United States General Accounting Office

GAO

Report to the Chairman, Committee on Governmental Affairs, U.S. Senate

September 2001

ELECTRONIC GOVERNMENT

Better Information Needed on Agencies' Implementation of the Government Paperwork Elimination Act

GAO-01-1100

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United States General Accounting Office
Washington, D.C. 20548

September 28, 2001

The Honorable Joseph Lieberman
Chairman, Committee on Governmental Affairs
United States Senate

Dear Mr. Chairman:

Advances in the use of information technology and the Internet are transforming the way federal agencies communicate, use information, deliver services, and conduct business. If used effectively, these advances can help reshape government, making it more innovative, efficient, and responsive to the public.

To increase the ability of citizens to interact with the federal government electronically, in 1998 the Congress, as you know, enacted GPEA, the Government Paperwork Elimination Act (P.L. No. 105-277, Div. C, tit. XVII). The act requires that by October 21, 2003, federal agencies provide the public, when practicable, with the option of submitting, maintaining, and disclosing required information electronically, instead of on paper. Further, the act assigns responsibility for executive branch oversight to the Office of Management and Budget (OMB). As you requested, we reviewed the GPEA implementation plans submitted by federal agencies in October 2000 to determine (1) the overall status and plans of the government in working toward the October 2003 GPEA goal, and (2) whether additional issues or concerns had arisen since our first GPEA report in September 2000[1] that could impede further progress.

To fulfill these objectives, we reviewed guidance issued by OMB to federal agencies on preparing GPEA implementation plans and reporting progress. To assess the governmentwide status of GPEA implementation, we obtained and analyzed the plans of 24 major departments and agencies as well as OMB's database of all GPEA plans submitted in October 2000. Additionally, we selected a small, diverse sample of agency plans for more specific analysis.[2] Finally, we interviewed key OMB officials about their

[1]*Electronic Government: Government Paperwork Elimination Act Presents Challenges for Agencies* (GAO/AIMD-00-282, September 15, 2000).

[2]These plans were from the Departments of Agriculture, Defense, Health and Human Services, Housing and Urban Development, State, Transportation, and the Treasury, plus the Environmental Protection Agency.

GPEA oversight activities. We performed our work from April through August 2001, in accordance with generally accepted government auditing standards.

On August 8, 2001, we provided a detailed briefing to your office on the results of this work. The briefing slides are included as appendix I. The purpose of this report is to provide the published briefing slides to you and to officially transmit our recommendations to the Director, OMB.

In summary, we found that although much potentially useful information was submitted in the October 2000 implementation plans, many omissions and inconsistencies were evident. Because electronic options for large numbers of activities were not planned until 2003 at the earliest or were not scheduled at all, many agencies may be at risk of not meeting GPEA objectives. The October 2000 implementation plans did not provide sufficient information regarding agencies' strategic actions—such as prioritizing planned conversions based on achievability and net benefit—that could minimize the risk of not meeting the 2003 deadline. Given these shortcomings, OMB will be challenged in its oversight role of ensuring that agencies comply with the act. Without more complete information collected in an integrated manner, agency progress in achieving GPEA's goals cannot be accurately assessed.

Agency Comments and Our Evaluation

In oral comments on a draft of this report, officials from OMB's Office of Information and Regulatory Affairs generally agreed with our analysis of the status of agency GPEA implementation plans. OMB said it distinguished between the information reported in attachment A of the agency plans, which it said was required by the GPEA statute, and the information reported in attachments B and C, which was called for by OMB's reporting instructions. Concerning our finding that the plans did not provide sufficient information regarding agencies' strategic actions, the OMB officials stated that they had obtained additional information about agency strategic actions through the fiscal year 2002 budget review process and that an additional data call planned for this year would further integrate GPEA information with budget and program reviews and agency electronic government plans. We view this as a positive step. However, until such reporting occurs and its quality is known, we remain concerned that complete information needs to be collected in an integrated manner that can be used to accurately assess agency progress and results.

