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Washington, D.C. 20548

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Resources, Community, and
Economic Development Division
B-279061

January 27, 1998

The Honorable Jay E. Hakes
Administrator
Energy Information Administration
Department of Energy

Subject: Results Act: Observations on the Energy Information
Administration's September 1997 Strategic Plan

Dear Mr. Hakes:

In late November, your office requested that we assess the Energy Information Administration's (EIA) strategic plan, dated September 1997. While EIA is not required to develop a strategic plan under the Government Performance and Results Act of 1993 (the Results Act), it chose to prepare such a plan. We agreed to review your plan using criteria similar to those we have used to review the Department of Energy's and other agencies' plans. Specifically, we reviewed EIA's plan to (1) assess whether it fulfills the requirements of the Results Act and the Office of Management and Budget's Circular A-11, and provide our views on its overall quality; (2) determine whether key statutory authorities are reflected in the plan; and (3) assess whether it reflects interagency coordination for crosscutting programs, activities, or functions that are similar or complementary to those of other federal agencies. Our detailed responses to these objectives are discussed in the enclosure to this report.

Overall, we believe that the strategic plan does not meet all the requirements of the Results Act. EIA's strategic plan includes only three of the six elements required by the Results Act—a mission statement, strategic goals and objectives, and an explanation of external factors—and is missing the other three elements—descriptions of strategies, the relationships between annual performance goals and strategic goals and objectives, and the use of program evaluations. Without all of the six elements, we cannot assess the overall plan because the elements required for the plan are interdependent.

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Furthermore, while the Results Act does not preclude agencies from developing goals that are process-oriented, it is important that the goals and objectives focus on how the agency is carrying out its mission, relate to outcomes, and cover the major functions and operations of the agency. While we agree that all five of EIA's strategic goals are important, two of them—the achievement of a diverse workforce and a performance-driven organization—would not necessarily help fulfill EIA's mission of providing high-quality, policy-independent energy information. Also, many of EIA's goals, objectives, and measures are not focused on outcomes.

The Results Act does not require agencies' strategic plans to contain a statement of statutory authority. The plan does state EIA's "charge" under the agency's enabling legislation, but it does not include specific references to the agency's major statutory authorities, nor does it expressly link the mission, goals, and objectives with the relevant major statutory responsibilities. We believe that including such linkages may permit a better understanding of the diversity and complexity of EIA's overall mission and goals and objectives.

Finally, EIA's plan does not reflect whether it was shared with other federal agencies for coordination, nor does the plan identify programs, activities, or functions that may be similar or complementary to those of other federal agencies.

We are providing copies of this letter to the Members of Congress who requested our earlier report on the Department of Energy's strategic plan: the Majority Leader, House of Representatives, and the Chairmen of the House Committees on the Budget, Government Reform and Oversight, and Appropriations. In addition, we are sending copies to the Ranking Minority Members of the same Committees. We will also send copies to others on request.

Please call me at (202) 512-3841 if you or your staff have any questions about this report.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Susan Kladiva". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Susan Kladiva
Associate Director
Energy, Resources, and Sciences Issues

STRATEGIC PLAN REFLECTS FEW OF THE KEY ELEMENTS
REQUIRED BY THE RESULTS ACT

Although the Energy Information Administration (EIA) is not required to have a strategic plan under the Results Act, a strategic plan meeting the act's requirements could be helpful to EIA in improving the agency's management, program effectiveness, accountability, and support for policy decision-making. Under the Results Act, strategic plans are required to include six components:

- a comprehensive mission statement;
- agencywide long-term goals and objectives for all major functions and operations;
- approaches (or strategies) to achieve the goals and objectives and the various resources needed;
- the relationship between the long-term goals/objectives and the annual performance goals;
- an identification of key factors external to the agency and beyond its control that could significantly affect the achievement of the strategic goals; and
- a description of how program evaluations were used to establish or revise strategic goals, and a schedule for future program evaluations.

EIA's plan does not contain all of these elements. The strategic plan includes three of the six elements—a mission statement, strategic goals and objectives, and an explanation of external factors—but is missing the other three elements—descriptions of strategies, the relationships between annual performance goals and strategic goals and objectives, and the use of program evaluations.

