

August 2004

# ARCHITECT OF THE CAPITOL

## Midyear Status Report on Implementation of Management Review Recommendations



G A O

Accountability \* Integrity \* Reliability



Highlights of [GAO-04-966](#), a report to Congressional committees.

## Why GAO Did This Study

The Conference Report on the Consolidated Appropriations Resolution, 2003, directed GAO to monitor AOC's progress in implementing recommendations contained in GAO's management review of AOC's operations, issued in January 2003. This is the second status report in which GAO examines the actions taken by AOC to implement selected GAO recommendations. Additionally, the Consolidated Appropriations Resolution, 2003, mandated GAO to assess AOC's Chief Operating Officer's (COO) action plan. This report provides that assessment.

## What GAO Recommends

GAO makes 13 additional recommendations to assist AOC in its management control efforts—such as stakeholder involvement, auditable financial statements and related internal controls, financial reporting for operating units and cost accounting, and Capitol complex master planning—and to enhance the COO action plan. The Architect noted his agreement with each of our recommendations, except for three that addressed worker safety performance measures, Capitol complex master planning, and the process for prioritizing projects. GAO continues to believe that additional efforts are needed, but revised two of the three recommendations—master planning and project prioritization—to address the Architect's concerns and provide greater clarity.

[www.gao.gov/cgi-bin/getrpt?GAO-04-966](http://www.gao.gov/cgi-bin/getrpt?GAO-04-966).

To view the full product, including the scope and methodology, click on the link above. For more information, contact J. Christopher Mihm at (202) 512-6806 or [mihmj@gao.gov](mailto:mihmj@gao.gov).

# ARCHITECT OF THE CAPITOL

## Midyear Status Report on Implementation of Management Review Recommendations

### What GAO Found

AOC has made progress on key management control issues, but substantial work remains to achieve sustained, long-term management improvements and organizational transformation. These key issues include (1) stakeholder involvement, (2) employee communications, (3) auditable financial statements and related internal controls, (4) financial reporting for operating units and cost accounting, (5) information security management, (6) worker safety performance measures, (7) Capitol complex master planning, and (8) strategic management of recycling.

For example, AOC has not fully engaged its congressional and other stakeholders in developing a clear, transparent, and documented understanding of how AOC sets project priorities and how progress will be assessed. AOC has taken some steps to involve its stakeholders by delivering planning documents and responding to requests for information. AOC has made progress addressing employee communications issues and can maintain momentum by fully and effectively implementing its planned initiatives. AOC has made progress in preparing auditable agencywide financial statements; however, it has deferred the audit of a complete set of financial statements from fiscal year 2004 to fiscal year 2005. Also, substantial work remains before AOC can provide its managers with the meaningful financial, cost, and performance information needed to enhance their management of operating units. AOC has continued to make some progress establishing the management foundation for effective information security management, but much remains to be accomplished, such as completing system risk assessments and monitoring and evaluating its security policies and controls. Additionally, AOC has developed performance measures to track worker safety, but work remains to ensure successful implementation of these measures. In regard to project management, AOC has taken steps to develop a Capitol complex master plan and expects it to be available for stakeholder comment in February 2006. Given the importance of the master plan, stakeholder involvement early in and throughout its development is key to the plan's ultimate acceptance and value. Similarly, AOC has made progress developing a mission statement and goals for its recycling program as part of its broader Environmental Program Plan, although AOC does not expect to obtain congressional input until after the plan has been completed—an important omission.

The Architect and the COO need to work with Congress to determine Congress' information needs—with a specific focus on AOC's project management—and the timing and format of delivery of that information that will best meet Congress' needs. The COO Action Plan was submitted to Congress on December 22, 2003—59 days late. Overall, the plan's high-level description of action items assumes that Congress and other users have a deep and detailed knowledge of AOC's goals, internal operations, and management functions—a level of knowledge that is not reasonable to expect.

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**Abbreviations**

AE	Architect/Engineer
AOC	Architect of the Capitol
CFO	Chief Financial Officer
COO	Deputy Architect/Chief Operating Officer
EA	Enterprise Architecture
EAC	Employee Advisory Council
FCA	Facility Condition Assessments
HRMD	Human Resources Management Division
IT	Information Technology
OSHA	Occupational Safety and Health Administration
SHEC	Safety, Health, and Environment Council

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United States Government Accountability Office  
Washington, D.C. 20548

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August 31, 2004

The Honorable Ben Nighthorse Campbell  
Chairman  
The Honorable Richard J. Durbin  
Ranking Minority Member  
Subcommittee on Legislative Branch  
Committee on Appropriations  
United States Senate

The Honorable Jack Kingston  
Chairman  
The Honorable James P. Moran  
Ranking Minority Member  
Subcommittee on Legislative Branch  
Committee on Appropriations  
House of Representatives

The Honorable Trent Lott  
Chairman  
The Honorable Christopher J. Dodd  
Ranking Minority Member  
Committee on Rules and Administration  
United States Senate

This is our second semiannual report on the Office of the Architect of the Capitol (AOC), as required by the Conference Report on the Consolidated Appropriations Resolution, 2003.<sup>1</sup> This report evaluates AOC's progress since December 1, 2003, in establishing select elements of a strategic management and accountability framework, including strong management infrastructure and controls, to drive its agency transformation efforts and to address long-standing program issues. In January 2004, we completed the first semiannual review and issued a report on AOC's progress from January 18, 2003, through November 30, 2003, in implementing recommendations outlined in our January 2003 report.<sup>2</sup>

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<sup>1</sup> H.R. Rep. No. 108-10, accompanying Pub. L. No. 108-7 (Feb. 20, 2003).

<sup>2</sup> GAO, *Architect of the Capitol: Status Report on Implementation of Management Review Recommendations*, [GAO-04-299](#) (Washington, D.C.: Jan. 30, 2004); and *Architect of the Capitol: Management and Accountability Framework Needed for Organizational Transformation*, [GAO-03-231](#) (Washington, D.C.: Jan. 17, 2003).

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Based on our past reviews of AOC's progress implementing our recommendations, this report focuses on eight key management control issues that deserve near-term attention. These are (1) stakeholder involvement, (2) employee communications, (3) auditable financial statements and related internal controls, (4) financial reporting for operating units and cost accounting, (5) information security management, (6) worker safety performance measures, (7) Capitol complex master planning,<sup>3</sup> and (8) strategic management of recycling. Each key issue is linked to one or more of our prior recommendations. As mandated by the Consolidated Appropriations Resolution, 2003, this report also assesses the Deputy Architect/Chief Operating Officer (COO) Action Plan that was issued in December 2003. We conducted our work in Washington, D.C., from April 2004 through July 2004 in accordance with generally accepted government auditing standards.

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## Results in Brief

During the 6 months we reviewed, AOC made progress on all eight key management control issues, but substantial work remains to achieve sustained, long-term management improvements and organizational transformation. These key issues, as well as our corresponding prior recommendations, are listed in table 1.

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<sup>3</sup> In previous GAO reports, we used the phrase Capitol Hill complex master plan. In his written comments, the Architect requested that the term "Hill" be omitted to ensure consistency with the AOC strategic plan, the master plan contract, and other related documentation. We have made this change throughout the report.

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**Table 1: Key Issue and Corresponding Prior Recommendations**

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**Key Issue—Stakeholder Involvement**

Corresponding Prior Recommendations:

- (1) Improve strategic planning and organizational alignment by involving key congressional and other external stakeholders in AOC's strategic planning efforts and in any organizational changes that may result from these efforts.
- (2) Develop a comprehensive strategy to improve internal and external communications by completing the development of congressional protocols by involving stakeholders.
- (3) Conduct a pilot of its congressional protocols in one or more of its jurisdictions to determine how well its protocols would work in addressing customer requests for service, while balancing the needs of multiple requests with the strategic plan and corresponding project priorities of the agency.
- (4) Develop a comprehensive strategy to improve internal and external communications by improving annual accountability reporting through annual performance planning and reporting.

