LIBRARY OF CONGRESS

Office of the Inspector General

Library-wide

Working Toward the Spirit of the Government Performance and Results Modernization Act

Audit Report No. 2013-PA-101
March 2013

FOR PUBLIC RELEASE

UNITED STATES GOVERNMENT LIBRARY OF CONGRESS

Memorandum

Office of the Inspector General

TO: James H. Billington
Librarian of Congress

March 29, 2013

FROM: Karl W. Schornagel
Inspector General

SUBJECT: *Working Toward the Spirit of the Government Performance and Results Modernization Act* Draft Report No. 2013-PA-101

This transmits our audit report summarizing the results of the Office of the Inspector General's audit of the Library's development and progress in its performance management efforts. The Executive Summary begins on page *i*, and our findings appear on page 7.

Based on written comments to the draft report, we consider all of the recommendations resolved. Please provide, within 30 calendar days, an action plan addressing implementation of the recommendations, including an implementation date, in accordance with LCR 2023-9, *Rights and Responsibilities of Library Employees to the Inspector General*, §6.A.

We appreciate the cooperation and courtesies extended by the Librarian's Office, the Office of the Chief Financial Officer, the Strategic Planning Office, the Office of Support Operations, the Office of Strategic Initiatives, and the Law Library of Congress during this audit.

cc: Deputy Librarian
Chief, Support Operations
Deputy Associate Librarian for Strategic Initiatives
Law Librarian of Congress
Chief Financial Officer

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EXECUTIVE SUMMARY

A primary purpose of the Government Performance and Results Act (GPRA) of 1993 was to improve the confidence of the American people in the capability of the federal government by holding agencies accountable for achieving program results. Congress enhanced GPRA with the GPRA Modernization Act of 2010 (Modernization Act), which focuses on two key areas to improve agency performance management—verifying and validating performance data, and providing transparency to Congress and stakeholders about agency performance. GPRA initially applied only to executive branch agencies, but Congress subsequently directed legislative branch agencies to comply with the spirit of the act and embrace its performance management principles.

The Deputy Librarian announced a new planning and budgeting structure starting in fiscal 2014 that expands the Library's performance management approach. This new framework will continue to require service units to link their annual program objectives to the strategic plan and to report on program results with performance targets. The reliability, accuracy, and validity of performance data remains the cornerstone of the performance process.

Our objective was to evaluate the Library's progress in complying with the spirit of the Modernization Act. We also reviewed the Library's plans for enhancing its planning and budgeting structure beginning with its FY 2014 Congressional Budget Justification.

This report provides the results of the latest Office of the Inspector General (OIG) review of the Library of Congress' implementation of the performance management principles explained in GPRA and the Modernization Act. This is the third in a series of audits on this topic.

We found that the Library has made significant progress in addressing the spirit of the Modernization Act and that both senior level managers and service units are demonstrating a strong commitment to the principles of GPRA and the Modernization Act. However, we noted, that the Library needs to improve the quality of performance target data, as previously reported in our March 2010 report, *Managing in the Spirit of GPRA: Developing Credible Performance Data is the Next*

Step. Additionally, to meet the Modernization Act's transparency goals, the Library should include in its performance reporting more information about performance targets not achieved. Following is a summary of our findings and recommendations.

The Library Needs to Improve the Quality of Performance Target Data—We reviewed the FY 2012 annual program performance plans and assessments of three Library service units. Our review revealed that the quality of performance data that those units collected and used to support their program performance strategies varied significantly. In one third of the cases we sampled, data was not valid for measuring performance. In more than half of the sampled cases, performance data was either inaccurate or incomplete. As a result, we believe program performance assessments reported by those units were not reliable.

We recommend the Library improve the validity and reliability of its performance measurements by revising service unit requirements for verifying and validating performance data, and expanding the Strategic Planning Office's role in documenting and vetting performance data.

The Library Needs to Strengthen Its Transparency Efforts—Our review of the Library's FY 2012 performance reporting found that the public and stakeholders do not have access to all of the Library's performance management plans and results. We believe the Library needs to improve and expand its performance management reporting to fulfill Congress' goal of increasing the transparency of agency program results. Without full transparency into the Library's performance, agency management cannot successfully demonstrate its program results and challenges.

We recommend the Library expand its disclosures to include unmet annual program targets, including corrective actions it plans to achieve in succeeding periods.

Management concurred with all our recommendations. The full text of management's response is included in Appendix C.

BACKGROUND

In 2005, Congress advised the Library that it intended to "accelerate efforts to hold legislative branch agencies to the highest standards of performance and accountability." In response, the Library embarked on developing its performance management methodology based on the "spirit" of the Government and Performance Results Act of 1993 (GPRA). During the latter stages of fiscal year (FY) 2012 and during the initiation of FY 2013, the Deputy Librarian announced an initiative to significantly expand and improve the Library's performance management methodology through a new planning and budgeting structure.

His announcement signaled an important new stage in management's commitment to operating the Library as a highly effective and performance oriented agency serving Congress and its constituents. The importance of the Library's timing for its greater commitment to and expansion of performance management cannot be overstated. It occurs at a time of great economic distress where increasing deficits collide with growing expectations for federal government solutions to the country's challenges. The Library faces increasing demands for its services with a diminishing pool of Congressional discretionary funds. The Library's new planning and budgeting structure places emphasis on performance and creates greater accountability for all areas of its operations. To support the need for greater accountability, the Library must assure it uses reliable and credible information to support its strategic decision-making.