Recommendations for Executive Action

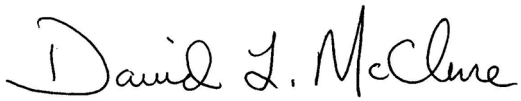
To better understand the risks and implications of agency GPEA initiatives and to enhance the likelihood of success in meeting the statutory deadline, we recommend that the Director, OMB,

- refine GPEA implementation plan reporting requirements to collect more complete information in an integrated manner on (1) development of agency strategies for meeting the objectives and requirements of GPEA and (2) priorities for electronic conversion based on agency assessments of achievability and net benefit,
- ensure that agencies are provided with continuous feedback on the completeness and quality of their GPEA implementation plans in meeting OMB's guidelines and reporting requirements, and
- hold agencies accountable for achieving results by linking GPEA activities to agencywide and program-specific performance measures and outcomes.

We are sending copies of this report to the Ranking Minority Member, Senate Committee on Governmental Affairs; the Chairman and Ranking Minority Member, House Committee on Government Reform; and the Director of OMB. We are also sending copies to the Secretary of Agriculture, the Secretary of Defense, the Administrator of the Environmental Protection Agency, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of State, the Secretary of Transportation, and the Secretary of the Treasury. Copies will also be available on our Web site at www.gao.gov.

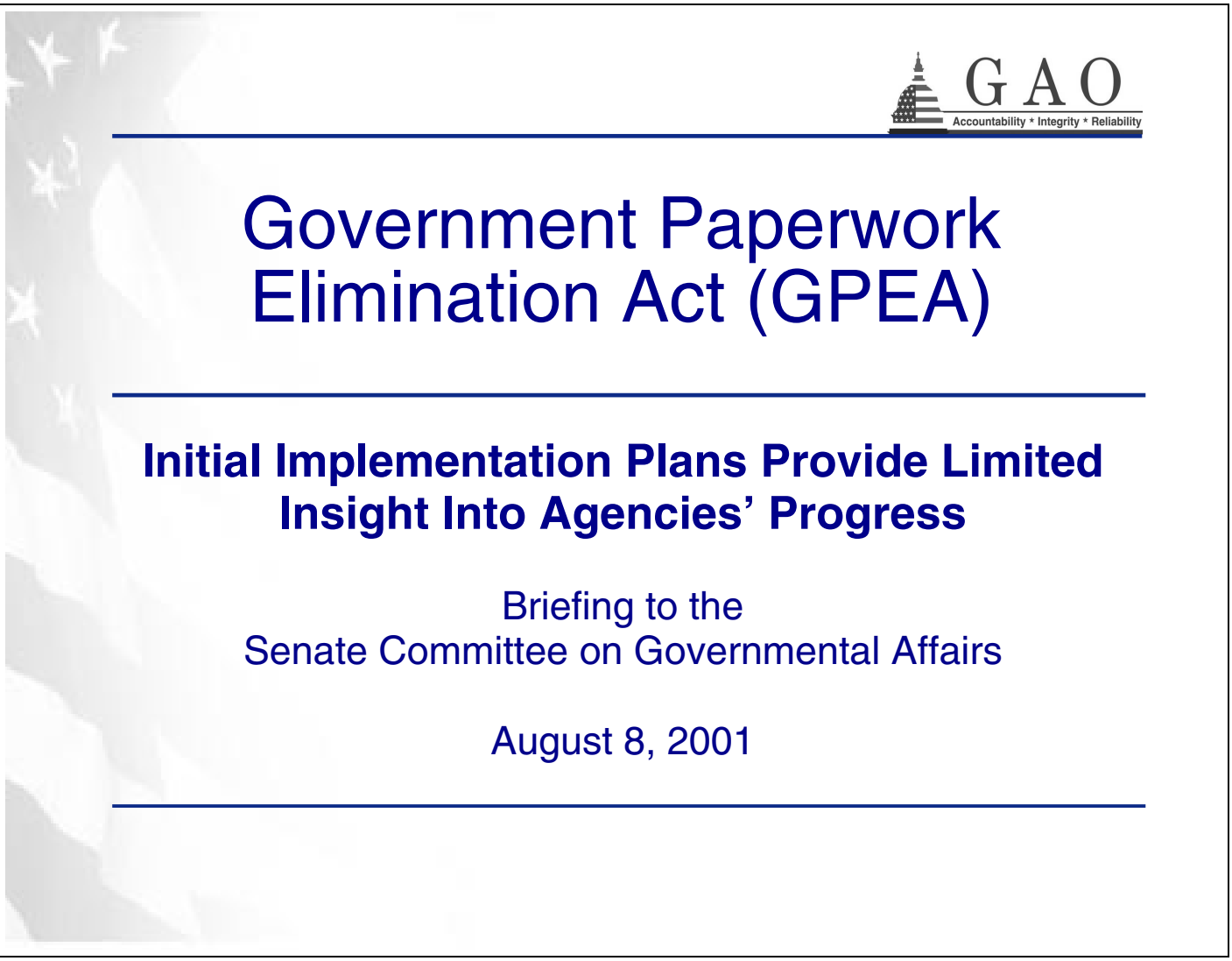
Should you have any questions on matters discussed in this report, please contact me at (202) 512-6257 or John de Ferrari, Assistant Director, at (202) 512-6335. We can also be reached by e-mail at mcclured@gao.gov and deferrarij@gao.gov, respectively. Individuals making key contributions to this report were Juan A. Reyes, Jamelyn Smith, and Yvonne Vigil.