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**Key Issue—Employee Communications**

Corresponding Prior Recommendations:

- (5) Strengthen AOC's human capital policies, procedures, and processes by assessing ways in which AOC management could better gather and analyze data from the various employee relations offices and employee advisory council while maintaining employee confidentiality.
- (6) Establish a direct reporting relationship between the Ombudsperson and the Architect consistent with professional standards.
- (7) Develop a comprehensive strategy to improve internal and external communications by providing opportunities for routine employee input and feedback.
- (8) Gather and analyze employee feedback from focus groups or surveys before fiscal year 2005, as well as communicate how it is taking actions to address any identified employee concerns.

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**Key Issue—Auditable Financial Statements and Related Internal Controls, and  
Key Issue—Financial Reporting for Operating Units and Cost Accounting**

Corresponding Prior Recommendation:

- (9) Continue to improve AOC's approach to financial management by developing strategies to institutionalize financial management practices that will support budgeting, financial, and program management at AOC.

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**Key Issue—Information Security Management**

Corresponding Prior Recommendation:

- (10) Establish and implement an information security program. Specifically, the Architect should establish an information security program by taking the following steps:
  - designate a security officer and provide him or her with the authority and resources to implement an agencywide security program,
  - develop and implement policy and guidance to perform risk assessments continually,
  - use the results of the risk assessments to develop and implement appropriate controls,
  - develop policies for security training and awareness and provide the training, and
  - monitor and evaluate policy and control effectiveness.

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**Key Issue—Worker Safety Performance Measures**

Corresponding Prior Recommendations:

- (11) Identify performance measures for safety goals and objectives, including measures for how AOC will implement 43 specialized safety programs and how superintendents and employees will be held accountable for achieving results.
  - (12) Establish a safety training curriculum that fully supports all of the goals of the safety program and further evaluate the effectiveness of the training provided.
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(13) Establish a senior management work group that will routinely discuss workers' compensation cases and costs, and develop strategies to reduce these injuries and costs.

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**Key Issue—Capitol Complex Master Planning**

Corresponding Prior Recommendations:

(14) Develop a Capitol complex master plan and complete condition assessments of all buildings and facilities under the jurisdiction of AOC.

(15) Develop a process for assigning project priorities that is based on clearly defined, well-documented, consistently applied, and transparent criteria.

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**Key Issue—Strategic Management of Recycling**

Corresponding Prior Recommendation:

(16) Develop a clear mission and goals for AOC's recycling program with input from key congressional stakeholders as part of its proposed environmental master plan. AOC may want to establish reasonable goals based on the total waste stream—information it plans to obtain as part of its long-term environmental management plan—that could potentially be recycled.

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Source: GAO

**Stakeholder Involvement:** AOC has not yet fully engaged its congressional and other stakeholders and has not effectively worked with Congress to develop a clear, transparent, and documented understanding of how AOC sets project priorities and how progress will be assessed. In addition, as detailed in other sections of this report, AOC needs to expand Congress' involvement in the development of the Capitol complex master plan and the mission and goals for the agency's recycling program. AOC did, however, take some steps to involve congressional and other stakeholders during the 6 months reviewed by attending monthly or biweekly meetings with congressional stakeholders, delivering planning documents to congressional stakeholders, and responding to requests for information. AOC can strengthen its stakeholder relationships by informing congressional and other stakeholders of AOC's progress and activities, as well as more effectively consulting with these stakeholders to build a mutual understanding of each other's project priorities. AOC also recognizes that a next step in the strategic planning process is to more fully incorporate outcome- and performance-based measures into the agency's strategic and performance plans, and it plans to seek assistance in developing these measures. Given the importance of stakeholder involvement, we recommend the Architect of the Capitol direct the COO to (1) actively consult with Congress on the design and implementation of meaningful outcome- and performance-based measures, (2) expedite the release of the 2003 building services customer satisfaction survey as a transparency and accountability mechanism, and (3) work with Congress on the design and implementation of a transparent process to facilitate an understanding between AOC and its congressional stakeholders about how



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AOC targets its efforts and resources at the highest project priorities and how strategic and tactical decisions and trade-offs are made.

**Employee Communications:** Gathering accurate and timely information from employees about their concerns is critical to the development of meaningful human capital policies. Over the 6 months we reviewed, AOC has made progress addressing employee communications by developing a number of policies and procedures, such as a strategic communications plan, a draft employee feedback manual, a customer satisfaction survey manual, and a focus group guide. AOC can maintain momentum in this area by fully and effectively implementing its planned initiatives. The ombudsperson's position, which was initially created to help address employee relations problems, however, has remained vacant since September 30, 2003, and AOC does not currently plan to fill the position. An ombudsperson serves as an independent provider of advice and counsel to nonunion employees on employment policies, practices, or other employment-related matters. A decision by AOC management to leave this position vacant should be made only after a thorough analysis of AOC's and employees' needs, as well as the capacity of other offices to fulfill those needs. Accordingly, we are recommending that the Architect of the Capitol direct the COO to (1) fully and effectively implement the basic framework as defined in its communications plan and process manuals, and finalize its draft employee feedback manual, and (2) conduct an analysis of AOC's and employees' needs with respect to resolving employee concerns, as well as assessing the capacity of existing offices to fulfill those needs.

**Auditable Financial Statements and Related Internal Controls:** The ability to prepare agencywide financial statements that, along with related internal controls, can be independently audited represents a key component of an organization's ability to institutionalize financial management best practices and establish a sound foundation of accountability and control. AOC has made progress in preparing agencywide financial statements; supporting an audit of its September 30, 2003, balance sheet; and establishing related internal control policies and procedures. As part of its efforts to prepare agencywide financial statements, AOC put in place internal control policies and procedures related to funds control, financial reporting, and inventory management, and is starting work on other actions to further enhance financial control and accountability. The auditor is expected shortly to report on the results of the first-ever audit of AOC's balance sheet, which is a key step in AOC's efforts to build a foundation of financial control and accountability. The auditor's reporting will include the results of internal control work that it

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performed, which will provide AOC with additional valuable information as it further strengthens accountability and internal control. The audit of the fiscal year 2003 balance sheet has taken longer and required more effort to support than initially planned. As a result, AOC plans to defer its plans for an audit of a complete set of AOC's financial statements from fiscal year 2004 to fiscal year 2005. For fiscal year 2004, AOC plans to have its September 30, 2004, balance sheet audited and to have its auditor perform some additional procedures designed to help AOC to better prepare for a successful audit of a complete set of its financial statements for fiscal year 2005. AOC deferred the audit of a complete set of financial statements to fiscal year 2005 to provide sufficient time to prepare for and support a full scope audit and to enable AOC staff to deal with issues that came to light during the fiscal year 2003 balance sheet audit. We recommend that the Architect of the Capitol, COO, Chief Financial Officer (CFO), and other senior management provide strong and visible support for efforts to prepare auditable financial statements and implement an effective internal control framework by monitoring the implementation and related milestones for each effort, ensuring the commitment to and support for each effort by participating AOC units, and acting to resolve any impediments that may arise.

**Financial Reporting for Operating Units and Cost Accounting:**

Developing useful financial reports by major operating units and implementing effective cost accounting processes and procedures can enhance efforts to institutionalize financial management best practices by providing managers with the information needed to effectively manage operations and helping to extend responsibility for financial accountability and control throughout an organization's operations. Over the 6 months we reviewed, AOC progressed in developing financial reports for its major operating units, but it has not begun the process of providing the reports to the operating units and training managers on how the reports may help in managing their operations. With regard to cost accounting, AOC plans for only limited work to be done through the end of fiscal year 2005, with the major work scheduled for fiscal year 2006 through fiscal year 2007 that will identify and implement system and procedural changes needed to have a cost accounting system operational in fiscal year 2008. According to AOC officials, the primary reason for deferring the start of substantive work on implementing cost accounting is AOC's need to develop appropriate and consistent performance metrics across major operating units. As a result, substantial work remains to be done before AOC can provide managers with the meaningful financial, cost, and performance information needed to enhance their management of operating units and extend responsibility

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for financial accountability and control to the units. We recommend that the Architect of the Capitol direct the COO and the CFO to (1) work with operating managers to assess the usefulness of financial-statement-level information; take an active role in AOC near-term efforts to develop agencywide performance measures; and review all available options to determine whether substantial work can begin, prior to fiscal year 2006, on the analyses needed to identify changes necessary to implement useful cost accounting at AOC, and (2) have senior management visibly demonstrate its continuing commitment to and support for making AOC-wide system, procedural, and cultural changes necessary to provide managers with timely financial, cost, and performance information by monitoring the efforts' implementation and related milestones, ensuring the commitment to and support for the efforts by participating AOC units, and acting to resolve any impediments that may arise.