Coincidentally, Congress' enactment of the GPRA Modernization Act of 2010 (Modernization Act) focused on two key areas that give beneficial direction and support to the Library's expanded performance management approach. Those key areas involve requirements for verification, validation, and disclosures for performance data, and the transparency required for relaying agency performance results to Congress and stakeholders.

This report provides the results of the latest Office of the Inspector General (OIG) review of the Library of Congress' implementation of the performance management principles explained in GPRA and the Modernization Act. This is the

third in a series of audits on this topic. Our first review[1] focused on the Library's initial development of performance management activities, which took place between October 2004 and June 2006. In that report, we recommended that the Library develop a formal management documented plan for implementing a performance system; designate a senior official to develop an agency-wide performance management information system; and devise a plan to guide and coordinate its performance management process with its workforce transformation and performance efforts.

Our second review, completed in March of 2010, focused on FY 2009 Library-wide performance targets and supporting data. In that report, we recommended that the Library improve the quality of its performance data, promote linkages between performance and budgeting, and develop a GPRA-style program evaluation process. Since then, the Library has made good progress in its performance management efforts and addressing our audit recommendations.

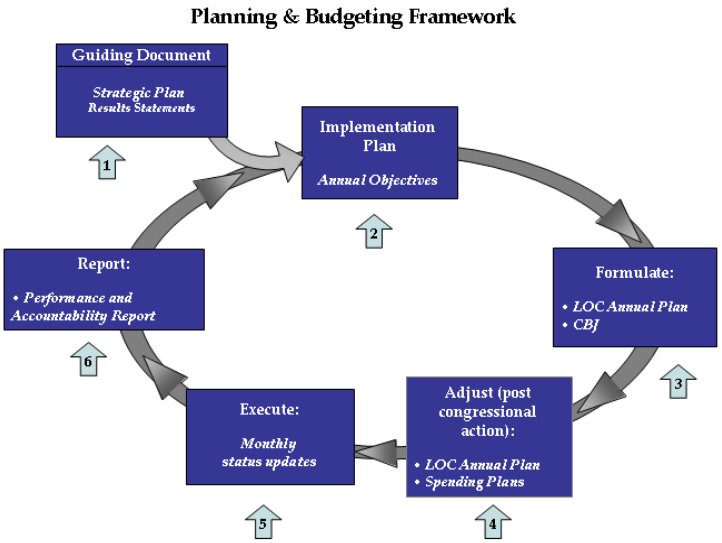

Figure 1: FY 2012 Planning and Budgeting Framework
Source: Library of Congress Planning and Budgeting Framework Manual

GPRA Modernization Act Methodology

GPRA prescribes a methodology for defining, assessing, and evaluating program performance in federal agencies. Major components of the methodology include strategic planning, annual program performance planning and assessments, and evaluations of program performance results.

The Modernization Act reiterates these themes and emphasizes the importance of aligning annual goals with the agency's strategic plan and of using quarterly targets and milestones to track and evaluate program success. It requires executive agencies to prepare an annual program performance plan for each program activity included in an agency's budget.

[1] *Performance Based Budgeting at the Library: A Good Start but Much Work Remains*, Report No. 2004-FN-502, October 2006.

Among other things, the plan must[2]:

- establish performance goals to define the level of achievement expected during the year in which the plan is submitted;
- express goals in an objective, quantifiable, and measurable form;
- describe how the performance goals and objectives contribute to the strategic plan;
- establish performance indicators to measure and assess outputs, service levels, and program activity outcomes;
- provide a basis for comparing actual program results to goals; and
- describe how the agency will ensure the accuracy and reliability of the data used to measure progress towards its program goals.[3]

Additionally, to provide transparency an agency must make available on a public website an update on agency performance. The update should describe the elements of the annual plan listed above for each of its programs. Also, where an annual goal was not met, explain why the goal was not achieved, the plans and schedules for achieving the goal, and recommendations if the goal is found to be impractical or infeasible.

Comparing Performance Measurements to Program Evaluations; the Critical Role of Performance Data

The Library, through eLCplans,[4] relies on measuring performance targets to analyze progress toward annual program objectives as opposed to program evaluations, which are more comprehensive in nature.[5] The Congressional

[2] *The Government Performance and Results Modernization Act of 2010,* Public Law 111-352, January 4, 2011 §1115 (b).
[3] *The Government Performance and Results Modernization Act of 2010,* Public Law 111-352, January 4, 2011 §1115 (b). The Act requires disclosing the means used to verify and validate measured values, the sources of the data, the level of accuracy required for the intended use of the data, any limitations to the data at the required level of accuracy, and how the agency will compensate for such limitations if needed to reach the required level of accuracy.
[4] eLCplans is the Library's electronic performance management system.
[5] Alternatively, program evaluations are more comprehensive and more resource intensive. They use one or more methods to assess how well a program is performing and whether it is achieving its intended goals. The

Research Service defines performance measurement as a periodic assessment of data related to an element of a program. On its own, a performance measurement is narrow in focus and may not accurately portray whether a program is working.[6] With its limited focus, reliance on performance measurement exposes management to the risk that the measurement does not adequately account for the full breadth of a program's activities and results.