Sincerely yours,



David L. McClure
Director, Information Technology Management Issues

GAO's August 8, 2001, Briefing to the Senate Committee on Governmental Affairs



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Background

- The Government Paperwork Elimination Act (GPEA) of 1998 requires that by October 21, 2003, federal agencies provide the public, when practicable, with the option of submitting, maintaining, and disclosing required information—such as employment records, tax forms, and loan applications—electronically, instead of on paper.

- GPEA makes the Office of Management and Budget (OMB) responsible for ensuring that federal agencies meet the act's implementation deadline.

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Background (cont'd.)

- In September 2000 we reported that essential elements in GPEA's success would include
  - top management involvement, support, and leadership at federal agencies, and
  - diligent OMB and congressional oversight.[1]
- In June 2001, we reported that implementation plans prepared by Treasury and the Environmental Protection Agency (EPA) generally provided the kind of information specified in OMB guidance but that Defense's plan did not.[2]

[1] *Electronic Government: Government Paperwork Elimination Act Presents Challenges for Agencies* (GAO/AIMD-00-282, Sept. 15, 2000).
[2] *Electronic Government: Selected Agency Plans for Implementing the Government Paperwork Elimination Act* (GAO-01-861T, June 21, 2001).

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Objectives, Scope, and Methodology

In April 2001, the Ranking Member of the Senate Committee on Governmental Affairs asked us to

- assess the overall status and plans of federal departments and agencies in working toward the 2003 GPEA implementation goal, and
- determine whether additional issues or concerns have arisen since our first GPEA report in September 2000 that could impede further progress.

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Objectives, Scope, and Methodology (cont'd.)

To address these objectives, we

- reviewed guidance issued by OMB to federal agencies on preparing GPEA implementation plans and reporting progress;
- obtained and analyzed OMB's database of GPEA implementation plans submitted in October 2000 as well as the actual plans of 24 major departments and agencies; and
- interviewed key OMB officials about their GPEA oversight activities, including monitoring the status of efforts to implement electronic options for government transactions and identifying issues in GPEA implementation.

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Objectives, Scope, and Methodology (cont'd.)