**Information Security Management:** Information security is critical to AOC's ability to ensure the reliability, availability, and confidentiality of its information and technology assets. Accordingly, our January 2003 report provided AOC with recommendations for establishing and implementing an effective information security program. In our January 2004 report, we noted that AOC had made progress toward implementing these recommendations. Since then, AOC has continued to make progress in implementing our recommendations. For example, it has brought on contractor staff to support security operations, developed employee awareness and security training policies and begun implementing them, and developed policy and guidance on system risk assessments. Over the next 8 months, AOC plans to complete employee awareness activities, complete system risk assessments on major applications and systems, and complete the initial data gathering on security policy and control metrics and issue its first report on their effectiveness. Although much important work remains in the basic areas of information security management, if AOC follows through on its plans and actions it should have the management foundation in place for effective information security management. Until it does, it will remain challenged in its ability to effectively secure its information and technology assets.

**Worker Safety Performance Measures:** Although AOC has made progress in developing performance measures to track worker safety, the implementation of these measures is a work in progress. AOC has developed several broad performance measures, including a measure of the extent to which unsafe conditions exist within AOC and a measure to assess employees' perceptions of safety. In addition, AOC has developed

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several specific performance measures to track worker safety, including performance measures for several of the 34 safety policies and measures to assess the impacts of workers' compensation injuries and costs. Nonetheless, work remains to ensure successful implementation of these measures. For example, AOC views the safety perception survey as a communications tool that provided useful information about employees' perceptions about safety in their environment. However, AOC does not view the survey as a strategic measure of its performance. Although there were weaknesses with the survey design, it holds promise as a measure of how employees believe safety is valued at AOC. To enhance worker safety performance measures at AOC, we recommend that the Architect of the Capitol direct the COO to expand upon the safety perception survey by developing a more rigorous methodological approach and collecting such information on a more regular basis.

**Capitol Complex Master Planning:** AOC has taken steps to improve construction project management by developing a Capitol complex master plan, but more needs to be done to ensure the successful completion of the plan in a timely manner. AOC expects to award a contract for the development of the Capitol complex master plan in August 2004. However, the expected completion date for the plan has twice been changed to a later date. Currently, a draft plan is to be available for stakeholder comment in February 2006, and the final version published June 2007. Given the importance and sensitivity of the master plan and the condition of the Capitol complex, as well as the difficult trade-offs that the current budget environment demands, congressional and other stakeholder involvement early and throughout the development of the master plan is key to the plan's ultimate acceptance and value. Facility condition assessments (FCA), which are key components of a master plan, are also being carried out at the House and Senate office buildings as well as the Capitol building.<sup>4</sup> Senior agency officials reported that AOC intends to define the scope of work for the remaining jurisdictions after they complete lessons learned from the first round of FCAs to identify areas that may improve the effectiveness and efficiency of the process. This is an appropriate step if it does not delay the start of future FCAs. Although AOC has created a clear, well-documented, and transparent process for evaluating and prioritizing

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<sup>4</sup> In previous GAO reports, we used the phrase building condition assessments. In his written comments, the Architect requested that the term "building" be replaced with "facility" to ensure consistency with the AOC strategic plan. We have made this change throughout the report.

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projects internally, the process does not address the underlying need to get agreement from and inform congressional and other stakeholders on how AOC sets priorities. In order to improve Capitol complex master planning efforts, we recommend that the Architect of the Capitol, with support from the COO, lead efforts to ensure that congressional and other stakeholders are engaged early and throughout the development of the master plan. In order to improve the process for prioritizing projects, we recommend that the Architect of the Capitol, with support from the COO, lead efforts to ensure that AOC informs and obtains agreement from congressional and other stakeholders on how and why specific projects are submitted for funding.

**Strategic Management of Recycling:** The mission statement and goals for the agency's recycling program are being developed as part of AOC's broader Environmental Program Plan. During the 6 months we reviewed, AOC completed a baseline assessment that evaluated the compliance of AOC facilities and operations with federal, state, and local environmental regulations, as well as a waste stream analysis, which identified the types of and amounts of waste created at AOC facilities and possible pollution prevention opportunities. AOC's current waste stream analysis, which is being expanded to include electronic waste, such as outdated computer equipment, is to be used to develop pollution prevention plans. Although AOC received valuable input from internal stakeholders on its environmental plan in May 2004, it does not plan to obtain congressional stakeholder input until after the plan is completed—an important omission in our view. Accordingly, we recommend that the Architect of the Capitol direct the COO to obtain preliminary input from congressional stakeholders on its environmental program plan—particularly as the plan relates to the mission and goals of AOC's recycling program—prior to completion of the plan.

**The COO's Action Plan:** The Consolidated Appropriations Resolution, 2003, required the COO of AOC to prepare an action plan describing the policies, procedures, and actions to carry out his responsibilities, which we were mandated to assess. The action plan, which was submitted to congressional committees on December 22, 2003—59 days after it was required to have been submitted—listed 31 action items across six business areas. The plan assumes Congress and other users of the plan have a deep and detailed knowledge of AOC's goals, internal operations, and management functions—a level of knowledge that is not reasonable to expect. The plan also does not clearly describe how the COO would fulfill his legislated responsibilities or help lead transformational change at AOC.

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For example, while the plan and its accompanying report acknowledge the need for organizational changes and highlight expected improvements, they do not describe what specific changes the COO envisions or how those changes would be accomplished. To enhance the usefulness of the COO action plan, we recommend that the Architect of the Capitol and the COO consult with members of Congress and key committees on specific information about AOC's plans, policies, procedures, actions, and proposed organizational changes. As part of this effort, the Architect and the COO should work with Congress to determine Congress' information needs and the timing and format of delivery of that information that will best meet Congress' needs. Furthermore, consistent with our findings and recommendations in regard to congressional and other stakeholder involvement in general and the Capitol complex master plan in particular, as well as our original January 2003 management review, specific emphasis should be placed on AOC's project management. Subsequent COO action plans and status reports will likely be most helpful to Congress to the extent that they are rigorously specific as to the problem or issue that needs to be addressed, the actions that are being taken in response, the progress to date, and milestones for additional actions.

On July 26, 2004, we provided a draft of this report to the Architect for review and comment. We received written comments August 13, 2004, which are reprinted in appendix I. In his comments, the Architect generally agreed with our findings and conclusions. He suggested technical changes and provided additional information related to information security, safety performance measures, and Capitol complex master planning that were incorporated into our report where appropriate. The Architect also noted his agreement with each new recommendation, except for those regarding worker safety performance measures, Capitol complex master planning, and the process for prioritizing projects.

Regarding worker safety performance measures, we recommended that AOC expand upon its safety perception survey by developing a more rigorous methodological approach. In response, the Architect stated AOC's response rate was 68 percent and that the survey used a number of benchmark questions that have previously been used in other surveys. Nonetheless, as frontline employees (e.g., carpenters, plumbers, and custodial workers) are most at risk of work-related injuries, their low response rate of 49 percent makes it difficult for AOC to draw meaningful conclusions about this at risk group's attitudes towards safety. In addition, the lack of a pretest of the survey does not give AOC assurance that employees interpreted the questions in the manner AOC had expected.

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Thus, we believe that AOC's safety perception survey would still benefit from a more rigorous methodological approach.