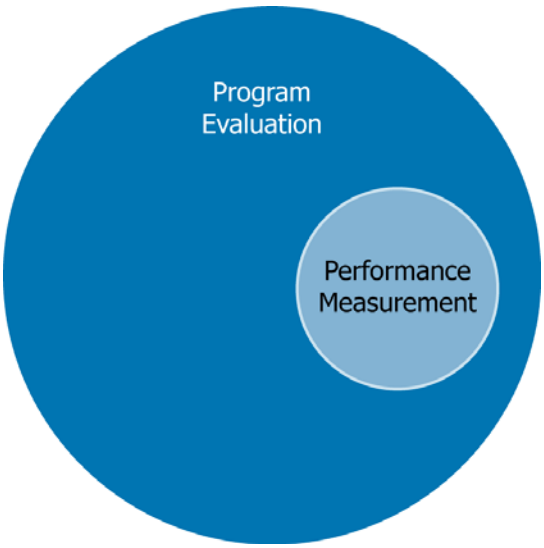

Figure 2: Program Evaluation versus Performance Measurement
Source: Congressional Research Service, *Obama Administration Performance Agenda Potential Legal Perspectives* by Clint Brass, March 2011

Agency management must acknowledge this risk when constructing its performance management process and assure that service unit and program managers understand the inherent risks of relying on invalidly or unreliably constructed performance measures. Recognizing this exposure, the Modernization Act sets forth requirements for evaluating data used in performance measurements.

An agency must define in its performance report how it ensures that performance data is valid and verifiable, and disclose the data sources, data limitations, and compensating measures for the identified limitations. Regardless of the nature of the data (qualitative or quantitative), management must assure that service units adequately verify and validate all data used in performance measurements. Without such emphasis, the Library exposes itself to unacceptable levels of risk in its performance decision making.

Implementation of GPRA Modernization Act at Other Agencies

During the audit, we compared or "benchmarked" the Library's procedures for verifying and validating its performance data with the corresponding procedures of six other agencies (i.e., four legislative branch agencies, one executive branch agency of similar mission, and the Smithsonian Institution). Our comparison focused on the data attributes outlined in the Modernization Act. These include: (1) ensuring data validity and verification, (2) identification and disclosure of data sources, (3) data limitations, (4) compensating for data limitations, and (5) transparency in agency performance reporting.

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breadth and scope of program evaluations provide a more reliable indicator of program success than performance measurements but program evaluation costs are prohibitive.

[6] Clinton T. Brass, *Changes to the Government Performance and Results Act (GPRA): Overview of the New Framework of Products and Processes*, February 29, 2012.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of our audit was to evaluate the Library's progress in complying with the spirit of the Modernization Act. Specifically, we assessed the validity of the performance data and verified its accuracy and completeness. We also evaluated the performance data against the requirements of the Modernization Act. These criterion included: (1) the data sources, (2) the level of accuracy required of the data, (3) data limitations and service units' compensation methods for those limitations, (4) the costs and benefits of the data, and (5) the Library's compliance with Congress' transparency goals for conveying program performance to stakeholders, the public, and appropriators. We also reviewed the Library's plans for enhancing its planning and budgeting structure beginning with its FY 2014 Congressional Budget Justification. We performed our fieldwork from October 2012 through February 2013.

The scope of our audit included the eLCplans annual objectives and performance targets from FY 2012. As part of the scope, we examined the Library's policies and procedures for assuring the quality of the data used in its annual program performance assessments.

Our audit methodology included:

- Reviewing applicable laws and regulations,
- Benchmarking Library progress with other federal agencies,
- Analyzing on a test basis[7] the performance targets of selected service units, and

[7] For FY 2012, the Library's seven service units reported in eLCplans on 121 performance targets measuring progress towards 60 annual objectives. This comprised the universe of performance targets we used to select our sample of performance data. From this universe, we omitted eight annual objectives and their related targets which were categorized as "for data base requirements only" and not measured by service units through eLCplans. Additionally, two targets dealing with the Office of Contracts Management were duplicated in eLCplans due to a transfer of responsibility from one service unit to another; we therefore omitted two of the duplicated targets from the universe.

Our examination included a judgmentally selected sample of eLCplans performance targets from the Law Library, the Office of Strategic Initiatives, and the Office of Support Operations. We judgmentally selected our sample based on our knowledge of the universe obtained from exploratory reviews of the universe and experience gained from prior audits. Our sample represented 29%

- Interviewing selected management and staff.

We conducted this performance audit in accordance with generally accepted government auditing standards and LCR 211-6, *Functions, Authority, and Responsibility of the Inspector General*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

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of the Library's performance measurement universe. Based on the differing nature of the measurements in the universe and on the judgmental selection method, we are unable to project the results of our sample to the entire performance measurement universe. However, we believe our sample results reflect systemic weaknesses present in the entire population universe of performance measurements discussed in this report.

For the sample selected, we met with the three service units' directors, team leads for performance targets, and, where applicable, data coordinators and collectors within the divisions. We also met with the Deputy Librarian, the Chief Operating Officer, the Budget Officer, and the Strategic Planning Office. In our meetings, we discussed their procedures for developing and assessing performance targets, obtaining data for targets, verifying and validating target data, and the soft (or indirect) cost of their performance efforts.

