

SECTION 260—ANNUAL PERFORMANCE REPORTING

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Summary of Changes

Describes Annual Performance Report to be published with final agency FY 2018 congressional budget justifications once a new administration is in place.

260.1 What is the Annual Performance Report (APR)?

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

260.2 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 on Performance.gov. In addition, Cross-Agency Priority Goal progress is updated quarterly by CAP Goal Leaders in coordination with the PIC, OMB and contributing agencies.

All agencies are encouraged to report performance on their other performance goals more frequently than annually, if cost-effective and valuable. 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. See “actionable information/data of significant value” in sections [200](#) and [240](#).

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

Since the passage of the GPRA Modernization Act, agencies have been aligning the annual performance plan and report with the agency’s congressional budget justification, both to improve the accessibility and usefulness of agency performance reporting for stakeholders, as well as to reduce the burden of duplicative planning and reporting timelines. Recognizing normal timelines will need to accommodate the transition to a new administration, and consistent with past practice, this fiscal year the FY 2018 Annual Performance Plan should be submitted to align with agency’s final FY 2018 congressional budget justification. Agencies should publish their FY 2016 Annual Performance Report with their FY 2018 Annual Performance Plan and final FY 2018 congressional budget justification that will be presented once a new administration is in place (spring 2017 timeframe). Agencies will maintain the flexibility to publish the Annual Performance Report (APR) for FY 2016 on the agency’s website as a Performance and Accountability Report (PAR) (November 2016), but are encouraged to produce a combined annual performance plan and report. Agencies will also be required to link to the APR (Performance section only of the PAR) from Performance.gov.

Concurrent with the release of the agency’s final FY 2018 congressional budget justifications, large agencies will be required to publish (or update) content from the Strategic Plan, Annual Performance Report, and Annual Performance Plan through Performance.gov. (See section [210](#) for more information on required content for each deliverable). Exact timelines and guidance for development and publication of the FY 2016 Annual Performance Report and FY 2018 Annual Performance Plan will be communicated to agencies through an OMB memorandum once a new administration is in place.

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

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

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

For the FY 2016 performance report, agencies should make Annual Performance Reports available on the agency website. In addition, large agencies will also publish the report on Performance.gov by strategic objective. A hyperlink to the agency performance report will be published via Performance.gov for small agencies. For notification to the President and Director of OMB, agencies should post final reports on <https://max.omb.gov/community/x/C5VxIQ>.

Agencies should notify Congress electronically of the availability of the final Annual Performance Report. The report notification must be from the head of the agency, but may be transmitted electronically by his or her delegate. An agency may add other signatories, such as the Deputy Secretary, Chief Operating Officer, Performance Improvement Officer or Chief Financial Officer, as necessary to the transmittal, thus recognizing a shared responsibility within the agency. Transmittal letters to Congress are addressed to the Speaker of the House of Representatives, the President of the Senate and the President pro tempore of the Senate. Copies of the congressional transmittal are sent electronically, unless otherwise requested in print by Congress, to the chair and ranking minority members of the budget committees, relevant authorization

and oversight committees, appropriation subcommittees, and the chair and ranking minority member of the Senate Committee on Homeland Security and Governmental Affairs and the House Oversight and Government Reform Committee. Agencies should work with their legislative affairs and congressional staff to determine the optimal way to transmit notification to Congress.

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

260.6 Are agencies allowed to consolidate the Annual Performance Report with the Annual Performance Plan?

Yes. To streamline agency planning and reporting of performance information for stakeholders and more efficiently manage duplicative planning and reporting timelines, agencies are strongly encouraged, but not required, to consolidate the FY 2018 Annual Performance Plan and the FY 2016 Annual Performance Report. The FY 2016 Performance Report format may be aligned to the strategic plan framework for those agencies combining the APP/APR for publication. However, agencies should still report FY2016 results of performance goals, indicators that will be discontinued, and targets for dropped measures no longer need to be set as a part of the FY 2018 Performance Plan.