In our draft report, we also recommended that the Architect direct the COO to improve Capitol complex master planning efforts and the process to prioritize projects by (1) ensuring that congressional and other stakeholders are engaged early and throughout the development of the Capitol complex master plan and (2) ensuring that AOC informs and obtains agreement from congressional and other stakeholders on how and why specific projects are submitted for funding. According to the Architect, he has and will continue to lead the Capitol complex master plan initiative and he plans to meet with stakeholders at the beginning and throughout the development of the master plan. The Architect's personal involvement is critical to success of the Capitol complex master plan, and his plan to engage stakeholders is consistent with our recommendation. However, the COO should also be involved in the master planning process, project prioritization, and communication with stakeholders because the COO position was created to serve as a central leadership point at AOC. As such, we made revisions to the two recommendations so that the Architect, with support from the COO, leads efforts to implement the recommendations. The Architect also questioned the direct link between the master plan and the prioritization process. Although we continue to believe that the Capitol complex master plan and the prioritization process should be linked because the master plan could help guide day-to-day project prioritization, we now address them separately for the sake of clarity.

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## Background

AOC is responsible for the maintenance, renovation, and new construction of the buildings and grounds primarily located within the Capitol Hill complex. Organizationally, AOC consists of a centralized staff that performs administrative functions and separate "jurisdictions" responsible for the day-to-day operations at the U.S. Capitol Building, the Senate Office Buildings, the House Office Buildings, the Library of Congress Buildings and Grounds, the Supreme Court Buildings and Grounds, the Capitol Grounds, the Capitol Power Plant, and the Botanic Garden. The historic nature and high profile of many of these buildings creates a complex environment in which to carry out AOC's mission. AOC must perform its duties in an environment that requires balancing the divergent needs of congressional leadership, committees, individual members of Congress, congressional staffs, and the visiting public. The challenges of operating in

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this environment were complicated by the events of September 11, 2001, and the resulting need for increased security.

We issued a report in January 2003 that contained 35 recommendations to assist AOC in establishing a strategic management and accountability framework, including strong management infrastructure and controls, to drive its agency transformation effort, and to address long-standing program issues. As a part of ongoing work to monitor AOC's efforts to implement the recommendations, we issued a report in January 2004 that covered the agency's progress from January 18, 2003, through November 30, 2003.

In our January 2004 report, we reiterated that many of AOC's management problems are long-standing and that organizational transformation would take time to accomplish. Not surprisingly, AOC's efforts to address the 35 recommendations were, at that time, very much a work in progress. We highlighted the agency's first steps to develop a management and accountability framework, including the issuance of a draft strategic plan and efforts to strengthen individual accountability for goals. We noted, however, that additional steps were needed to enhance communications with congressional and other stakeholders and employees. In addition, we found that AOC began to draft new human capital policies and procedures and developed three broad-based action plans to help institutionalize financial management best practices, although many of the actions were not scheduled for completion until 2007.

We also reported that AOC was making progress developing an agencywide approach to information technology (IT) management, although additional steps were needed to ensure that, for example, mature information security management, investment management, and enterprise architecture (EA) management processes are implemented. In addition, we found that AOC was beginning to address worker safety concerns by developing a hazard assessment and control policy, although it is not expected to be fully implemented until May 2006; was taking steps to establish a project prioritization framework for better management and accountability; and was progressing toward adopting a more strategic approach to recycling. Overall, we concluded that AOC fulfilled three recommendations, and we made four additional recommendations—which brought to 36 the number of open recommendations.



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## Objectives, Scope, and Methodology

This report is part of our effort under a congressional mandate to monitor AOC's progress to establish a strategic management and accountability framework, improve its management infrastructure and internal control, and address long-standing areas of concern. Our first objective was to assess AOC's progress over the 6-month period from December 1, 2003, through May 31, 2004, on eight key issues that deserve near-term attention and focus: (1) stakeholder involvement, (2) employee communications, (3) auditable financial statements and related internal controls, (4) financial reporting for operating units and cost accounting, (5) information security management, (6) worker safety performance measures, (7) Capitol complex master planning, and (8) strategic management of recycling. Our second objective, which was mandated by the Consolidated Appropriations Resolution, 2003 (Public Law 108-7), was to assess AOC's COO action plan that was issued in December 2003.

To address our first objective, we collected documentation to determine AOC's progress on addressing each key issue and the 16 corresponding prior recommendations. For example, we reviewed documents such as AOC's 5-year strategic and annual performance plans; strategic communications plan; process manuals; funds control administration order; policy for inventory management; security risk management policy; information security training, education, and awareness policy; IT security metrics policy; inspection, audit, and evaluation policy; and updated occupational safety and health program plan. We also interviewed AOC officials responsible for implementing the 16 recommendations and other related improvement efforts under way at AOC.

To address our second objective, we reviewed and analyzed several documents, including (1) the requirements of the *Deputy Architect/Chief Operating Officer Action Plan* described in the legislation; (2) the *Report to the Congress from the Deputy Architect/Chief Operating Officer*, dated December 22, 2003; (3) the *Deputy Architect/Chief Operating Officer Action Plan*, dated December 22, 2003; and (4) the *Architect of the Capitol Strategic Plan*, dated December 15, 2003.

We conducted our work in Washington, D.C., from April 2004 through July 2004 in accordance with generally accepted government auditing standards.

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## AOC Has Yet to Fully Engage Congressional and Other Stakeholders

AOC must perform its duties in an environment that requires balancing the divergent needs of congressional leadership, committees, individual members of Congress, congressional staffs, and the visiting public. The challenges of operating in this environment were complicated by the events of September 11, 2001, and the resulting need for increased security. As we stated in our January 2003 and January 2004 reports, it is critical for AOC to engage Congress and other stakeholders to ensure that its strategic and other planning efforts fully consider the interests and expectations of these stakeholders. Successful stakeholder involvement requires continuously engaging Congress and other stakeholders to obtain their input and feedback for organizational or operational changes at AOC, ensuring that AOC's finite resources are efficiently targeted at the highest project priorities, and fostering a basic understanding with Congress and other stakeholders of how to balance competing demands. Successful stakeholder involvement also includes improving AOC's accountability reporting, which helps communicate what AOC has accomplished and its plan for continued progress.

In our January 2003 report, we made three recommendations that would help AOC improve its relations with Congress and other stakeholders:

- Improve strategic planning and organizational alignment by involving key congressional and other external stakeholders in AOC's strategic planning efforts and in any organizational changes that may result from these efforts.
- Develop a comprehensive strategy to improve internal and external communications by improving annual accountability reporting through annual performance planning and reporting.
- Develop a comprehensive strategy to improve internal and external communications by completing the development of congressional protocols by involving stakeholders.

As noted in our January 2004 report, AOC improved its strategic planning process and provided more specificity to its strategic goals and objectives, as well as developed milestone dates and actions to assist AOC in monitoring its progress. AOC also made progress in improving annual accountability reporting by implementing a strategic management framework, which includes issuing a strategic plan every 2 years, developing an annual performance plan, and developing an annual

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performance report that discusses how AOC is progressing on meeting its goals, as well as holding midyear status briefings. An AOC official stated the agency recognizes that the next step in the strategic planning process is to more fully incorporate outcome- and performance-based measures into the agency's strategic and performance plans, and AOC has recently developed a statement of work to seek assistance in developing both quantitative and qualitative performance measures to demonstrate progress toward its strategic goals and objectives. In addition, we noted that AOC was partially addressing the development of congressional protocols. To further assist these efforts, we made an additional recommendation for AOC to conduct a pilot of its congressional protocols in one or more of its jurisdictions to determine how well its protocols would work in addressing customer requests for service while balancing the needs of multiple requests with the requirements of the strategic plan and corresponding project priorities of the agency.

During the 6-month review period, AOC did not fully engage its congressional and other stakeholders. For example, AOC has not reached agreement with Congress on how best to develop a clear, transparent, and documented understanding of how AOC sets project priorities and how progress will be assessed. In addition, as detailed in other sections of this report, AOC needs to expand Congress' involvement in the development of the Capitol complex master plan and the mission and goals for the agency's recycling program. AOC did take some steps to inform these stakeholders by delivering planning documents to Congress, responding to requests for information, and attending monthly or biweekly meetings with congressional stakeholders. AOC officials stated that they delivered AOC's final strategic plan, performance plan, and COO action plan to congressional stakeholders in December 2003 to inform them of planned activities. (See our assessment of the COO action plan below.) AOC also generated a detailed report, at the request of its congressional stakeholders, that outlined AOC's progress in implementing our recommendations. Furthermore, AOC did take some steps to communicate with congressional and other stakeholders by attending monthly meetings held by House leadership; biweekly meetings with other House stakeholders, such as the House Clerk and Sergeant At Arms; monthly meetings with the Senate Rules Committee; and bimonthly meetings with the Senate Sergeant At Arms. AOC is also preparing to issue its third building services customer satisfaction survey in June 2004 to measure the agency's performance. However, it has yet to release the results of the 2003 survey, which was originally scheduled for December 2003, because it has yet to be approved by several AOC jurisdictions.