Our analysis of the selected units' data included the following:

- Analyzing whether the performance targets met OCFO Directive 08-09, *Strategic and Annual Program Performance Planning*, April 2, 2008. The Directive defines S.M.A.R.T Criteria – Specific, Measurable, Achievable, Relevant, and Timebound.
- Evaluating whether valid and verified target data existed and obtaining and reviewing the data to determine if it supported the program results;
- Obtaining a description of what activities were occurring to verify, validate, and establish a level of accuracy for target data; and
- Determining if data limitations were identified and compensated for by service units.

FINDINGS AND RECOMMENDATIONS

We believe that the Library has made continual progress in responding to Congress' directive that it comply with the spirit of GPRA and in its initial steps to implement the Modernization Act. These efforts are greatly due to the emphasis placed on performance reporting by the Deputy Librarian and the efforts of the Strategic Planning Office.

Our interviews with service unit management and staff indicate that service units actively embrace the Library's performance management efforts. The Library requires service units to continually track and evaluate whether their targets are green (fully achieved), amber (less than fully achieved), or red (unsuccessful) for monthly performance meetings with the Deputy Librarian. Service units with targets rated other than green, moving away from green, or for which the Deputy Librarian has questions, must send a service unit representative to brief the Deputy at those meetings. The briefings include advising Library management of the issues or risks currently impeding progress and actions service unit management intends to take to restore the status to green.

The Strategic Planning Office has also played a key role in assisting service units to develop measurable performance targets and alerting them of potential weaknesses in their reporting prior to monthly meetings. It also guided service units in applying SMART criteria to the target formulation process. We believe there is an opportunity for the Strategic Planning Office to strengthen the performance management process by documenting and assisting service units in their development and application of performance measurement data.

During our audit we selected three service units from which to examine performance target information: the Law Library, the Office of Strategic Initiatives, and the Office of Support Operations. Our analysis indicated that all of the officials tasked with program performance responsibilities in these units were very knowledgeable about the subject matter and committed to the quality and credibility of the process. We observed the emerging important roles of performance coordinator and data collector in the Law Library and the Office of Strategic Initiatives. The program performance

officials and activities in those service units demonstrated buy-in and appeared to be making a significant commitment to the process. We also noted that the Office of Support Operations intends to make organizational enhancements in this area in the near future.

We also reviewed and evaluated the Library's plans for enhancing its planning and budgeting structure beginning with its FY 2014 Congressional Budget Justification. However, our review found opportunities for improving the Library's disclosure of its performance efforts, which we report below in more detail.

I. The Library Needs to Improve the Quality of Its Performance Target Data

The Library needs to improve the quality of its performance data. Our review found a significant percentage of performance data that did not contain the key qualitative attributes required by the Library, the Government Accountability Office (GAO), and the Modernization Act for effective performance data. Those attributes include SMART criteria required by the Library and validation and verification recommended by GAO and the Modernization Act.

We reviewed the FY 2012 annual program performance plans and assessments of three Library service units. However, our review revealed in many cases that the quality of performance data those units collected and used to measure their program performance strategies did not fully measure and align with the units' performance targets.

The eLCplans captures the self-assessment of whether a service unit accomplishes its performance targets and strategies. Additionally, service units, during the planning and formulation stage, develop pre-defined standards and milestones for rating progress towards performance targets. As part of the process, service units periodically verify, certify, and input their performance results within eLCplans. Service units evaluate and rate their progress towards targets using the following grading:

- Green—Fully achieved
- Amber—Less than fully achieved
- Red—Unsuccessful

The service units are also required to formulate milestones that define what must be accomplished and by when during a fiscal year. The final milestone must reflect the expected year-end result for the performance target. In order to be able to properly rate a target, a service unit must have valid performance data that backs up the self-rating.

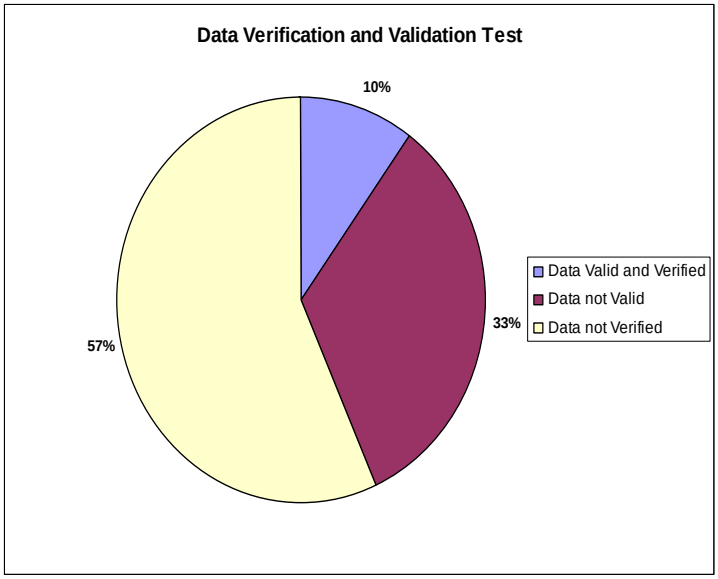

Figure3: Analysis of Validation and Verification of Selected Performance Target Data
Source: OIG Calculated Data

We assessed data validity and verified data accuracy and completeness for 32 performance targets from a Library-wide universe of 111. We used the following GAO definitions:[8]

- *Validation* is the assessment of whether the data are appropriate for the performance measure; and
- *Verification* includes the assessment of data completeness, accuracy, and consistency and related quality control practices. Its purpose is to ensure that the data will be of sufficient quality to document performance and support decision-making.