A MISSION STATEMENT IS INCLUDED IN THE PLAN

EIA's plan provides a short, overarching mission statement covering its basic responsibility: to provide ". . . high-quality, policy-independent energy information to meet the requirements of Government, industry, and the public. . . ." The mission statement appears complete, is results-oriented, and addresses public needs.

GOALS AND OBJECTIVES ARE DEFINED IN THE PLAN

The second element included in EIA's plan is the agency's goals and objectives. EIA's plan contains five strategic goals; each goal is supported by three to five objectives.

The plan also identifies over 40 individual performance measures that EIA plans to use to track its progress in meeting these goals and objectives. While the Results Act does not preclude the agencies from developing goals that are process-oriented, it is important that the goals and objectives focus on how the agency is carrying out its mission, relate to outcomes, and cover the major functions and operations of the agency.

EIA's five strategic goals address workforce diversity, data quality, product relevance, access to information, and a performance-driven organization. While EIA's diversity and performance goals are important to improve agency operations, these strategic goals would be more appropriately shown separately under a non-mission-related caption, such as the one used by the Department of Energy called "Corporate Management." Furthermore, many of EIA's goals, objectives, and measures focus on processes, not performance outcomes. For example, EIA's second strategic goal states that "EIA will assure its data, analysis and forecasts are of the highest quality." EIA's goal would be improved if it focused on the end results of providing high-quality forecasts.

In addition, many of EIA's measures focus on process (e.g., assessments of the accuracy of forecasts, redesigns of publications, qualitative narratives on implementation actions) rather than on the outcomes of process improvements involving the number, quality, and usefulness of products. The closest that the plan gets to measuring outcomes are its measures of "customer satisfaction." However these measures are still somewhat removed from actual product improvements associated with specific goals.

EXTERNAL FACTORS ARE DISCUSSED IN THE PLAN

EIA's plan describes key factors external to the agency and beyond its control that could significantly affect the achievement of the strategic goals. However, EIA's plan does not link each key external factor with particular strategic goals and describe how the achievement of the goal could be affected by the factor.

THREE ELEMENTS ARE NOT INCLUDED IN THE PLAN

The strategic plan is missing three elements—descriptions of strategies for achieving the agency's strategic goals and objectives, the relationships between annual performance goals and strategic goals and objectives, and the use of program evaluations. Without these elements, we cannot assess the overall plan, nor can others have effective consultation with EIA because the elements required by the Results Act are interdependent. For example, the strategic plan does not describe EIA's strategy to meet the strategic goals and objectives. EIA's plan goes from goals and objectives to specific measures without any explanation of how it plans to achieve the objectives. For example, EIA states that it "will improve customer satisfaction with the accuracy of its data and analysis between 1998 and 2002." However, the agency does not indicate what it

plans to do in terms of the resources, processes, and technologies required to accomplish this objective; instead, EIA sets specific measures for percentage increases in the share of customers who are satisfied with the accuracy of EIA's information.

Another missing element, a description of the use of program evaluations, can be a potentially critical source of information for the Congress and others in ensuring the validity and reasonableness of the goals and strategies as well as in identifying factors likely to affect performance. EIA's plan should describe the program evaluations that were used in preparing the strategic plan and present a schedule of future program evaluations (some of which may be needed to assess whether and to what extent strategic goals or objectives have been or are being achieved).

LEGISLATIVE AUTHORITIES ARE NOT INCLUDED

The Results Act does not require agencies' strategic plans to contain a statement of statutory authority. EIA has followed the Office of Management and Budget's Circular A-11, which suggests that an agency's mission statement include a brief discussion of the agency's enabling or authorizing legislation. However, EIA's plan does not include specific references to the agency's major statutory authorities, nor does it expressly link the mission, goals, and objectives with EIA's relevant major statutory responsibilities. We believe that including such linkages may permit a better understanding of the diversity and complexity of EIA's overall mission, goals, and objectives.

CROSSCUTTING PROGRAM ACTIVITIES ARE NOT IDENTIFIED

EIA's plan does not reflect whether the plan was shared with other federal agencies or other agencies within the Department of Energy for coordination, nor does the plan identify programs, activities, or functions that may be similar or complementary to those of other federal agencies.

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