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As we reported in January 2003, AOC drafted an initial set of congressional protocols to help AOC work with its congressional customers using clearly defined, consistently applied, and transparent policies and procedures. Since then, AOC completed draft congressional protocols and submitted them to key congressional stakeholders. An AOC official stated that, based on stakeholder feedback, the protocols are not viable because congressional stakeholders do not believe they are applicable to the operation of and services conducted by AOC. Based on this feedback, an AOC official said that the agency may not pursue implementing the congressional protocols.

As a legislative branch agency, we have found congressional protocols to be a successful vehicle in helping us work with Congress. Successful development and implementation of these protocols first required us to reach out to and solicit feedback from congressional and other stakeholders to develop an understanding of congressional customer needs and identify concerns before we developed an initial draft. Further, we continuously engaged our congressional and other stakeholders throughout pilot testing and implementation. Thus, if AOC decides not to further pursue the congressional protocols or some other vehicle, neither AOC nor congressional stakeholders can be assured that agency efforts and resources are targeted at their highest project priorities and transparency exists for strategic and tactical decisions and trade-offs.

AOC has taken some steps to involve congressional and other stakeholders; however, it has yet to fully engage these stakeholders. AOC can strengthen its stakeholder relationships by informing congressional and other stakeholders of AOC's progress and activities, as well as more effectively consulting with these stakeholders to build a mutual understanding of each other's priorities.

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## Recommendations for Agency Action

To strengthen the relationship between AOC and its congressional and other stakeholders, we recommend the Architect of the Capitol direct the Chief Operating Officer to

- actively consult with Congress on the design and implementation of meaningful outcome- and performance-based measures that are useful to both AOC and Congress and thereby enable AOC and Congress to assess AOC's progress;

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- expedite the release of the 2003 building services customer satisfaction survey, as a transparency and accountability mechanism and to provide Congress and other stakeholders assurance that actions are being taken in response to their feedback; and
  - work with Congress on the design and implementation of a transparent process to facilitate an understanding between AOC and its congressional stakeholders about how AOC targets its efforts and resources at the highest project priorities and how strategic and tactical decisions and trade-offs are made.

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## AOC Has Made Progress toward Implementing an Employee Communications Strategy

Strong internal communication with employees is vital to any organizational transformation by helping employees understand their contribution to overall agency goals and facilitate feedback that helps an organization develop strategies for improvement. Strong employee communications would also help AOC address its history of employee relations problems and complaints. Effective communication efforts include receiving employee input, which can be obtained from existing offices that interact directly with employees, or via other methods, including employee surveys or focus groups. Regardless of the source, systematically collecting and analyzing employee data are important for identifying agencywide issues affecting employee relations and improving human capital policies and procedures. Another useful practice for dealing with issues affecting employee relations and collecting employee data is to establish an ombudsperson position.

In our January 2003 report, we made three recommendations to improve AOC's ability to communicate with employees:

- Develop a comprehensive strategy to improve internal and external communications by providing opportunities for routine employee input and feedback.
- Strengthen AOC's human capital policies, procedures, and processes by assessing ways in which AOC management could better gather and analyze data from the various employee relations offices and employee advisory council while maintaining employee confidentiality.
- Establish a direct reporting relationship between the ombudsperson and the Architect consistent with professional standards.

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In our January 2004 report, we noted that AOC was partially addressing the development of a comprehensive strategy to improve internal and external communications. As such, we made an additional recommendation for AOC to gather and analyze employee feedback from focus groups or surveys before fiscal year 2005, as well as communicate how it is taking actions to address any identified employee concerns.

Over the 6-month period reviewed, AOC continued to make progress addressing employee communications by obtaining employee input and providing employees with feedback, as well as assessing the data gathered during these efforts. To help implement these steps, AOC management issued a communications plan, a draft employee feedback manual, a customer satisfaction survey manual, and a focus group guide. Specifically, AOC's *Employee Feedback Process Manual* stated that it is AOC's policy "to periodically and systematically obtain and report employee feedback, to assess satisfaction levels on activity-related topics, and to use this feedback in improvement actions."<sup>5</sup>

To obtain employee input and provide employee feedback, AOC developed a guide that outlines procedures for conducting focus groups and discusses AOC's intent to contract out the facilitation of focus groups. AOC management also prepared a statement of work that provides requirements a contractor must follow when conducting focus groups, including a requirement for providing a written report containing general conclusions and findings. AOC officials stated that they awarded the contract on June 28, 2003, to facilitate AOC's focus groups, so they may begin no later than August 1, 2004.

AOC also obtains employee input by requiring key managers to document and track employees' concerns or issues each month. Key AOC officials from AOC's Employee Assistance Programs, Labor Relations, Employment Counsel, Equal Employment Opportunity, Employee Advisory Council (EAC), senior management, and Human Resources Management Division (HRMD) meet monthly to assess employee concerns and identify systematic concerns. Agency officials stated that at each of the meetings, all attendees are reminded that employee confidentiality must be maintained. In May 2004, the attendees agreed to pursue a number of actions in response to employee concerns discussed at the monthly

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<sup>5</sup> Architect of the Capitol, *Employee Feedback Process Manual*, AOC-SP1.4 (Washington, D.C., June 2004), 1.

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meetings. Furthermore, AOC has included as an objective in its *Human Capital Plan* to solicit feedback from its EAC. AOC also plans to use exit interviews to collect employees' views upon leaving AOC as well as regularly obtain input from employees through its customer satisfaction surveys, to gauge AOC's internal customers', including employees', perceptions of AOC's performance.

To provide feedback to its employees, AOC continues to publish its weekly and quarterly agencywide newsletters (*AOC This Week* and *Shop Talk*) and issues *HR Bulletins* that provide updates on changes in human resource practices and highlight information regarding issues such as employee benefits. AOC also published a pamphlet that summarizes the agency's strategic plan. According to agency officials, every AOC employee has received a copy of the pamphlet, while "town hall" briefings have been held with over 400 employees to further discuss the strategic plan.

Regarding the use of an ombudsperson, AOC officials agreed with the recommendation in our January 2004 report to adhere to the standard of independence for the office of an ombudsperson. Agency officials also noted that direct meetings between the Ombudsperson and the Architect were planned, but they never took place because the Ombudsperson's contract expired on September 30, 2003, and the position has not been filled. AOC does not have plans to fill the position of ombudsperson. According to AOC officials, the ombudsperson was to serve as an independent provider of advice and counsel to nonunion employees on employment policies, practices, and other employment-related matters. The ombudsperson's duties and responsibilities focused on resolving employee issues that may have not been resolved by other offices, according to AOC officials.

AOC has made progress in addressing employee communications issues by creating the basic framework in its communications plan and process manuals by which AOC will regularly obtain employee input, systematically analyze those data, and provide feedback to employees on improvement actions that results from those efforts. For instance, AOC has committed itself to initiating employee focus groups not later than August 1, 2004. AOC also needs to issue and implement its draft *Employee Feedback Manual*. AOC can maintain momentum in this area by fully implementing the policies and procedures that it drafted or issued as part of its employee communication efforts. As we noted in our October 2003 report on the

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Government Printing Office's transformation,<sup>6</sup> developing a comprehensive communications strategy that reaches out to employees and seeks to engage them in a two-way exchange helps to build trust and cultivate stronger working relationships. Most important, AOC's top leadership must make visible and timely adjustments as appropriate in policy or procedures in response to employee concerns.