We found that 33% of the target data was not valid for measuring progress toward their related performance targets and that 57% of the performance data was either inaccurate or incomplete. Despite the noted data inadequacies, service unit management rated 63% of the related performance targets green. In the current environment, our findings indicate that the Deputy Librarian may make decisions unaware that the data supporting measurements and ratings are not valid or may have significant flaws. These risks increase when the Deputy Librarian conducts reviews focusing on measurements reporting red. In such cases, reliance on service units' ratings based on invalid or unreliable data could preclude identifying areas of underperformance that affect strategic progress.

In total, our review determined that 53% of the self-ratings in our sample were unreliable. Examples of our findings include one performance target that stated, "[w]ithin six months of hire, 85% of all new managers and supervisors have

[8] GAO/GGD-99-139 Performance Plans: *Selected Approaches for Verification and Validation of Agency Performance Information*, July 1999. We contacted GAO to assure that the report is valid and still applicable.

completed the Managing Workforce Performance Course." The service unit rated the target as green, or fully achieved. The data supporting the service unit's evaluation listed employees scheduled for the training course. According to the target, the hire date should have started the six-month period. However, the hire date was not used to project the training due date. Using the actual hire date to calculate the training due date lowered the on-time training by 15%, resulting in a red rating.

In a second example, the target was, the "IT Steering Committee will affirm that investment criteria defined within the ITIM[9] scoring framework are applied on 100% of EC sponsored projects." The framework includes a specific weighted scoring system. We would have expected the data to show that the scoring was calculated according to the framework. However, the meeting notes supplied as evidence supporting this target did not contain this information. We believe that the service unit should have used the scoring framework weighting, and appropriate data, and should have memorialized how the score was calculated. Without that level of precision, the green rating applied to the target was speculative and unsupported.

Our benchmarking with four legislative branch agencies, one executive branch agency of similar mission, and the Smithsonian Institution indicated that the Library is a leader in its performance management efforts when compared to agencies in the legislative branch. However, the Library can do more to improve its effort. In addition to the survey results of our benchmarking (see Appendix A), we visited the National Archives and Records Administration (NARA) to obtain a more detailed understanding of how NARA management implemented the Modernization Act requirements.

As an executive branch agency, NARA has had more time to develop its performance culture. It has implemented a performance directive that defines data sources, related controls, and a metric specification document for performance data (see Appendix B). The metric specification document defines and documents performance data and assists program

[9] Information Technology Investment Management.

managers in prequalifying performance data during the formulation stage of the performance cycle. We believe that the use of such a document during the Library's performance planning formulation stage would assist service units in developing valid and verifiable performance data. With consulting assistance from the Strategic Planning Office, we believe service units would place more informed emphasis on credibly validating and verifying their performance data.

We also believe that updating the Library's strategic planning and performance assessment directives to reflect the Modernization Act's emphasis on performance data will strengthen and improve the Library's performance program. Specifically, the directives do not contain verification requirements or address data completeness, accuracy, or related quality control practices for establishing reliable data sources. The directives also do not provide guidance to service units on how to assure that the data are appropriate for their performance measures.

Recommendations

The Library can improve the validity and reliability of its performance measurements with improvement to its practices for verifying and validating its performance data. Those improvements include revising performance management policies and procedures, and expanding the Strategic Planning Office's role in documenting and vetting performance data and related performance measurements during the formulation stage of the performance management cycle. Specifically, we recommend that:

1. The Library revise its performance management directives to address requirements for service unit verification and validation of performance data. Those data requirements should complement the SMART criteria applied to performance measurements.[10] Verification requirements should address data completeness, accuracy, and consistency as well as the related quality control practices for

[10] *The Planning and Budgeting Framework Manual* for use with the current version of eLCplans discusses validation and certification but not data verification. The performance directives do not refer to the manual and the manual does not have the authority of a performance directive.

ensuring that the data will be of sufficient quality to document performance and support decision-making. Validation procedures should assure that the data are appropriate for the performance measure;

2. The Strategic Planning Office take a more effective role in evaluating the adequacy of service unit data used to measure progress towards performance targets. We suggest implementing a process similar to NARA's metric specification document to define and prequalify performance data and related performance measures during the formulation stage of the performance cycle. That document should require service units to identify and define the performance data used to measure progress towards performance targets. As part of the process, service units should also document how they intended to both verify the performance data and validate how the data relates to the performance measurement; and

3. The Strategic Planning Office should review the metric specification document for completeness and assure that service unit descriptions of its verification and validation activities meet performance methodology requirements.

We believe these enhancements will significantly improve the Library's performance data.

Management Response
Management concurred with our recommendations.

II. The Library Needs to Strengthen Its Transparency Efforts

In the Library's FY 2011-2016 Strategic Plan, under the caption collaboration in the Values section it states that the Library, "[e]ncourages involvement of management, staff, customers, and stakeholders in the process of planning, implementing, evaluating, and improving programs and activities. Collaborate to communicate clearly, consistently, and openly in a timely manner."

