



January 5, 2010

TO: American Recovery and Reinvestment Act Senior Accountable Official
Recovery Act Implementation Executive

FROM: Acting Assistant Inspector General for Auditing

SUBJECT: Final Memorandum on Analysis of NASA's Final Program-Specific Recovery Act Plans (Report No. IG-10-005; Assignment No. A-09-009-04)

The American Recovery and Reinvestment Act (Recovery Act) requires Federal Offices of Inspector General (OIGs) to assess their agency's compliance with Recovery Act mandates and with the Office of Management and Budget's (OMB) April 3, 2009, "Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009" (OMB Guidance).

The NASA OIG conducted a review of NASA's program-specific plans for the Agency's Recovery Act-related projects and activities. Program-specific Recovery Act plans are intended to provide detailed summaries of projects and programs funded under the Recovery Act. Program plans are required to specify the objectives of the projects as well as the benefits of these projects to the public. NASA submitted five program plans to OMB for review on May 15, 2009, and OMB accepted the program plans as submitted. On the basis of Recovery Act requirements for agency reporting and OIG oversight, we analyzed the five program plans to assess compliance with OMB's Guidance.

Executive Summary

During our initial review of the five program plans, we found that each had a number of minor compliance issues when compared to the OMB Guidance. Specifically, none of the five program plans included a description of periodic reviews of planned Recovery Act-related activities in the Monitoring and Evaluation section. In addition, one program plan did not identify projects and activities funded under the Recovery Act and did not address the section on Federal Infrastructure Investments.

We discussed the issues with NASA's Recovery Act Implementation Executive, who provided reasonable explanations for these issues. The discrepancies we noted between the OMB Guidance and the NASA Program Plans were either the result of alternate formatting of information mutually agreed upon by NASA and OMB or of NASA not providing all required information while awaiting Congressional concurrence with the Agency's fiscal year (FY) 2009 Operating Plan. Based on the information provided, we concluded that each of the plans adequately addressed the requirements of the OMB Guidance.

We issued the draft memorandum on December 17, 2009. In NASA's response, received January 5, 2010, the Recovery Act Implementation Executive stated the Agency concurred with the observations noted in this memorandum.

Background

OMB's Guidance outlines requirements and critical steps agencies must take to meet the transparency and accountability provisions mandated by the Recovery Act, particularly with regard to reporting spending and performance data for projects and programs funded under the Recovery Act. The OMB Guidance requires that an agency's program-specific plans identify how funds will be applied and managed; describe in detail the objectives, activities, characteristics, and delivery schedules for each project; and include information about how the agency will monitor the projects and evaluate performance.

The required data to be included in each program-specific plan, as outlined in the OMB guidance, are grouped into eight categories:

1. Objectives – what the program is intended to accomplish and its public benefits,
2. Projects and Activities – description of projects and activities and the associated funding,
3. Characteristics – types of Federal assistance and funding beneficiaries,
4. Major Planned Program Milestones – description of work schedules and milestones for the programs and projects,
5. Monitoring and Evaluation – the process by which the Agency will identify and mitigate challenges and risks,
6. Measures – how progress and accomplishments will be measured, particularly with reference to Program Assessment Rating Tool (PART) performance measures,
7. Transparency and Accountability – how program costs and performance information are organized, and
8. Federal Infrastructure Investments – process to ensure compliance with energy efficiency and green building requirements.

NASA submitted its five program-specific plans to OMB on May 15, 2009. Five NASA mission areas are receiving Recovery Act funds: Astrophysics, Earth Science, Aeronautics, Exploration, and Cross-Agency Support.

Initial OIG Review of NASA's Program Plans

NASA developed a Program Plan for each mission area with Recovery Act-related projects. The OIG evaluated each of the program plans to assess whether they fulfilled the requirements of the OMB Guidance. During our initial review of the Program Plans, we identified several compliance issues and discussed these issues with NASA's Recovery Act Implementation Executive. According to the Implementation Executive, once further guidance is received from OMB, the Agency will revise its Program-Specific Recovery Act Plans. The

OIG will review the changes at that time to ensure the issues noted in our initial review have been adequately addressed.

The table below summarizes the issues and identifies the Program Plan or Plans to which each issue applies. The table also includes the resolution of each issue as reported by the Implementation Executive.

