



Memorandum

OFFICE OF INSPECTOR GENERAL

DATE: April 22, 2003

REPLY TO:
ATTN OF: IG-34 (A03SC017) Audit Report Number: OAS-L-03-13

SUBJECT: Audit of Performance Measures in the Office of Science

TO: Director, Office of Science, SC-1

The purpose of this report is to inform you of the results of our audit of Office of Science performance measures. This audit was initiated in January 2003, and fieldwork was conducted through March 2003 at Departmental Headquarters and Brookhaven National Laboratory (Brookhaven). We also conducted limited audit work at Headquarters on performance measures for the Stanford Linear Accelerator Center (SLAC) and Lawrence Berkeley National Laboratory (Berkeley). The audit methodology is described in an attachment to this report.

INTRODUCTION AND OBJECTIVE

The Department of Energy's (Department) Office of Science (Science) leads the nation in its support for the physical sciences, and is a significant contributor in the fields of computation, biology, and environmental sciences. Science conducts its research at universities, private research facilities, and the Department's own national laboratories. In Fiscal Year (FY) 2002, Science provided its 10 national laboratories nearly \$2 billion in funding.

Under the Government Performance and Results Act of 1993, the Department is required to establish annual performance measures and report on actual results achieved. The overall quality of the Department's performance measures has, for the last several years, been reported to the President and the Congress as a serious management challenge. In light of these concerns, the objective of our audit was to determine whether Science performance measures reflected overall program performance.

CONCLUSION AND OBSERVATIONS

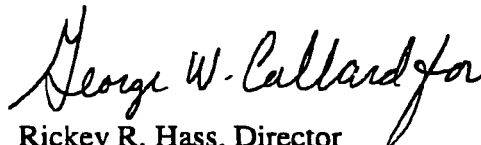
Based on the results of our limited review, nothing came to our attention to indicate that Science performance measures did not reflect overall program performance. The results of our survey work, which included reviewing a sample of performance measures, found that Science performance expectations generally flowed down into the scope of work at the national laboratories. We also found that the performance measures were, for the most part, output-oriented and measurable, and that overall reported performance results were valid. We did, however, note minor issues related to certain measures.

Specifically, the language and usefulness of the measures we reviewed could be improved. The use of non-technical language, the definition of subjective terms, and the inclusion of baselines from which to measure progress could make the measures more understandable and useful. For example, one measure called for Science to continue construction of the Center for Comparative and Functional Genomics at the Oak Ridge National Laboratory. The measure, however, did not include any baseline information or targeted performance against which management could determine progress.

We also noted an instance where a performance measure and its associated result were inaccurately reported. While Science reported in the FY 2002 *Performance and Accountability Report* that it had completed construction of the Linac Test Area at Brookhaven, we learned that construction is not scheduled for completion until FY 2003. Furthermore, that particular performance measure should have been associated with the Fermi National Accelerator Laboratory, not Brookhaven.

The above areas were discussed with officials from the Office of Science on March 27, 2003.

We appreciate the cooperation of your staff during our review. If you have any questions regarding our audit, please contact Brian Boos at (301) 903-3858 or Kevin Majane at (301) 903-4065.



Rickey R. Hass, Director
Science, Energy, Technology,
and Financial Audits
Office of Audit Services
Office of Inspector General

cc: Audit Liaison, Office of Science, SC-62
Team Leader, Audit Liaison, ME-2.1

METHODOLOGY

To accomplish the audit objective we:

- Reviewed the Government Performance and Results Act of 1993, Office of Management and Budget Circular A-11, the President's Management Agenda, the Department's performance measure guidance, and related reports from the Office of Science and the National Academy of Sciences;
- Reviewed a sample of Science FY 2002 revised final performance targets and, where applicable, reported performance results in the Department's FY 2003 *Annual Performance Plan*, the SOLOMON database, and the FY 2002 *Performance and Accountability Report*;
- Reviewed the contracts and Field Work Proposals for Brookhaven, SLAC, and Berkeley;
- Reviewed documentation supporting the reported performance results; and
- Held discussions with Headquarters officials from the Office of Science, Office of Management, Budget, and Evaluation, and laboratory federal and contractor personnel.

The audit was performed in accordance with generally accepted Government auditing standards for performance audits and included tests of internal controls and compliance with laws and regulations to the extent necessary to satisfy the audit objective. Accordingly, we assessed controls related to the projects selected for review. Because our review was limited, it would not necessarily have disclosed all internal control deficiencies that may have existed at the time of our audit. Since computer processed data was not the primary support used to meet our audit objective, we performed a limited assessment of data reliability. An exit conference was held on March 27, 2003.