In the same vein, the Modernization Act introduced in §1122 of Chapter 11, title 31 USC, requirements for increasing the transparency of programs, priority goals, and results. Those requirements directed the executive agencies in coordination with the Office of Management and Budget to create a website to inform stakeholders and the public about agency performance management efforts and results. Both Congress and the Librarian demonstrated in these documents the need for transparency in government planning, performance, and decision-making.

Our review of the Library's FY 2012 performance reporting found that the public and stakeholders have limited access to the Library's performance management plans and results. We believe the Library needs to improve and expand its performance management reporting to fulfill Congress' goal of increasing the transparency of agency program results. A primary purpose of the Government Performance and Results Act of 1993 was to "improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results." Without full transparency into the Library's performance management plans and results, agency management cannot successfully accomplish this purpose.

Currently, the Library places on its public website its Strategic Plan for FY 2011-2016 and its annual financial statements. The Management's Discussion and Analysis (MD&A) portion of the Library's annual financial statements is currently the most comprehensive performance report issued by the Library of Congress. Our evaluation of the MD&A found that it meets the spirit of the Modernization Act's performance reporting requirements by containing summary findings of the Library's program performance results completed during the reporting period. However, we also identified several key areas where the Library could improve its stakeholders' view of its annual program performance results.

The Library does not present performance targets in the MD&A with related annual achievement ratings of green, amber, or red. Without these ratings, stakeholders cannot fully assess the Library's accomplished level of success for each reported performance target. The document further

inhibits the reader's insight by presenting accomplishment statements that focus only on achievements and not reporting details about targets that did not meet their intended goals. We found that for some of those targets, management's accomplishment statements conflicted with the target's actual results.

For example, one target was to "increase the number of e-serial[11] titles deposited by existing participants to 130 from the fiscal 2011 baseline of 85, by September 30, 2012." The accomplishment statement reads "[t]he work completed this year has increased the number of electronic serial titles received." However, the stakeholder would not know that the target was not achieved. Although the number of e-serials was increased, there was no discussion of the actual number met, the factors that prohibited achieving the target, or a plan of action for how the service unit will adjust and meet next year's goal. Without this information, stakeholders are likely to arrive at the conclusion that the target was fully achieved.

Full transparency requires management to describe why it fell short of performance targets and related goals, advise readers about its plans and schedules for achieving unmet goals going forward, assess and explain whether the performance goals are impractical or infeasible, and if still viable, define what action management must take for future success. Full disclosure of this manner will bring the Library more completely in line with the Modernization Act's transparency objectives.

Our review of the Library's MD&A found that it omitted information required under the Modernization Act that gives readers insight into the accuracy and reliability of performance data used to measure performance success. Library management needs to disclose to readers of its performance information how it ensures the accuracy and reliability of the data it uses for measuring performance progress. The Modernization Act requires an agency to identify in their performance reports an on a public Web site (1) the means it uses to verify and validate measured values, (2) sources for the data, (3) level of accuracy required for the intended use of the data, (4) data limitations, and (5) how it

[11] An electronic serial is any publication issued electronically in successive parts.

compensates for data limitations to reach the required level of accuracy.

Recommendations

To comply with the spirit of the enhanced disclosure requirements of the Modernization Act we recommend:

1. The Library incorporate in its financial statements MD&A, where applicable, information about why it fell short of performance targets and related goals, plans and schedules for achieving unmet goals going forward, assessments of whether the performance goals are impractical or infeasible, and if still viable, disclosure of the action management must take for future success;

2. Library Management add to its MD&A disclosures of how it ensures the accuracy and reliability of the data used to measure progress towards each of its performance goals, including an identification of:

    - the means used to verify and validate measured values;
    - the sources for the data;
    - the level of accuracy required for the intended use of the data;
    - any limitations to the data at the required level of accuracy; and
    - how the agency has compensated for such limitations if needed to reach the required level of accuracy; and

3. Library management develop a separate performance accountability report tailored to fit the Library's compliance with the spirit of GPRA and the Modernization Act and fully disclose to stakeholders and the public the annual results of its performance management efforts. The Library should place this report on its public website.

Management Response
Management concurred with our recommendations.

Major Contributors to This Report:
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APPENDIX A: RESULTS OF BENCHMARKING

We benchmarked four legislative branch agencies and one executive branch agency of similar mission, and the Smithsonian Institution. The survey results are detailed below.

Program Assessment Practices of Various Agencies									
Legislative Branch									
Agency	*Performance Programs based on Performance Data*	*Implemented Measures to Ensure Data Accuracy*	*Data Verified and Validated*	*Defined Guidelines for Acceptable Data Sources*	*Required Level of Data Accuracy*	*Consideration and Disclosure of Data Limitations*	*Managing by Performance Data*	*Data Training*	*Vehicles for Data Transparency*
Architect of the Capitol	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	PAR and Executive Dashboard
Government Accountability Office	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	PAR and Staff Intranet
Government Printing Office	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Reporting Available upon Request
United States Capitol Police	Yes	Developing	Developing	Developing	Developing	NA	Developing	No	NA
Executive Branch									
National Archives and Records Administration	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No formal training	PAR and Staff Intranet
Other									
Smithsonian Institution	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Staff Intranet, Senior Management Reporting

APPENDIX B: NARA METRIC SPECIFICATION DOCUMENT

In addition to the survey results of our benchmarking, we visited the National Archives and Records Administration (NARA) to obtain a more detailed understanding of how NARA management implemented the Modernization Act requirements. NARA's metric specification document defines and documents performance data and assists program managers in prequalifying performance data during the formulation stage of the performance cycle.

nnnn Metric title here

Purpose State the high-level business purpose here.