In addition to compiling governmentwide information from OMB's database, we

- selected a small, diverse sample of agency plans for more specific analysis, including Agriculture, Defense, EPA, Health and Human Services (HHS), Housing and Urban Development (HUD), State, Transportation, and Treasury;
- identified limitations of these plans; and
- obtained the views of OMB officials on issues identified during our review.

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Objectives, Scope, and Methodology (cont'd.)

- Our audit work was completed in accordance with generally accepted government auditing standards, between April 2001 and August 2001.
- We did not verify the information that agencies reported in their October 2000 plans about specific GPEA-related activities. However, in reviewing the completeness of the plans, we identified omissions that could affect the overall accuracy of the data.
- Our sample analysis of eight plans is not representative of other agencies' submissions.

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OMB and Supplemental Guidance

- To fulfill its responsibilities, OMB issued formal guidance to federal agencies on two occasions:
  - May 2000: OMB Memorandum M-00-10 provided extensive guidance to agencies in assessing and implementing strategies for meeting the goals of GPEA.
  - July 2000: An additional OMB memorandum provided specific requirements for agency implementation plans, due in October 2000.
- The May guidance also directed other federal agencies to prepare supplemental guidance in specific areas.

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OMB's May 2000 GPEA Guidance

- OMB drafted GPEA implementation guidance in March 1999 and released it to federal agencies for comment. Comments were received from many agencies, including us.
- The guidance was revised and issued in final form as OMB Memorandum M-00-10 in May 2000.
- This guidance instructed agencies to prioritize the implementation of electronic options based on achievability and net benefit (such as cost savings, application-burden reductions, or improved citizen communications).

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OMB's May 2000 GPEA Guidance (cont'd.)

Further, the May 2000 guidance laid out a strategic process for agencies to employ in evaluating the use and acceptance of electronic documents and signatures, to include

- examining business processes that might be revamped to accept electronic transactions;
- identifying customer needs and demand;
- evaluating electronic signature alternatives, including risks, costs, and practicality;
- developing management strategies to provide appropriate security for access to electronic records; and
- integrating GPEA plans into the agency's annual strategic IT planning and reporting progress to OMB.

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OMB's May 2000 GPEA Guidance (cont'd.)

- The May 2000 guidance directed several agencies to develop more detailed guidelines on specific aspects of GPEA compliance.
- These supplemental guidelines were only available to agencies in draft form when they were preparing their GPEA implementation plans.
- The guidelines were released in final form beginning in October 2000, the deadline for agency submissions (see next page).

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Supplemental Guidance Directed by OMB in May 2000

- National Institute of Standards and Technology (NIST): *Federal Agency Use of Public Key Technology for Digital Signatures and Authentication* (October 2000).
- National Archives and Records Administration (NARA): *Records Management Guidance for Agencies Implementing Electronic Signature Technologies* (October 2000).
- The Department of Justice: *Legal Considerations in Designing and Implementing Electronic Processes* (November 2000).
- Department of the Treasury: *Electronic Authentication Policy for Payment, Collection, and Collateral Transactions* (January 2001).

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OMB's July 2000 GPEA Guidance

OMB's July 2000 guidance directed agencies to submit their plans in a highly structured format comprising the following four sections:

- A cover letter describing the overall strategy and efforts of the agency to comply with GPEA.
- Attachment A: a table providing information on data-collection activities reportable under provisions of the Paperwork Reduction Act (PRA). Under PRA, agencies are required to obtain approval from OMB before they can systematically collect data from the public for any reason. OMB screening of data-collection activities is intended to help reduce the paperwork burden imposed on the public.

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OMB's July 2000 GPEA Guidance (cont'd.)

- The information in attachment A was to include
  - the month and year an electronic option would be completed if one was planned;
  - whether electronic signatures were to be used;
  - an explanation if an electronic option was not planned for use by 2003; and
  - the number of participants involved.