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(8-89)
EFG (07-90)

United States Government

Department of Energy

Memorandum

MAY 02 2003

DATE:

REPLY TO: IG-34 (A03SC017)

SUBJECT: Final Report Package for "Audit of Performance Measures in the Office of Science"
Audit Report No.: OAS-L-03-13

TO: Frederick D. Doggett, Deputy Assistant Inspector General for Audit Services

Attached is the required final report package on the subject audit. The pertinent details are:

1. Actual Staff days: 128Actual Elapsed days: 98

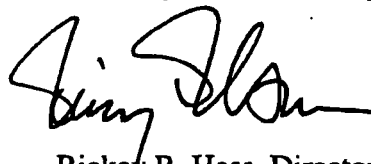
2. Names of OIG and/or contractor audit staff:

Assistant Director: George W. Collard
Team Leader: Kevin Majane
Auditor-in-Charge: Brian Boos
Audit Staff: Katie Shaull

3. Coordination with Investigations and Inspections:

Investigations: Vera Shepard - January 9, 2003 and April 23, 2003

Inspections: Henry Minner - January 9, 2003 and April 23, 2003

Rickey R. Hass, Director
Science, Energy, Technology,
and Financial Audits
Office of Audit Services
Office of Inspector General

Attachments:

1. Final Report (3)
2. Monetary Impact Report
3. Audit Project Summary Report
4. Audit Database Information Sheet

Attachment 2

MONETARY IMPACT OF REPORT NO.: OAS-L-03-13

- 1. Title of Audit: Audit of Performance Measures in the Office of Science
- 2. Region/Office: Science, Energy, Technology, and Financial Audits
- 3. Project No.: A03SC017
- 4. Type of Audit:

Financial: _____ Performance: X
 Financial Statement _____ Economy and Efficiency _____
 Financial Related _____ Program Results X
 Other (specify type): _____

5.

FINDING		BETTER USED			QUESTIONED COSTS			MGT. POSITION	POTENTIAL BUDGET IMPACT
(A)	(B) Title	(C) One Time	Recurring		(G) Questioned Portion	(H) Unsupported Portion	(I) Total	(J) C=Concur N=Noncon U=Undec	(K) Y=Yes N=No
			(D) Amount Per Year	(E) No. Yrs.					
	N/A				N/A			N/A	
TOTALS--ALL FINDINGS		\$ 0	\$ 0		\$ 0	\$ 0	\$ 0		

6. Remarks: There is no current monetary impact or potential future savings.

7. Contractor: _____
 8. Contract No.: _____
 9. Task Order No.: _____

10. Approvals:
 Division Director JWS 5/2/03
 & Date
 Technical Advisor &
 Date

Office of the Inspector General (OIG)
Audit Project Office Summary (APS)

Report run on: April 30, 2003 10:35 AM

Audit#: A03SC017 Ofc: FOA Title: OFFICE OF SCIENCE PERFORMANCE MEASURES

**** Milestones ****

Table with columns: Profile, Planned End of Survey, Revised, Actual. Rows include Entrance Conference, Survey Completed, Field Work Complete, Draft Report Issued, Exit Conference, Completed with Report, Elapsed Days, Staff Days, Date Suspended, Date Reactivated, Days Suspended, Report Number, Rpt Title.

**** Audit Codes and Personnel ****

Aud Type: Not Found
Category: SC Not Found
DOE-Org: Not Found
Maj Iss: 103 PERFORMANCE MANAGEME
Site: MSA MULTI-SITE AUDIT
AD: 530 MAJANE
AIC: 670 BOOS
HDQ-Mon: 421 SCHULMAN
ARM: 459 COLLARD

**** Task Information ****

Task No:
Task Order Dt: CO Tech. Rep:
Orig Auth Hrs: Orig Auth Costs:
Current Auth: Current Auth Cost:
Tot Actl IPR Hr: Tot Actl Cost:

**** Time Charges ****

Table with columns: Emp/Cont Name, Numdays, Last Date. Rows: MARVIN, R (0.5, 19-APR-03), SHAULL, K (49.0, 19-APR-03), BOOS, B (78.5, 19-APR-03), Total: 128.0

**** AIC Information ****

AIC AIC Rank AIC Desc

Attachment 4

AUDIT DATABASE INFORMATION SHEET

1. Project No.: A03SC017
2. Title of Audit: Audit of Performance Measures in the Office of Science
3. Report No./Date: OAS-L-03-13, April 22, 2003
4. Management Challenge Area: Performance Management
5. Presidential Mgmt Initiative: Budget and Performance Integration
6. Secretary Priority/Initiative: Supports DOE Mission
7. Program Code: SC
8. Location/Sites: Headquarters, Brookhaven National Laboratory (BNL), Stanford Linear Accelerator Center (SLAC), and Lawrence Berkeley National Laboratory (LBNL)
9. Finding Summary:

Based on the results of our limited review, nothing came to our attention to indicate that Science performance measures did not reflect overall program performance. The results of our survey work, which included reviewing a sample of performance measures, found that Science performance expectations generally flowed down into the scope of work at the national laboratories. We also found that the performance measures were, for the most part, output-oriented and measurable, and that overall reported performance results were valid. We did, however, note minor issues related to certain areas. These areas were discussed with officials from the Office of Science on March 27, 2003.

10. Keywords:

- Performance Measures
- Government Performance and Results Act of 1993
- GPRA
- Office of Science
- Science
- Brookhaven National Laboratory
- Stanford Linear Accelerator Center
- Lawrence Berkeley National Laboratory

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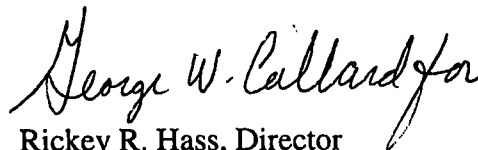
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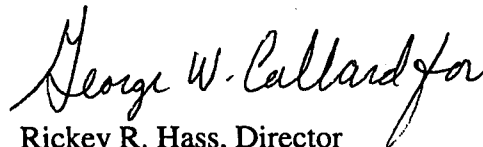
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