Status Current – Data being collected and published this year.

Discontinued – Data not collected after FY nnnn. Historical data still published.

Prototype – Partial-year data will be collected to baseline the metric and prove the data collection process.

Authority Annual Performance Plan

Last Updated mm/dd/yyyy

Targets

Fiscal Year	*Target*
FY 2008	None. Baseline year.
FY 2009	40% = An increase over last year (36%)
FY 2012	90%

Calculation

$$\frac{\begin{array}{c}\#\ of\ \ written\ requests\ in\ which\\ (completion\ date - receipt\ date) \le 10\ working\ days\end{array}}{total\ \#\ of\ \ written\ requests\ completed} \times 100$$

Definitions *Completion date* = The date that is used to calculate the point at which NARA completed action to respond to a request.

Day = Federal government working day. That is, all days in the year minus weekends, Federal holidays, and any other special non-working days declared for Government workers nationally.

Precision *Source data*: Data on individual requests. | Holdings to .001 cubic feet.
Presentation: Percentage to 2 decimal places. | Integer number of requests.

Sources

- Federal Register (F)
- General Counsel (NGC)
- Presidential Libraries (LP)
- Archival custodial units (R)
-

Owner John Doe (NGC) {Name the person or people responsible for the business definitions here}

Dimensions These are the different ways in which the data will be broken out.

⏩ APPENDIX B: NARA METRIC SPECIFICATION DOCUMENT CONTINUED

NARA Org	*All-NARA*	Office	3rd-level org	4th-level org

Measures PMRS will publish the following numbers:

	Measure	***Definition***
A	Cumulative Backlog Since FY99 (cu.ft.)	The at-risk records identified as of the start of FY 1999, plus all at-risk records identified subsequently through the start of the current fiscal year. In cubic feet.
B	Cumulative Treated Since FY99 (cu.ft.)	The cubic feet of at-risk records treated from the start of FY 1999 through the end of the current quarter. In cubic feet.
C	Cumulative % Treated	B ÷ A × 100. This is the value reported to Congress.

APPENDIX C: MANAGEMENT RESPONSE

LIBRARY OF CONGRESS
OFFICE OF THE LIBRARIAN

MEMORANDUM

DATE March 28, 2013

TO Karl W. Schornagel,
Inspector General

FROM Robert Dizard, Jr. RD
Deputy Librarian of Congress

SUBJECT Comments on OIG Draft Audit Report No. 2013-PA-101 (Spirit of GPRA)

I write in response to your report cited in the subject line above.

We agree with the essence of the draft report's findings and recommendations. Library management has identified some of the same areas for improvement in our continued effort to develop our performance management structures and processes in the spirit of the Government Performance and Results Act (GPRA). In consideration of the Library's current resource constraints – acknowledged in your report – we will need to prioritize these improvements and solutions within the broader process of implementing the new planning and budgeting structure.

As we expand the focus of our strategic and annual planning efforts to a more comprehensive set of program elements, we will be working to incorporate all program functions into our planning framework and to measure their progress toward strategic outcomes. This expanded focus will result in a more thorough assessment of all the Library's program areas. Improving data validation and verification for the measurable elements of our annual plans will represent an important step in the process of updating the framework.

As noted in the detailed responses to your report recommendations (attached), the Library has deliberately followed the guidelines laid out by GPRA. These efforts began prior to the specific congressional direction for legislative branch agencies to follow the spirit of GPRA. The Library has implemented GPRA's principles in a context that is appropriate for the Library's mission and programs and makes most efficient use of our resources.

Finally, the Library's Strategic Planning Officer chairs the Legislative Branch Financial Managers Council GPRA Sub-committee. In 2006 the sub-committee used GAO's *Internal Control Management and Evaluation Tool*, dated August 2001, to establish

performance measures and validation criteria to measure progress toward implementing GPRA across the legislative branch. In March 2011, the sub-committee updated the measures and criteria to comply with the spirit of the GPRA Modernization Act (GPRAMA).

The attached "Response to Findings and Recommendations within Draft OIG Audit Report No. 2013-PA-101" provides specific comments and responses.

Attachment

Cc: Jeff Page
Nicole Clery

Response to Findings and Recommendations Within Draft OIG Report No. 2013-PA-101

Executive Summary. Page i., first and third paragraphs. The first paragraph says *"GPRA initially applied only to executive branch agencies, but Congress subsequently directed legislative branch agencies to comply with the spirit of the act and embrace its performance management principles."* The third paragraph states the objective of the draft report *"was to evaluate the Library's progress in complying with the spirit of the Modernization Act."*

Response: Although there is no congressional mandate for legislative branch agencies to comply with spirit of the Modernization Act, we believe many of the Modernization Act's provisions make good management sense for the Library and we are voluntarily moving to follow the spirit of the Act. The Conference Committee report that accompanied the fiscal 2006 appropriation reads, in part, "While Legislative Branch agencies are not required to comply with GPRA, the Committee believes the spirit and intent of the Results Act should be applied..." On the last page of the *Library of Congress Strategic Plan (1997–2004)*, the Librarian said, "Using…GPRA as a guide…the Library produced [this] unified strategic plan that will drive the planning, programming and budget process into the future." We have been continuing that approach.