Agencies will be required to link to the central website from the agency home page. Large agencies may publish an agency-specific FY 2016 Annual Performance Report on the agency website, but major agencies must also meet the full requirements for publication of the APP/APR through Performance.gov by publishing the content on Performance.gov by strategic objective and supplemental materials (See section [210](#)). If an agency would like to meet all legal requirements through Performance.gov, the agency must contact OMB.

260.7 What does the Annual Performance Report contain?

The APR must address the content established in section [210](#) but agencies are encouraged to format the FY 2016 Annual Performance Report by strategic objective. Annual Performance Reports should clearly articulate how the work of the agency benefits the public, enable the public to understand the actions agencies have taken to make progress and explain what the agency is doing to improve performance. The Annual Performance Report should include a summary assessment of progress as described in sections [210](#) and [270](#) for strategic objectives.

260.8 Other parts of the Annual Performance Report, as applicable

The following parts selectively apply to agencies.

Information on use of non-Federal parties. The GPRA Modernization Act states that preparation of an annual report is an inherently governmental function. However, the report should include an acknowledgment of the role and a brief description of any significant contribution made by a non-Federal entity in supporting preparation of the report.

Classified appendices not available to the public. Agencies that conduct classified activities may prepare a classified appendix for the Annual Performance Plan. Also, if an agency believes that reporting of actual performance will impede goal achievement, a non-public appendix may be prepared for the Annual Performance Report. Agencies should consult with OMB to determine whether such an appendix is necessary.

260.9 Assessing the completeness, reliability and quality of performance data

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

Data limitations. In order to assess the progress towards achievement of performance goals, the performance data must be appropriately accurate 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 reliable. Agencies can calibrate the accuracy of the data to the intended use of the data and the cost of improving data quality. At the same time, significant data limitations can lead to bad decisions resulting in lower performance or inaccurate performance assessments. Examples of data limitations include imprecise measurement and recordings, incomplete data, inconsistencies in data collection procedures and data that are too old and/or too infrequently collected to allow quick adjustments of agency action in a timely and cost-effective way.

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

Agencies should have in place verification and validation (V&V) techniques that will ensure the completeness and reliability of all performance measurement data contained in their Annual Performance Plans and reports as appropriate to the intended use of the data. The guidance that follows provides agencies with a list of reasonable V&V criteria that when applied should increase the level of confidence Congress and the public have in the performance information presented.

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

1. Standards and procedures
 - Source data are well defined, documented; definitions are available and used.
 - Collection standards are documented/available/used.
 - Data reporting schedules are documented/distributed/followed.
 - Supporting documentation is maintained and readily available.
 - Collection staff are skilled/trained in proper procedures.
2. Data entry and transfer
 - Data entry methodology is documented and followed.
 - Data are verified as appropriate to the needed level of accuracy.
 - Procedures for making changes to previously entered data are documented and followed.
 - Data are available when needed for reporting, learning and critical decision making cycles.

- Data entry staff are skilled and trained in proper procedures.
3. Data integrity
 - Whenever possible, data should be returned to data suppliers with value added so that data suppliers benefit from the analysis of the data and are engaged to improve its quality over time.
 - Third-party measurement is often preferable to self-measurement.
 - Administrative data that is used for other purposes and validated by its use can be a source of high-quality performance data at a relatively low cost
 4. Data quality and limitations
 - Accuracy limits of all data are appropriate to their intended use.
 - Data limitations are explained and documented.
 - Method for handling anomalous data is established and used, not just to isolate data artifacts but also to search for promising practices to validate and possibly solve problems needing attention.
 - Third party evaluations are conducted.
 - Use of externally controlled data is documented.
 5. Oversight and certifications
 - Accountability for data accuracy exists in a responsible employee's performance standards.
 - Responsible officials certify that procedures were followed each reporting period.
 - Responsible officials certify that data accuracy has been checked each reporting period.

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

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

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

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

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

