report is published.

240.26 What information should the annual Agency Performance Report contain?

Agency 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 APR by strategic goal and objective. The APR should include summary assessments of progress as described in sections [210](#) and [260](#) 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 2022 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 2025 Performance Plan, which covers both FYs 2024 and 2025.

240.27 What other parts selectively apply to the Agency Performance Report, as applicable?

The following parts selectively apply to agencies.

- *Information on use of non-Federal parties.* The GPRA Modernization Act of 2010 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.

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

The GPRA Modernization Act of 2010 requires agencies to prepare information on the reliability of data presented in the Agency Performance Report. 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. See GAO's [Performance Plans: Selected Approaches for Verification and Validation of Agency Performance Information](#).

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 Agency 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 the 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 of 2010 does not require the use of audits for performance data contained in Annual Agency 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.

240.29 How does the update to OMB Circular No. A-123, Appendix A, Management of Reporting and Data Integrity Risk affect agency preparation of the Agency Performance Plan and Agency Performance Report?

[OMB Circular No. 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 No. 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 No. 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 Agency Performance Plan or Annual Agency 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.