Table 1: Compliance Issues Noted in NASA's Program-Specific Recovery Act Plans			
Program Plan(s)	Reporting Element	Compliance Issue	Resolution
Earth Science Recovery Plan	Projects and Activities	The Program Plan did not identify or provide details about projects and activities funded under the Recovery Act.	The projects were not listed in the Program Plans because NASA's FY 2009 Operating Plan had not received Congressional concurrence and until this occurred, NASA could not include specific project information in the Program Plans. Once the Operating Plan received Congressional concurrence, NASA began making specific changes to the Program Plans to resolve any conflicts and will resubmit the Program Plan for Earth Science to OMB. NASA also intends to update the other Recovery Act Program Plans as appropriate. Once the updates are complete and have been submitted, the OIG will review the updated Program Plans.
Earth Science Recovery Plan	Federal Infrastructure Investments	This element was not addressed in the Earth Science Recovery Plan.	NASA included a boilerplate Federal Infrastructure Investments paragraph in all five Program Plans; however, the draft version of the Program Plan for Earth Science did not contain any projects or activities that would require additional information specific to Federal infrastructure investments. OMB indicated that unless Recovery Act funds were spent on Federal infrastructure investments, this information was unnecessary; therefore, it was omitted from the final version of the Program Plan. If NASA later decides to spend Recovery Act money on Federal infrastructure investments for Earth Science projects, this section will be updated and resubmitted to OMB at that time.

Table 1: Compliance Issues Noted in NASA's Program-Specific Recovery Act Plans (continues)			
Program Plan(s)	Reporting Element	Compliance Issue	Resolution
All Five Program Plans	Monitoring and Evaluation	A detailed description of planned periodic reviews was not included in this section of the program plans.	A brief summary of the planned periodic reviews was included in the Monitoring and Evaluation section of each of the five Program-Specific Plans. However, because of the 4,000-character limit for this section, a detailed description of the periodic reviews could not be provided. As a result, the Recovery Act Implementation Executive included a more detailed description of the periodic reviews under the Transparency and Accountability section where she felt it was more accurately reflected. OMB accepted this divergence from the template.

On the basis of our discussions with NASA officials and OMB's acceptance of the five Program Plans, we concluded that the Agency adequately complied with the OMB Guidance. We also noted that after receiving approval from OMB, NASA's Program Plans were uploaded to Recovery.gov and also posted to NASA's Recovery Act Web site, as required by the OMB Guidance. Since receiving Congressional concurrence on the FY 2009 Operating Plan, NASA is taking the appropriate steps to update the Program Plans with the project and activity information that was missing in the version submitted to OMB.

During our review, Congress concurred with NASA's FY 2009 Operating Plan. Accordingly, changes to the program plans are being made to address changes in funding allocation for Recovery Act activities. The OIG will review revisions to the Program Plans to ensure that they adequately address the identified compliance issues and comply with Recovery Act and OMB Guidance.

We issued the draft memorandum on December 17, 2009. In NASA's response, received January 5, 2010, the Recovery Act Implementation Executive stated the Agency concurred with the observations noted in this memorandum. The response also noted that, "OMB has informed the Agency that the Recovery Accountability & Transparency Board (RATB) is currently responsible for Recovery.gov, and providing any opportunities for updating the Agency-wide and Program Plans posted there. We have been informed that the RATB intends to provide this opportunity early this calendar year."

We appreciate the courtesies extended during our review. If you have any questions or need additional information, please contact Ms. Laura B. Nicolosi, Director, at 202-358-2562, or Mr. John Apker, Project Manager, at 202-358-2978, of the Office of Audits, Institutional Management and Recovery Act Activities Directorate.

/s/

Debra D. Pettitt

cc:

NASA General Counsel

Scope and Methodology

We performed this review from May 2009 through November 2009. This review was not an audit conducted in accordance with government auditing standards. We limited our scope to reviewing NASA's five Recovery Act Program-Specific Plans as submitted to OMB on May 15, 2009, to assess their compliance with the Recovery Act requirements for Federal agency program plans as outlined in OMB's April 3, 2009, "Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009." We did not use computer-processed data to perform this review and there was no prior OIG audit coverage of this issue.