GUIDE FOR DETERMINING APPROPRIATE OIG INVOLVEMENT WITH THE OMB PROGRAM ASSESSMENT RATING TOOL (PART)

Based on input from the PCIE Government Performance and Results Act Round Table

INTRODUCTION TO THE PART

The Program Assessment Rating Tool (PART) is a series of questions designed to provide a consistent approach to rating programs across the Federal government. The PART is a diagnostic tool that relies on objective data to inform evidence-based judgments to assess and evaluate programs across a wide range of issues related to performance. As an assessment of the program overall, the PART also examines factors that the program or agency may not directly control but which are within the influence of the program or agency. The questions are designed to reflect familiar concepts and incorporate existing practices managers and program examiners utilize to assess program performance. The formalization of performance evaluation through this process is intended to develop defensible and consistent ratings of programs for the FY 2004 Budget and beyond.

The questions are written in a Yes/No format and require the user to provide a brief narrative explanation of the answer including any relevant evidence to substantiate the answer. Responses should be evidence based and not rely on impressions or generalities. The completed PART will be made available for public scrutiny and review and must be based on evidence. Unless otherwise noted, a *Yes* answer should be definite and reflect a very high standard of performance. Hard evidence of performance may not be readily available for all programs. In these cases, assessments will rely more heavily on professional judgment. No one question in isolation will determine the performance of a program. In fact, some questions may not apply to every program.

STANDARDS OF A YES:

The PART holds programs to a high level of evidence and expectation. It is not sufficient for a program simply to comply with the letter of the law. Rather it must show it is achieving its purpose and that it is managed efficiently and effectively. In other words, the performance of Federal programs should reflect the spirit of good government, not merely compliance with statute. In general, the PART requires a high standard of evidence and it will likely be more difficult to justify a *Yes* than a *No*. Sections I through III are scored in a Yes/No format. In Section IV, answers are provided on a four-point scale to reflect partial achievement of goals and evidence of results. **The evidence supporting an answer should be based on the most recent, credible evidence.**

QUESTION WEIGHTING:

As a default, individual questions within a section are assigned equal weighting; however, the user can alter the weight of the questions in order to most accurately emphasize the key factors of the program. To avoid manipulation of the total score, weights should be adjusted prior to responding to any of the questions. If a question is not relevant to the program, the user may rate the question as *Not Applicable*. In these cases, the user would not apply weighting to the question but must provide an explanation of this response.

SELECTING PERFORMANCE MEASURES:

The key to assessing program effectiveness is measuring the right things. The PART requires OMB and agencies to **choose performance measures that meaningfully reflect the mission of the program**, not merely ones for which there are data. The measures should reflect a sense of program priorities and therefore will likely be few in number. As a general approach, these **measures should reflect desired outcomes**; however, there may be instances where a more narrow approach is more appropriate and output measures are preferable. Because of the importance of performance measures in completing the PART, **it is crucial for OMB and agencies to agree on the appropriate measures early in the assessment process**.

SECTIONS OF THE PART:

Each PART is divided into four sections. Each section includes a series

of questions designed to elicit specific information for the evaluation.

1. Program Purpose & Design   to assess whether the program design and purpose are clear
and defensible

2. Strategic Planning   to assess whether the agency sets valid annual and long-term
goals for the program

3. Program Management   to rate agency management of the program, including financial
oversight and program improvement efforts

4. Program Results   to rate program performance on goals reviewed in the strategic
planning section and through other evaluations

TYPES OF PROGRAMS: The Federal government conducts affairs through numerous mechanisms
and approaches. To make the questions as consistent and relevant as possible, we have outlined seven
categories of Federal programs. These categories are designed to apply to both mandatory and
discretionary programs. There is a separate PART for each of the seven types of Federal programs:
1. Competitive Grant Programs, 2. Block/Formula Grant Programs, 3. Regulatory Based Programs,
4. Capital Assets and Service Acquisition Programs, 5. Credit Programs, 6. Direct Federal Programs,
7. Research and Development Programs

WHAT IS THE RELATIONSHIP OF PART TO THE INSPECTOR GENERAL MISSION?
The PART is designed to focus attention on specific program performance, results, and the way
recent management improvement legislative initiatives, especially the Government Performance
and Results Act are being implemented to improve program accountability and performance. The
PART is the demonstration of OMB's support for moving the theory of GPRA to practice. The
IG Act was borne out of the same serious concern for the accountability in Federal Government to
promote economy, efficiency and effectiveness. The PART itself, in theory is designed to
achieve
that objective, program by program, through an examination of the four areas listed above. The
PART, similarly to OIG's work, is dependent upon data and evidence to support assessments.