AOC's decision to not fill the vacant ombudsperson position raises questions as to whether the services previously provided by the ombudsperson are being met by other offices or are no longer needed. Given the history of employee relations issues at AOC, a critical component of such a management decision would be to conduct a thorough analysis of the agency's and employees' needs, as well as an assessment of the capacity of existing offices, both internal and external to AOC, to fulfill those needs. Without a thorough analysis AOC cannot be assured that the need for an ombudsperson no longer exists, or that AOC units are prepared to fulfill the responsibilities an ombudsperson would have performed.

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## Recommendations for Agency Action

To improve communications with employees, we recommend that the Architect of the Capitol direct the Chief Operating Officer to

- fully and effectively implement the basic framework as defined in its communications plan and process manuals, and finalize its draft employee feedback manual to assure that the current progress already made is maintained and
- conduct an analysis of both AOC management and employee needs with respect to resolving employee concerns and issues, as well as assessing the capacity of existing offices to fulfill those needs.

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<sup>6</sup> GAO, *Government Printing Office: Advancing GPO's Transformation Effort through Strategic Human Capital Management*, [GAO-04-85](#) (Washington, D.C.: Oct. 20, 2003).



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## Progress Made in Preparing Auditable Financial Statements and Establishing Related Internal Controls

Preparing auditable financial statements and establishing related internal controls are fundamental components of a foundation of control and accountability. In our January 2003 and January 2004 reports, we discussed the value of a system of checks and balances over assets and financial reporting. These steps are a key foundation for implementing our January 2003 recommendation that AOC continue to improve its approach to financial management by institutionalizing practices that will support budgeting, financial, and program management.<sup>7</sup> AOC's goals of preparing auditable financial statements and establishing effective internal controls are significant components of AOC's plan to build a foundation of financial control and accountability—one of the three broad-based action plans established by AOC's Office of Chief Financial Officer to respond to our recommendation.

In preparing for an audit of its September 30, 2003, balance sheet, AOC prepared a full set of agencywide financial statements for fiscal year 2003 and has, in fiscal year 2004, begun preparing quarterly agencywide financial statements. This first-ever audit of AOC's balance sheet is nearing completion and AOC officials expect the auditor's report to be issued in the near future. Completing the first agencywide balance sheet audit represents a key step in AOC's efforts to build a foundation of financial control and accountability. As we reported in January 2004, AOC planned to begin issuing a complete set of audited financial statements for fiscal year 2004. However, according to AOC officials, the fiscal year 2003 audit has taken longer and required more effort to support than initially planned and, as a result, management has now modified its plan for the fiscal year 2004 audit. In particular, AOC officials noted that establishing the historical cost for AOC building and improvement assets and values for AOC liabilities took longer and required more work than initially expected. AOC has decided to forgo an audit of a complete set of financial statements for fiscal year 2004 and instead will have its September 30, 2004, balance sheet audited. According to AOC officials, after consulting with AOC's audit committee and its auditor, AOC decided to defer the audit of a full set of statements to fiscal year 2005 because of the limited time and CFO staff resources available to begin preparing for an audit of a complete set of

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<sup>7</sup> In response to our recommendation to institutionalize financial management best practices, AOC's CFO developed three broad-based action plans—each of which contains several individual planned actions. In focusing on the financial management issues we considered key for this report, we reviewed AOC's reported progress on those planned actions that directly relate to each key financial management issue we identified.

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statements for fiscal year 2004 and the need to work on strengthening internal controls, including ongoing efforts to address issues identified during the fiscal year 2003 audit. In conjunction with the audit of the September 30, 2004, balance sheet, AOC officials plan to ask the external auditor to perform additional procedures, which will be designed to help AOC better prepare for the audit of a complete set of AOC financial statements for fiscal year 2005. However, even though the auditor's work for fiscal year 2004 will be limited to a balance sheet audit and some additional procedures, AOC has not revised its stated goal of receiving an unqualified opinion on a complete set of fiscal year 2005 financial statements.

Regarding progress on internal controls during the 6-month period, AOC has adopted and implemented key policies and procedures in the areas of account reconciliations and funds control administration, and institutionalized its policies on inventory management and control. In addition, during this period, AOC's external auditor has, as part of the balance sheet audit, been reviewing relevant internal controls. Account reconciliations, such as those adopted by AOC for accounts receivable and fund balance with Treasury, are a fundamental control over financial reporting. Funds control administration is a group of control processes that provide a means of establishing responsibilities and delegating authority to the managers who are to be accountable for the use and control of appropriated funds. In addition, AOC has made progress in institutionalizing its policies on inventory management and control. AOC finalized an inventory management policy in January 2004 and, shortly thereafter, initiated a major effort to train all inventory personnel on related procedures and controls. According to AOC officials, implementation of these policies and procedures came about as part of efforts to prepare the fiscal year 2003 agencywide financial statements. Finally, as we discussed, AOC expects the auditor to report on the results of the audit, including its internal control work, in the near future. The results of the auditor's internal control work will provide AOC with valuable information as it pursues other efforts to strengthen internal controls and enhance financial control and accountability.

We reported in January 2004 that AOC plans to issue a policy statement on internal controls by September 30, 2004. In this regard, AOC has begun the process of obtaining contractor support to assist management in developing an internal control framework, a related policy statement on internal controls, and related training. To speed their efforts and enhance its acceptance within the agency, AOC officials hope to model their internal

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control framework and related guidance after ones that are currently in use elsewhere in the legislative branch. As AOC prepares to implement an internal control framework, AOC needs to realize that establishing appropriate and effective accounting, compliance, and operational controls, which potentially may affect all aspects of AOC operations and activities, represents a significant agencywide challenge—one that will require senior management attention and support.

During the 6-month review period, AOC made progress in preparing agencywide financial statements; supporting the audit of its September 30, 2003, balance sheet; and establishing related internal control policies and procedures. This progress provides a valuable baseline from which to further leverage the audit process through related efforts to improve internal controls over financial reporting and institutionalize financial management best practices. In addition, as plans move forward for a full scope audit of a complete set of financial statements for fiscal year 2005, AOC needs to provide strong and visible support for these efforts.

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### Recommendation for Agency Action

To help strengthen and sustain AOC's emerging foundation of financial accountability and control, we recommend that the Architect of the Capitol, the Chief Operating Officer, the Chief Financial Officer, and other senior management provide strong and visible support for efforts to prepare auditable financial statements and implement an effective internal control framework by monitoring the implementation and related milestones for each effort, ensuring the commitment to and support for each effort by participating AOC units, and acting to resolve any impediments that may arise.

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### Substantial Work Remains on Providing Financial Reporting for Operating Units and Implementing Cost Accounting Processes and Procedures

Developing and using meaningful financial reports by major operating units and implementing effective cost accounting processes and procedures can help extend responsibility for financial accountability and control to AOC's operating units. An important aspect of having meaningful financial information available to managers in operating units is the ability to implement an appropriate level of cost accounting processes and procedures that can provide the kind of cost information needed to effectively manage operations. Using financial information at the major operating unit level that incorporates effective cost accounting processes and procedures can be a key component of AOC's ongoing efforts to

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institutionalize financial management best practices in support of budgeting, financial, and program management at AOC.<sup>8</sup>

AOC has made progress in developing the capacity to produce automated financial reports for its major operating units (jurisdictions). The financial reports, which currently consist of financial statements for each major operating unit, are developed with the same basic processes and data used to produce AOC's agencywide financial statements. AOC officials said that operating unit financial reports have not yet been provided to managers because CFO staff need to conduct an initial review and analysis of their content and operational managers need to receive some training on the content of the reported information and how it might be useful to them. AOC officials expect to begin distributing the financial reports and providing related training to operating unit managers by the end of March 2005. AOC officials acknowledged that providing managers with financial-statement-level information for their major operating units is only an initial step in developing financial and cost-related information that managers can use to enhance their operations.

AOC's December 2003 performance plan makes provisions for a multiyear plan for establishing AOC's cost accounting goals and objectives and identifying and implementing system and procedural changes needed to accomplish them. However, the plan calls for only limited work to be completed through the end of fiscal year 2005, with major work scheduled for fiscal year 2006 through fiscal year 2007 to identify and implement system and procedural changes needed to have a cost accounting system operational in fiscal year 2008.