- Attachment B: A second table listing non-PRA data-collection activities, including interagency reporting, information-dissemination activities, and other agency-identified transactions.

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OMB's July 2000 GPEA Guidance (cont'd.)

- Attachment C: Supplemental information about any of the previously listed transactions that the agency had determined to pose a high risk, based on an assessment of risks and benefits as prescribed in OMB's May 2000 guidance.
- OMB's guidance stated that, in most cases, "high risk" transactions would include
  - particularly sensitive information collections, or
  - those involving very large numbers of participants.
- For these transactions agencies were to provide
  - a description of the transaction,
  - information about the sensitivity of the transaction, and
  - additional risk management measures that would be taken if electronic options were to be implemented.

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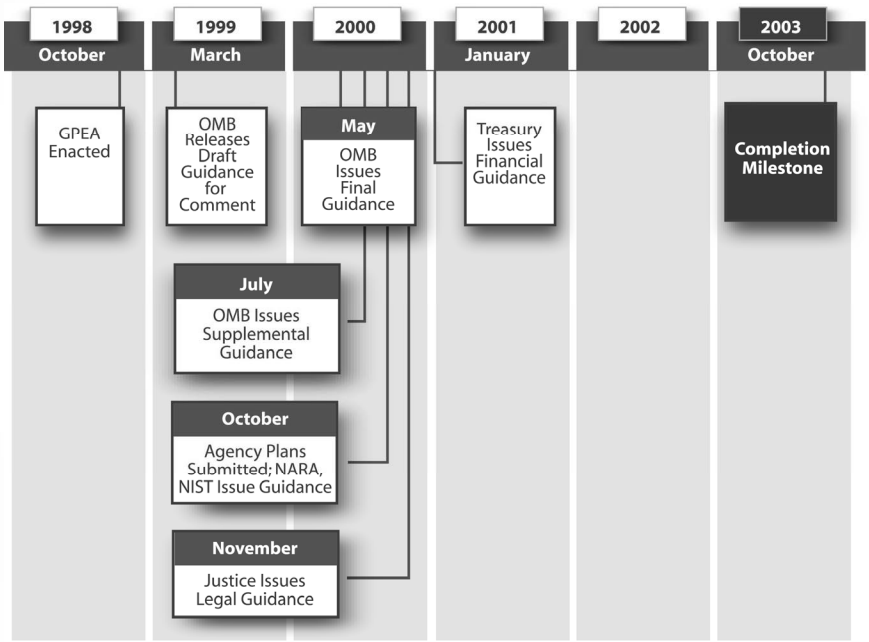
Time Line of Major GPEA Events



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Overall Status and Plans of Federal Departments and Agencies

- 56 federal departments, agencies, and other entities submitted GPEA plans to OMB that included an "attachment A"—information about PRA data-collection activities.[3]
- 47 of the plans included an "attachment B"—information on interagency reporting, information dissemination, and other agency-identified transactions.[3]
- Supplemental information on high-risk applications was provided as "attachment C" to 22 of the plans submitted by 24 major departments and agencies.

[3]Based on information in OMB's GPEA database.

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Overall Status and Plans of Federal Departments and Agencies (cont'd.)

- Not all eligible activities may be suitable for electronic conversion. The plans show that for 3,048 eligible activities, an electronic option is scheduled for completion by the GPEA deadline.[4]
- However, 1,999 of these activities (66 percent) are not scheduled for completion until during 2003, the final year for achieving compliance with the deadline.
- Another 3,860 activities have not been scheduled for conversion at all.
- For many reported activities, agencies plan to implement electronic signatures to satisfy security requirements.

[4]Per OMB guidance, the plans should not include activities for which electronic options are already in place.