WHAT ARE OMB's EXPECTATIONS FOR THE OFFICES OF INSPECTOR GENERAL?
Since the PARTs are evaluations designed to be evidence based, there is significant concern
about the objectivity and credibility of the assessment methodology, evidence and the ratings or
conclusions. OMB recognizes that the PART process is complex and assessments are difficult to
make in a short period with only yes/no questions, especially when there is frequently a
significant
time lag associated with results and limited amounts of data. Therefore, OMB believes that the
OIGs are an important if not essential ingredient to independently assess the quality and accuracy
of agency program answers, self assessments, data and evidence. OMB recognizes that the kind
of review necessary to test, verify or validate PART assessments can require a significant
resource
commitment, but also believes that what the PART assessments are trying to achieve is exactly
what the OIGs are in the business of doing anyway. Therefore, OMB would like to rely upon the
OIG
community to assist anyway it can by linking its recent and prior work, performing current sample
testing or full evaluations that to improve the quality, credibility and value of the PART assessments.

List of ideas/approaches and concerns expressed by members of the PCIE GPRA Round Table at the June 3, 2003 meeting on OIG involvement and participation in the OMB Program Assessment Rating Tool (PART) Process. At least OIGs were represented.

Possible Approaches

> The possible approaches are grouped by level of involvement and investment of resources. There are clearly some approaches and actions that will add value to the process with a minimal level of effort. These are the approaches that could be used consistently throughout the IG Community, with greater levels of effort invested at the discretion of each OIG.   Of course several of the possible approaches overlap, or apply to more than one category.

LINK PART REVIEWS TO PRIOR AND CURRENT OIG REPORTS/ASSESSMENTS

< OIGs could match/cross index the list of current programs scheduled for PART reviews with relevant recent and prior OIG reports for Agency and OMB use.

< OIGs could send the inventory of OIG reports referenced to the PART reviews, to OMB.

INCLUDE SCHEDULED PART ASSESSMENT S IN PLANNING PROCESS/CRITERIA

< OIGs could develop OIG work/audit plans and selection of assignments to coincide with the future PART review schedule. Identify the agency's future PART schedule in OIG planning documents and use it as an assignment selection criteria.

< Include followup reviews of agency action on OMB PART recommendations in OIG work plans and as part of regular OIG recommendation follow-ups.

ASSESSMENTS OF AGENCY PART IMPLEMENTATION PROCESS

< OIGs could translate or link Management Challenges and FMFIA weaknesses to applicable agency program PART assessments.

< OIGs could make a general assessment of the agency's capacity and process to make valid and accurate PART self assessments. (Data quality, planning process)

PROVIDE REVIEW COMMENTS

< OIG's could review their respective agency's PART submission, and based on recently completed or on-going work, identify areas of agreement and disagreement. Then provide comments on agency PART reviews to the agency prior to their submission to OMB.

< OIG's could conduct reviews similar to those listed above and provide comments on agency PART reviews directly to OMB, or to OMB after the agency has had the opportunity to take corrective action on the original OIG comments to the Agency.

CONDUCT SPECIAL PART RELATED REVIEWS/EVALUATIONS

<	OIGs could make limited or extensive review assessments of the quality and accuracy of data, and validity of the measures used to support specific PART assessments.

<	OIGs could either sample sections of several program PART assessments, or do a comprehensive review of one program area.

<	OIGs could link specific OIG audit, evaluation and inspection recommendations and subsequent agency actions on those recommendations to agency PART scores and improvements. Also to use the related changes in PART scores, influenced by OIG involvement, as a measure of OIG effectiveness.

<	Evaluate and report on the quality, validity and objectivity OMB's rating of the agency.

COORDINATE LEVEL OF EFFORT, EXPECTATION AGREEMENTS WITH OMB

<	OIG could meet with OMB examiners to discuss OIG involvement and level of effort in terms of current and future work directly or indirectly related specific PART reviews.

<	OIG could provide OMB with early information on planned reviews to help OMB decide what areas will receive PART reviews, so they reasonably coincide with current IG work.

<	OIGs could be involved at the pre-OMB PART review level, and again at the OMB review level to identify, assess and report differences.

Concerns

Concerns are viewed about the appearance of interference with IG independence and how IGs balance the need to help OMB promote a tool designed for better management accountability consistent with the IG mission, but not currently recognized by Congress. Also, how to determine and deal with OMB expectations, possible disagreement with OMB assessments, and possible large investment of limited resources competing with statutory and priority work.

INDEPENDENCE

<	OIGs should not be at the table or serve as "referee" in discussion of PART reviews between OMB and the agency.

<	Congressional appropriators are not currently using the PART to make resources decisions.

<	OMB will (or could appear to) drive OIG work.

<	OIGs are (or could be) asked to suggest areas to be included for OMB PART review.