In explaining the limited near-term progress planned for implementing cost accounting, AOC officials noted that successfully implementing cost accounting depends on an organization's strategic goals, objectives, and related performance measures, which tend to drive the categories of costs and how the related data should be collected and reported. However, AOC officials noted that a recent AOC effort to study the potential for developing performance-based budgets indicated that AOC's current strategic and performance plans do not define either the expected level of

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<sup>8</sup> In response to our recommendation to institutionalize financial management best practices, AOC's CFO developed three broad-based action plans—each of which contains several individual planned actions. In focusing on the financial management issues we considered key for this report, we reviewed AOC's reported progress on those planned actions that directly relate to each key financial management issue we identified.

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program performance or the actual results that should be achieved. Recognizing these limitations, AOC's recently issued *Cost Accounting Feasibility Study* noted that AOC staff working on strategic planning are developing an agencywide approach that will identify appropriate and consistent performance metrics across major operating units. The effort is scheduled for completion some time in fiscal year 2005. The December 2003 performance plan indicates that the CFO staff plan to begin substantive work on the underlying studies and analyses needed to support recommendations on implementing cost accounting at AOC in fiscal year 2006. In explaining the schedule for implementing cost accounting, AOC officials said that it made more sense to defer substantive work on implementing cost accounting until agencywide performance measures and metrics are established, especially in light of the other ongoing tasks and priorities that the CFO's office is responsible for leading.

While AOC can now generate financial reports for major operating units annually and quarterly, substantial work remains to be done to conduct an initial review and analyze the form and content of the recently developed reports and to train operating managers on the information's content and its potential use in managing and overseeing operating units. Also, while it may now be relatively easy and efficient to generate quarterly and annual financial reports for major operating units consisting of financial-statement-level information, it is not clear at this time how useful operating managers will find the information they contain. In addition, AOC does not have outcome and performance-based measures and metrics that can be used by operating managers to link financial information to outcomes and performance. As a result, substantial work remains to be done before AOC can provide managers with the meaningful financial, cost, and performance information needed to enhance their management of operating units and extend responsibility for financial accountability and control to the units.

We consider AOC's ongoing efforts to provide managers with operating unit financial information and training on the meaning and potential use of such information to be good initial steps in orienting AOC's managers on the use of financial data to enhance operational management. However, once the managers are provided with timely financial statements for major operating units and the related training, AOC officials need to work with operating managers to assess the usefulness of the financial-statement-level information and to identify opportunities to expand or otherwise enhance the nature and type of information (e.g., detailed cost accounting information for specific projects and operating activities) made available to managers.

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With regard to cost accounting, AOC does not have the cost accounting processes and procedures needed to produce operation-specific cost information that can be used by managers to enhance their management of major operating units. Furthermore, AOC officials noted that they do not expect to begin substantive work on a multiyear effort to develop and implement system and procedural changes necessary to implement appropriate cost accounting at AOC until fiscal year 2006. The officials anticipate completing the needed system and procedural changes in fiscal year 2007 and having a cost accounting system operational in fiscal year 2008.

AOC officials acknowledged that, in the interim, some opportunity exists to develop and apply selected high-level cost allocations that would allocate—over some reasonable basis—selected categories of overhead costs (e.g., the costs associated with operating functional activities such as human resources, finance, and budget) to major operating units. However, the officials also noted that the value or usefulness of such information is limited by the lack of specific cost accounting data on performance measures and metrics. The officials noted that the allocations would be, by their nature, done after the fact and operating unit managers would likely have little to no reasonable frame of reference or perspective on the level of overhead costs allocated to their operating unit or how those costs relate to their unit.

While each of the reasons cited by AOC officials to support the anticipated time frame for implementing the needed cost accounting system has merit, we think it is reasonable to determine whether, prior to fiscal year 2006, substantial work can begin on the underlying studies and analyses that will be needed to identify options and develop tentative recommendations for implementing a cost accounting system at AOC. In addition, it is important for the CFO's office to actively support and facilitate AOC's efforts to develop organizational performance measures and metrics, which along with cost accounting information can be tracked and used to improve the operations and management of AOC's major operating units. As we noted in our January 2003 report, it is also important for management to demonstrate its commitment to making and supporting needed changes, which include implementing operating unit financial reports and cost accounting throughout the organization.

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## Recommendations for Agency Actions

To enhance the successful development of useful financial, cost, and performance reporting for major operating units and appropriate cost accounting, we recommend that the Architect of the Capitol direct the Chief Operating Officer and the Chief Financial Officer to

- work with operating managers to assess the usefulness of financial-statement-level information, take an active role in AOC near-term efforts to develop agencywide performance measures, and review all available options to determine whether substantial work can begin, prior to fiscal year 2006, on the analyses needed to identify changes necessary to implement useful cost accounting at AOC, and
- have senior management visibly demonstrate its continuing commitment to and support for making AOC-wide system, procedural, and cultural changes necessary to provide managers with timely financial, cost, and performance information by monitoring the efforts' implementation and related milestones, ensuring the commitment to and support for the efforts by participating AOC units, and acting to resolve any impediments that may arise.

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## AOC Has Continued to Make Progress Implementing Its Information Security Program

Information security is an important consideration for any organization that depends on information technology to carry out its mission. Without the proper safeguards, unauthorized access to systems can result in disclosure of sensitive information, fraud, disruption to operations, or attacks against other organizations' sites.

In our January 2003 report, we stated that effective information security management is critical to AOC's ability to ensure the reliability, availability, and confidentiality of its information technology assets. Such AOC assets include the Computer-Aided Facilities Management system that is used to request and fulfill work orders for maintenance of the Capitol and the surrounding grounds, and the Records Management system that is used to archive architectural drawings pertaining to the U.S. Capitol, Library of Congress, Botanic Garden, and other buildings. We also reported that AOC took important steps to establish an effective information security program, but that much remained to be done before the agency would be in a position to effectively safeguard its information and technology assets. Accordingly, we recommended that the agency establish and implement an information security program. More specifically, we recommended that AOC (1) designate a security officer and provide him or her with the

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authority and resources to implement an agencywide security program, (2) develop policies for security training and awareness and provide the associated training, (3) develop and implement policies and guidance to perform risk assessments continually, (4) use the results of the risk assessments to develop and implement appropriate controls, and (5) monitor and evaluate policy and control effectiveness.

In our January 2004 report, we stated that AOC laid some of the foundation for establishing an effective security program, such as designating an information security officer, giving this official the authority and responsibility to implement an agencywide security program, and beginning to draft information security policies. We also reported that AOC partially allocated the resources needed to begin to implement its security program, although more work remained to define and then execute the program. For example, we reported that AOC needed to follow through on its stated commitments to provide needed program resources, finalize its security policies, define processes for implementing the policies, and implement them.

Since then, AOC has continued to make progress in implementing our recommendations, but important work remains in five basic areas of information security management. First, AOC has contracted to conduct security operations, risk management, policy assessment, and metrics activities, but it still needs to provide resources to its security program, including hiring two security specialists to conduct system risk assessments. Second, AOC has developed security training and awareness policies and began implementing them, but it still needs to provide the training and awareness to all employees who use information technology assets. Third, AOC has developed policies and guidance to perform system risk assessments and conducted risk assessments on agency mission-critical support systems, but it still needs to complete assessments on 4 mission-critical major applications and 34 other agency systems. Fourth, AOC has developed guidance that for resolving identified risks and begun implementing it on those support systems that it has assessed, but it still needs to develop and implement controls to address any risks that may be identified by the yet-to-be-completed assessments. Fifth, AOC has defined a metrics policy and a plan for monitoring and evaluating the effectiveness of its controls and begun measuring its support systems controls, and it plans to complete initial data gathering on defined metrics by December 2004 and report on them by March 2005. However, the agency still needs to do the same for any controls assessments implemented as a result of any yet-to-be compiled risks.