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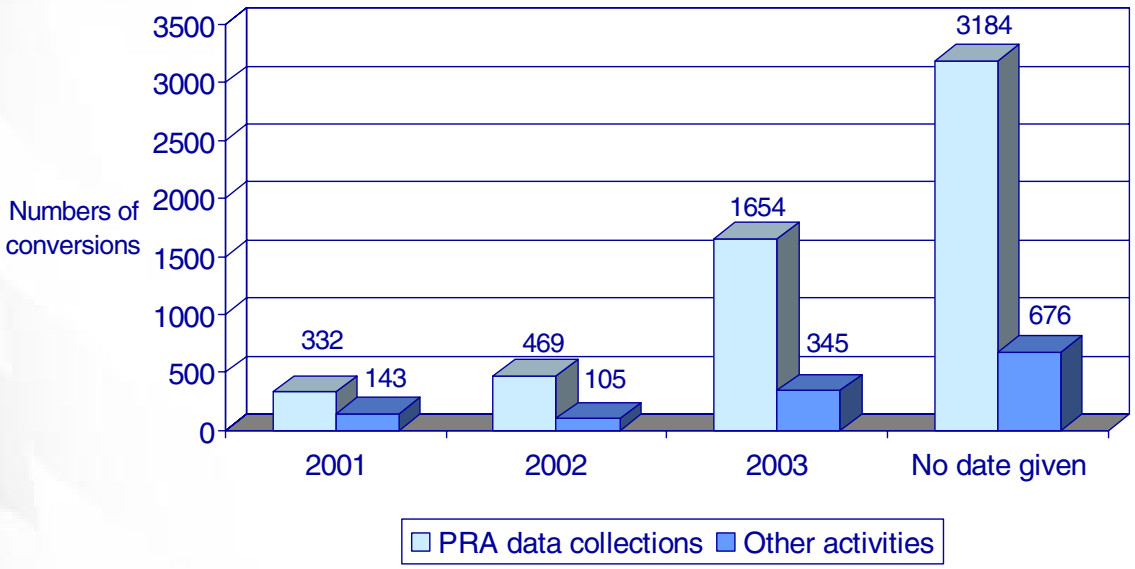
Reported Completion Dates for Planned Electronic Conversions



Totals for 2001 include some 2000 activities. Agencies reported dates between 2004 and 2020 for 42 PRA data collection conversions and 11 other conversions. These activities are not included in the chart.
Source: GAO analysis of OMB's GPEA database.

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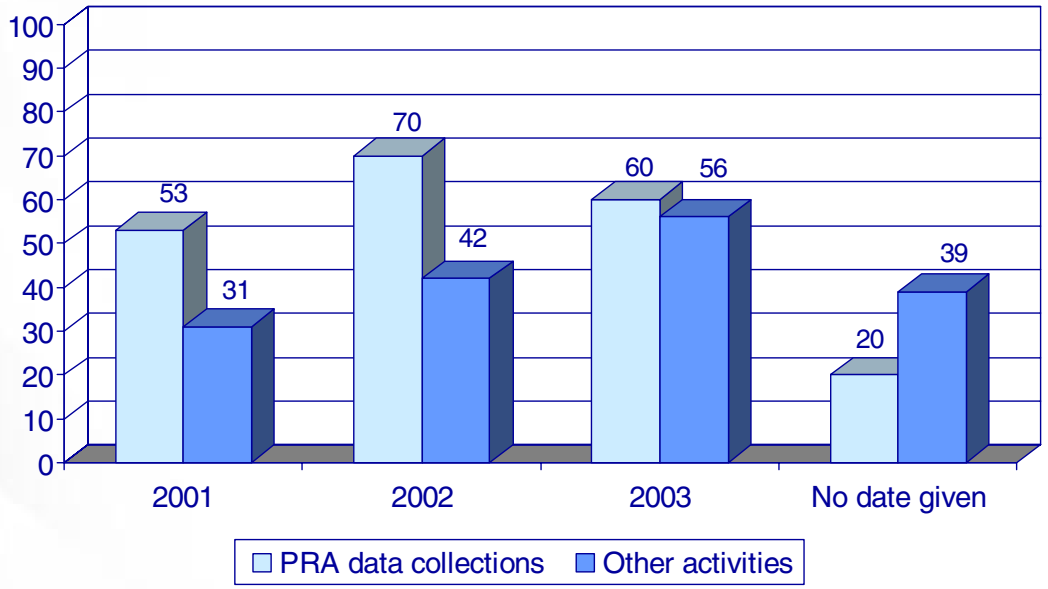
Percentage of Planned Activities Involving Electronic Signatures