CLARIFYING OMB EXPECTATIONS - *(Observations, Suggestions, Unanswered Questions)*

< OMB could/should provide a specific request for OIG participation/involvement in the PART process. Such a request would help determine OMB expectations and give OIGs greater "standing" for involvement with their respective agencies.

< Unclear when is the best time for the OIG to get involved in PART reviews.

< Timeliness and consistency of OMB guidance for PART reviews is needed.

< It is more important for OIGs to validate measures then the accuracy of data, since good data with poor measures could mean measuring the wrong things.

< OMB selects program areas that might not be representative, should the OIGs comment on the items selected by OMB?

< What is the difference between PART and GRPA implementation and validations reviews?

< Evaluations performed by contractors, or in-house Agency staff that support PART self assessments are not consistently considered independent by OMB.

< How do PART reviews fit into the whole scheme of CFO, Management Challenges, GPRA verifications and validation?

< OIG comment criteria does not exist and could be developed by OMB so that OIGs are adding value with a consistent approach.

< Who is responsible for PART followup? Could/should this be included along with followup on OIG recommendations and Management Challenges?

LIMITATIONS

< OIGs may not have adequate time to perform credible PART review comments and verification.

< OIG involvement in PART assessment could be a significant drain on resources, (or could be justification for additional OIG resources.)

< Selection of programs for PART review is frequently not timely for OIG involvement before the assessments are due to OMB.

OTHER RELATED INFORMATION: During fiscal 2002, at the request of OMB to assess the PART, itself, the PCIE GPRA Round Table, developed the attached SWOT Analysis of the PART (Strengths, Weaknesses, Opportunities and Threats) which was presented to OMB and at a NAPA (National Association for Public Administration) Round Table. Also attached is the OMB criteria for achieving a "Green" and "Yellow" designation using the PART.

**The President's Council on Integrity and Efficience, Government
Performance and Results Act Interest Group Round Table Meeting July 17**
SWOT Discussion Analysis of the PART

Marcus Peacock, Associate Director, OMB, and the primary architect of the Performance Review
Rating Tool (PART), gave a presentation about the development and intended application of the
PART by OMB at the June meeting of the PCIE GPRA Round Table. At that meeting he said
that the PART is still a work in progress, and specifically requested involvement of the OIG
community (as individual offices and this Round Table), to provide review comments about the
PART and its application in helping OMB understand and evaluate the mission, structure and
performance of Federal programs. At the July meeting, about forty members of the Round Table
participated in a discussion of the PART in the form of a **SWOT** *(Strength, Weaknesses,
Opportunities and Threats)* **Analysis** to provide constructive comments to Mr. Peacock. Below
are the consolidated results of that discussion about the PART Tool itself and its implications.
This SWOT has been vetted for review through the Round Table membership for over a month.

<u>STRENGTHS</u> *Of and ABOUT the PART*

Uses generic/common factors, recognizing differences in kinds of programs
Reinforces Inspector General work
Promotes consistency in review (and audit) process
Provides for a consolidation of information
Simplicity - it is very easy to understand
Identifies areas for improvement
Makes the OMB process more transparent and objective
Requires programs to reflect and self examine in a way they might not otherwise
Objective basis for review and decisions
Helps define (otherwise ambiguous) programs
Requires supporting data

<u>WEAKNESSES</u> *Of and ABOUT the PART*

No direct relationship between score and funding
Difficult to define some programs
The Tool is abstract and subjective
Forced choice approach is unrealistic to real situations
Subject to oversell or "Spin" by agencies
Too simple - does not tell the whole story, could be misleading
Could delay the budget process and decisions
Could be demoralizing if not used, or if used as "an axe"
Requires investment of time and resources
Too short a "snap shot" for accurate analysis
No dimension of progress (change) is considered
Information still needs to be validated
Some types of programs can not be considered with this Tool (Entitlements)

OPPORTUNITIES *Of and ABOUT the PART*

Tool is very auditable, makes programs more auditable
Improve (PART) by using graduated scale
Useful to express benefits of programs
Initiates program improvements
Gets budget people thinking about performance
Could help restructure organizations for greater efficiency and effectiveness
Encourages new level of accountability
Could help some programs gain status and needed resources
Greater upper management visibility and involvement
Identifies weaknesses in programs
For Streamlining operations
Re-examine and redefine organization or program mission
It (PART) will have to evolve with use
Could improve IG consulting, advisory services and review

THREATS *Of and ABOUT the PART*

Could extend Human Capital issues (loss of positions)
Possible inconsistent application
Could be incongruous with political structure and appropriations' committee interests
Could intensify conflicts: OMB Vs Congress and Requests Vs Statutes
May be viewed as just a game
Validity of Tool and information to render decisions could be questioned
Demoralizing if used as an axe
Possible loss of status and funds if not completed properly
Long term survivability (could be seen as "tool de jour")
Could be used as short-cut of full IG review consideration