

SECTION 233 -- MAY AN ANNUAL PROGRAM PERFORMANCE REPORT BE COMBINED WITH OTHER DOCUMENTS?

233.1 Merging the annual program performance report with the annual performance plan or the annual accountability report.

a. In general.

An agency may choose to prepare its annual report as a stand-alone document, or combine it with other plans or reports. The principal options available to an agency for combining documents are:

- Merging the annual plan with the annual report; or
- Merging the annual program performance report with the annual accountability report. (See subsection 230.2(c) on the need for Congress to reauthorize accountability reports before any future combining of these documents can occur.)

Additionally, an agency may combine its annual performance plan, program performance report, and Congressional justification into a single document. Before doing so, agencies should carefully consider the practicality of producing such a document. Coordination beforehand with appropriate Congressional committees and OMB is essential before attempting to combine the Congressional justification, annual plan, and annual report.

The annual report may not be split among several documents, such as including several elements in the annual plan and placing others in an accountability report. All required elements of the annual report must exist in a single document, even when combined with other another plan or report. In a merged document, agencies may adjust the placement of the required report elements to enhance their presentation.

An agency wishing to combine its annual report with another statutory report should discuss this proposed combination with its OMB Resource Management Office before proceeding. The timing, transmittal, and distribution requirements of section 231 apply to any combined report.

b. Combining the FY 2002 performance plan with the FY 2000 performance report.

The agency FY 2002 performance plans will likely be sent to Congress on a later date than usual. The transmittal date of the new President's budget will govern the submission schedule for these annual plans. A transmittal of the President's budget after March 31, 2001 would preclude an agency submitting a combined FY 2002 plan and FY 2000 report by the required March 31 date for submitting annual performance reports.

As annual performance reports are intended to be reviewed by Congress in conjunction with the annual performance plan, Spring 2001 may see transmittal of performance reports somewhat in advance of the submission of annual plans. OMB expects to discuss this prospect with the new Congress, and whether a

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slight delay in the transmittal of program performance reports might be acceptable. Any delay in submission would be limited to agencies:

- combining the FY 2000 performance report with the FY 2002 plan,
- or who are unable, in the annual report, to describe plans and schedules for meeting unmet FY 2000 goals in FY 2002 because this information is budget-related and, as such, is privileged and may not be released prior to transmittal of the President's budget. (Agencies who had deferred describing plans and schedules for unmet FY 1999 goals until the FY 2000 report would also be covered, if the information is budget-related.)

233.2 Including program performance information in the accountability report.

Accountability reports were prepared on a pilot basis by many Cabinet departments and major independent agencies. These agencies typically included program performance information in their accountability reports. Prior to the accountability report, these and other agencies included program performance information as part of their audited financial statement.

The statutory authorization for accountability reports has expired. Legislation reauthorizing accountability reports is being considered by Congress. The pending legislation allows agencies to combine accountability reports with program performance reports. If this legislation is enacted, the instructions in this section will be appropriately modified. Exhibit 233 summarizes the prospective content of an accountability report if these reports are reauthorized.

Agencies not combining their annual program performance report with their accountability report would be required to include selected program performance information in their accountability report. The program performance information included in an accountability report must be taken from the annual program performance report. This should ensure that all program performance information appearing in different documents is consistent. This program performance information need not compare actual performance to target levels, nor include explanations for unmet goals or plans and schedules for meeting unmet goals in the future. Agencies should avoid copying every goal in the annual performance report into an accountability report.

Agencies not preparing an accountability report may continue to include program performance information in their annual audited financial statements. This information may be excerpted from the program performance report, be supplemental performance information existing within the agency, or a combination of the two.

Program performance information derived from the annual program performance report is not subject to new or additional audit requirements as a consequence of its being included in the accountability report or the financial statement.

Principal Contents of the Annual Accountability Report

An Annual Accountability Report prospectively will include:

- A concise overview or executive summary of the reporting entity, sometimes called a management discussion and analysis, or MD&A, that summarizes the contents of the report and briefly addresses critical program and financial performance.
- Selected program performance information for the fiscal year covered by the accountability report. Agencies may also include prior year program performance information. (A combined accountability report and annual program performance report would automatically include this information.)
- The Federal Managers' Financial Integrity Act (FMFIA) signed assurance statements; information on management controls; and management's audit follow-up report as required by the Inspector General Act.
- A summary of the agency's most serious management and performance problems, prepared by the agency Inspector General
- Principal financial statements and accompanying footnotes; the auditor's report(s) thereon; and, if applicable, required supplementary stewardship information, required supplementary information, and other accompanying financial information.