Percentages for 2001 include some 2000 activities. Agencies reported dates between 2004 and 2020 for 42 PRA data collection conversions and 11 other conversions. These activities are not included in the chart.
Source: GAO analysis of OMB's GPEA database.

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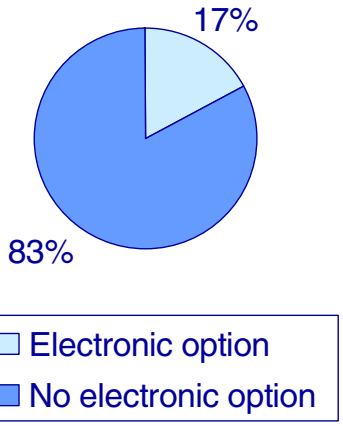
High Risk Transactions[5]

- A total of 249 high-risk activities were identified by 22 agencies.
- Agencies plan to implement electronic options for 43 of these (17 percent).
- Agencies reported that the remaining activities would not be converted primarily due to concerns about issues such as cost, security, privacy, technological readiness, and legality.



[5]High-risk transactions are those reported in attachment C of the plans.
Source: GAO analysis of agency GPEA plans.

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Status and Plans of Eight Federal Departments and Agencies

- The plans submitted by the Departments of Agriculture, Defense, HHS, State, Transportation, Treasury, and EPA provided much of the information called for by OMB's July 2000 guidance.
- Only HUD fully complied with the guidance in all major reporting areas we examined.
- The following chart of selected reporting requirements highlights areas in which the GPEA plans did not fully comply with OMB's July 2000 guidance.

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Status and Plans of Eight Federal Departments and Agencies (cont'd.)

Selected GPEA Reporting Requirements	Agriculture	Defense	EPA	HHS	HUD	State	Transportation	Treasury
Cover Letter:								
Description of GPEA implementation strategy and compliance efforts	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Attachment A: PRA Collections								
Percentage of activities with explanations provided when completion dates were not provided or greater than 2003	91	58	98	85	100	97	100	95
Percentage of activities that identified the associated number of participants	100	100	75	93	100	100	100	99
Percent of activities that identified the associated OMB control number	96	99	99	100	100	99	100	98
Attachment B: Interagency/Agency Identified								
Percentage of activities with explanations provided when completion dates were not provided or greater than 2003	62	1	N/A[1]	92	100	100	100	20
Percentage of activities that identified the associated number of participants	90	2	N/A[1]	57	100	82	89	93
Attachment C: High-Risk Collections								
Percentage of activities with description of data-collection activity	72	100	0[2]	100	100	0[2]	N/A[3]	75[4]
Percentage of activities with reason for not automating transaction	18	100	0[2]	100	100	0[2]	N/A[3]	100[4]
Percentage of activities with description of transaction sensitivity	69	100	0[2]	100	100	0[2]	N/A[3]	100[4]

[1]EPA reported all data-collection activities in a single report under attachment A and did not identify attachment B actvities.
[2]EPA and State provided summary information on high-risk activities instead of specific data for individual activities.
[3]Transportation reported that it had no high-risk transactions.
[4]Treasury's attachment C figures do not include the Internal Revenue Service, which provided only summary data for high-risk activities.

Source: GAO analysis of agency GPEA plans.