Findings and Recommendations. Finding I, *"The Library needs to Improve the Quality of its Performance Target Data,"* p. 9.

Response: We agree. The Strategic Planning Office (SPO) will provide service units with additional instructions (including guidance for establishing appropriate verification and validation attributes) and perform additional review/oversight to ensure service units have chosen suitable targets to provide meaningful evaluation of progress toward achieving the annual objectives for which they are accountable.

Findings and Recommendations. Finding I, p 12, paragraph 2, reads, in part, *"We also believe that updating the Library's strategic planning and performance assessment directives to reflect the Modernization Act's emphasis on performance data will strengthen and improve the Library's performance program."*

Response: We agree. While we acknowledge the need to update the directive to include verification and validation requirements, we note that the *Planning and Budgeting Framework Manual* provides guidance and step-by-stop instructions for all the phases of the Framework, including guidance for using SMART criteria, pre-determined standards, and milestones in developing performance targets. This guidance and

improving the use of SMART criteria and other measurement data plays a major role in enhancing performance management at the Library.

Findings and Recommendations. Finding I, Recommendation 1, p. 12, reads, in part, *"The Library revise its performance management directives to address requirements for service unit verification and validation of performance data."*

Response: We agree. As mentioned above, SPO will provide service units with additional guidance for establishing verification and validation attributes as part of developing their performance targets. We will adapt the five criteria listed on page 16 of the draft report to develop a standard but flexible template for guiding service units in their development of performance targets.

Findings and Recommendations. Finding I, Recommendation 2, p. 13, reads, in part, *"The Strategic Planning Office take a more effective role in evaluating the adequacy of service unit data used to measure progress towards performance targets. We suggest implementing a process similar to NARA's metric specification document to define and prequalify performance data and related performance measures…."*)

Response: We agree. Steps are already underway to evaluate the adequacy of service unit data through the enhanced eLCplans database system. The system's enhanced capabilities will require officials at three levels to review and approve Performance Targets (PTs): (1) the responsible official for each performance target will "validate" that his or her target (and the data that will measure it) is appropriate to accurately measure progress toward achieving its Annual Objective (AO); (2) the responsible official for each AO will "confirm" that the combination of all the performance targets supporting the AO will present an accurate and meaningful measure of success in achieving the objective; and, (3) the service unit head (or a designee) will certify that all that service unit's AOs and PTs are appropriate measures of performance.

We will consider the NARA model in determining the appropriate specification document for the Library.

Findings and Recommendations. Finding I, Recommendation 3, p. 13, reads, in part, "…[SPO] *should review the metric specification document on a regular basis for completeness….*)

Response: We agree. SPO will review and evaluate each fiscal year's set of performance targets during the formulation of the Library's annual plan for that fiscal year.

Findings and Recommendations. Finding II p.14, *"The Library needs to Strengthen Its Transparency Efforts*, Recommendation 1, p. 16, reads, *"The Library incorporate in its financial*

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statements MD&A, where applicable, information about why it fell short of performance targets and related goals, plans and schedules for achieving unmet goals going forward, assessments of whether the performance goals are impractical or infeasible, and if still viable, disclosure of the action management must take for future success."

Response: We agree. Future financial statements, or other documents that report year-end accomplishments, will include the year-end status of performance targets and, where appropriate, describe actions that management will take to ensure future success.

Findings and Recommendations. Finding II, Recommendation 2, p. 16, reads, in part, *"Library Management add to its* [Financial Statement's] *MD&A disclosures of how it ensures the accuracy and reliability of the data used to measure progress towards each of its performance goals."*

Response: We agree with the spirit of this finding. Following the guidelines of GPRA – and as practical given available resources – future financial statements will (1) explain the process of validating and certifying the accuracy and reliability of the status information recorded in the financial statement and (2) describe, where necessary any limitations of the data and methods to compensate for those limitations. However, we note that the data Library organizations use to measure and track their progress are generally quite straightforward and represent entire populations, as opposed to representative samplings of data that require the application of sophisticated statistical analysis.

Findings and Recommendations. Finding II, Recommendation 3, p. 17, reads, *"Library management develop a separate performance accountability report tailored to fit the Library's compliance with the spirit of GPRA and the Modernization Act and fully disclose to stakeholders and the public the annual results of its performance management efforts. The Library should place this report on its public website.*

Response: We agree. The Library has begun developing a Performance and Accountability Report (PAR) using fiscal 2012 performance and accomplishment information. The draft PAR incorporates most of the elements described in the draft report. At the end of fiscal 2013, we will refine the draft PAR's layout and populate it with 2013 performance information meeting the requirements described in the draft report. Finally, using the updated *Library of Congress Strategic Plan for 2014-2018*, and the results achieved by executing the Library's 2014 Annual Plan, we will publish the 2014 PAR on the Library's public website at the end of 2014.

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