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Concerns About Agency GPEA Plans

- The plans do not indicate the extent to which agencies have complied with OMB's May 2000 guidance by
  - providing sufficient information to prioritize planned conversions based on achievability and net benefit, or
  - considering multiple electronic signature alternatives for applications collecting data from more than 50,000 participants (including individuals, businesses, and other entities). Eleven percent of planned conversions fall into this category.
- OMB's guidance on these issues could have been more explicit. The July 2000 guidance did not require that this information be reported in the October plans. However, the July guidance cited the May 2000 guidance and reiterated that agencies had to comply with it.

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Concerns About Agency GPEA Plans (cont'd.)

- The agency plans also do not provide information regarding
  - specific tasks or milestones associated with implementing the planned conversions, or
  - costs or status of funding for planned conversions.
- According to OMB officials, it is requiring agencies to link planned electronic conversions to milestone and cost data provided through the annual budget process.

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Concerns About Agency GPEA Plans (cont'd.)

The data submitted by agencies and compiled by OMB into a single database are incomplete for several reasons:

- Many entries do not include all data required by OMB's guidance. For interagency activities (attachment B), 33 percent of reported activities lack planned completion dates, numbers of participants, or explanations for not adopting electronic options.
- Required explanations were not always provided when planned completion dates were beyond 2003 or unknown (10 percent of activities listed in attachment A lack explanations, as do 45 percent of activities in attachment B).

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Concerns About Agency GPEA Plans (cont'd.)

- Supplemental information required by OMB for high-risk transactions (attachment C) was not always provided.
- OMB's database did not always include all data submitted by agencies or revised data that an agency provided after its original submission. For example,
  - many completion dates are abbreviated to show only the planned year; and
  - HUD attachment B data are missing, as are revisions submitted by EPA.
- According to OMB officials, it is working to correct and update the information in its database.

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Concerns About Agency GPEA Plans (cont'd.)

- PRA data-collection activities reported by agencies could not always be tracked to OMB-approved collections or collections with approval pending.
  - As of June 1, 2001, 131 of 2,887 activities (about 5 percent) reported by the eight agencies we reviewed could not be correlated with OMB's database of approved or pending PRA data collections.[6]
  - OMB officials stated that they would investigate these discrepancies.

[6]Based on information submitted by agencies in attachment A of their GPEA plans.

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Conclusions

- Although much potentially useful information was submitted in the October 2000 implementation plans, many omissions and inconsistencies are evident.
- In addition, based on our analysis of a sample of these plans, OMB's database did not include all the GPEA information submitted by agencies.
- Because electronic options for large numbers of eligible activities are not planned until 2003 at the earliest or are not yet scheduled at all, many agencies may be at risk of not providing electronic options, when practicable, by the October 2003 deadline set by GPEA.

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Conclusions (cont'd.)

- The October 2000 implementation plans do not provide sufficient information regarding agencies' strategic actions—such as prioritizing planned conversions based on achievability and net benefit—that could minimize the risk of not meeting GPEA's October 2003 deadline.

- OMB will be challenged in its oversight role of ensuring that agencies comply with GPEA. Without more complete information collected in an integrated manner, agency progress in achieving the goals of GPEA cannot be accurately assessed.

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Recommendations for Executive Action

To better understand the risks and implications of agency GPEA initiatives and to enhance the likelihood of success in meeting the statutory deadline, we recommend that the Director, OMB,

- refine GPEA implementation plan reporting requirements to collect more complete information in an integrated manner on
  - development of agency strategies for meeting the objectives and requirements of GPEA and
  - priorities for electronic conversion based on agency assessments of achievability and net benefit,

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Recommendations for Executive Action (cont'd.)

- ensure that agencies are provided with continuous feedback on the completeness and quality of their GPEA implementation plans in meeting OMB guidelines and reporting requirements, and

- hold agencies accountable for achieving results by linking GPEA activities to agencywide and program-specific performance measures and outcomes.

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