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AOC plans to complete work in most of these areas over the next 8 months. Specifically, it plans to (1) expedite the modification of an existing contract to hire two security specialists by August 2, 2004; (2) complete security awareness activities for all AOC employees between July and the end of November 2004, develop role-based security training and begin implementing it in fiscal year 2006; (3) complete the risk assessments on its mission-critical major applications by September 30, 2004; (4) subsequently develop and implement controls to address any risks identified by the yet to be completed assessments; and (5) complete the initial data gathering on security policy and control metrics by December 2004 and issue its first report on their effectiveness by March 2005.

As we reported in January 2003, successfully completing these plans depends in large part on the commitment and leadership of AOC senior managers. Such commitment and leadership will require the timely allocation and application of needed resources and close oversight of plan execution. Without such support and the resultant improvements to AOC's information security management capabilities, the agency will be challenged in its ability to effectively safeguard its data and information assets.

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## AOC Has Made Progress in Developing Safety Performance Measures, but Implementation of Measures Are a Work in Progress

Worker safety has been a long-standing concern at AOC because it has had higher injury and illness rates than many other federal agencies. As we stated in our January 2003 and January 2004 reports, identifying, developing, and implementing performance measures is important for holding employees and management accountable, evaluating the effectiveness of the safety training curriculum, and reducing workers' compensation injuries and costs. These performance measures are an important link between the achievement of AOC's safety plan goals and the organizations' strategic goals. Moreover, meaningful, transparent, and timely performance measures are critical to worker safety efforts because they help organizations gather feedback on performance, evaluate the effectiveness of policies, and make worker safety the cultural norm.

In our January 2003 report, we made three recommendations that relate to AOC developing performance measures to track worker safety across the organization:

- Identify performance measures for safety goals and objectives, including measures for how AOC will implement the 43 specialized

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safety programs<sup>9</sup> and how superintendents and employees will be held accountable for achieving results.

- Establish a safety training curriculum that fully supports all of the goals of the safety program and further evaluate the effectiveness of the training provided.
- Establish a senior management work group that will routinely discuss workers' compensation cases and costs and develop strategies to reduce these injuries and costs.

In our January 2004 report, we noted that AOC was making progress in addressing all three of these recommendations.

Over the 6 months we reviewed, AOC made progress in developing performance measures to track the agency's worker safety efforts, but the implementation of these measures is a work in progress. AOC developed several broad performance measures to judge the success of its safety and health program. First, AOC developed a measure of the number and severity of safety and health deficiencies that exist at AOC (a baseline assessment was completed). Second, AOC developed a measure to assess employees' attitudes and beliefs about safety within their organization—a gauge of employees' perceptions of safety at AOC.<sup>10</sup> The initial survey was administered between December 2003 and January 2004. In February 2004, AOC completed analysis of the survey responses and developed recommendations to improve worker perceptions about safety. Finally, AOC uses the rate at which employees suffer a job-related injury and illness to monitor workplace safety as established by the Department of Labor's Occupational Safety and Health Administration (OSHA). AOC discussed its injury and illness rate in public testimony to demonstrate its commitment to a safe and healthy work environment.

AOC is also developing specific performance measures related to worker safety. First, AOC senior management, through quarterly council meetings known as the Safety, Health and Environmental Council (SHEC), has

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<sup>9</sup> AOC now refers to the safety programs as safety policies and has reduced the number of policies to 34.

<sup>10</sup> The measure—a safety perception survey—was part of a safety communications assessment that included focus group meetings designed to validate and expand on the survey results.

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developed measures to assess and control workers' compensation costs including (1) the number and severity of injuries and illnesses, (2) the number and cost of workers' compensation injuries and illnesses, (3) the number of lost production days associated with workers' compensation cases, and (4) the number of modified work assignments. In addition, SHEC has developed several tools aimed at raising employee awareness of safety and the link between safety and workers' compensation. Second, AOC has developed performance measures for several of the 34 safety policies. The purpose of the safety policies is to establish consistent requirements for AOC with agencies such as OSHA and the Environmental Protection Agency. These safety policy measures include (1) the number of safety inspections and audits performed, (2) the number of safety deficiencies, and (3) the number of employees trained. Finally, AOC has continued to assess training performance by asking participants to evaluate training courses; having subject matter experts from the Safety, Fire, and Environmental Program Office audit the courses; and soliciting informal feedback from participants' supervisors. Moreover, AOC has begun to notice that safety training participants are applying lessons learned from training. For example, AOC officials reported that training on blood-borne pathogens resulted in employees applying the principles learned during a recent event. In addition, AOC plans to assess employee knowledge and behavior to ensure compliance with the policy, including interviewing employees on the requirements of a jurisdictional standard operating procedure. However, AOC has made little progress on developing tools necessary for more complex assessments of its training and development efforts, such as measuring their impact on overall program or organizational results, or comparing the benefits of training efforts against their costs. We have previously reported on the potential value—and challenges—associated with these more complex approaches of assessing training and development.<sup>11</sup> When deciding on an evaluation strategy, agencies (such as AOC) should select an appropriate analytical approach that will best measure the effect of their programs while also considering what is realistic and reasonable given the broader context and fiscal constraints.

AOC has made progress in its safety performance measures. However, AOC can strengthen its efforts to evaluate workplace safety. First, while AOC's measure of the number and severity of safety and health deficiencies

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<sup>11</sup> See GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

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is a positive step, time frames to correct these deficiencies still need to be established. Although AOC has plans to develop a measure of the timeline in which hazards and deficiencies are corrected, it has yet to complete this measure. Second, while the safety perception survey provided information on how employees' perceive safety in their work environment, the full potential of this tool has not been fully recognized. AOC officials stated that the survey should not be considered a measure of safety performance and have no plans to administer the survey on a recurring basis. However, the survey is a valuable performance measure of employees' perceptions about workplace safety and could prove useful if conducted in the future. For any future use, AOC would need to first address design and implementation weaknesses. For example, pretests of the survey were not conducted, survey instructions were poorly worded, the questions allowed for a biased response, and the design did not allow for a non-response analysis. Moreover, given the low response rate of frontline employees, AOC should be hesitant to represent findings as reflective of the employee population.

AOC has fulfilled our third worker safety recommendation listed above by developing performance measures to assess the long-term impacts and trends of workers' compensation injuries and costs. Through SHEC, safety officials working with HRMD are coordinating an exchange of information and data in order to control workers' compensation injuries and costs. HRMD, through its Workers' Compensation Program Unit, gathers work-related injury and illness data. In addition, the increased emphasis on safety and its relationship to workers' compensation injuries and illnesses is being promoted at SHEC meetings.

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**Recommendation for  
Agency Action**

To enhance worker safety performance measures at AOC, we recommend that the Architect of the Capitol direct the Chief Operating Officer to expand upon its safety perception survey by developing a more rigorous methodological approach and collecting such information on a more regular basis.

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## AOC Has Taken Steps to Develop a Capitol Complex Master Plan, but Lack of Congressional and Other Stakeholder Involvement and Delays Hamper Additional Progress

Developing a Capitol complex master plan is critical to strategic project management because it would help facilitate consistent management and oversight of projects and establish long-term priorities. A key component of a master plan is conducting facility condition assessments (FCA), which are systematic evaluations of an organization's capital assets. Such evaluations would help AOC to "compare conditions between facilities; provide accurate and supportable information for planning and justifying budgets; facilitate the establishment of funding priorities; and develop budget and funding analyses and strategies."<sup>12</sup> FCAs also help to assure that the Capitol complex's preventative maintenance needs are fully documented and provide data for an overall plan with which to address those needs. Further, a Capitol complex master plan could help guide day-to-day prioritization by being the basis for communicating, both internally and externally, the trade-offs that result from prioritizing one project over another, or how individual projects fit within a broader AOC framework.

In our January 2003 report, we identified two recommendations that would help AOC facilitate consistent management and oversight of projects and establish long-term priorities:

- Develop a Capitol complex master plan and complete condition assessments of all buildings and facilities under the jurisdiction of AOC.
- Develop a process for assigning project priorities that is based on clearly-defined, well-documented, consistently-applied, and transparent criteria.

In our January 2004 report, we noted that AOC was making progress initiating the Capitol complex master planning process, although the expected completion date had already been pushed back 8 months to December 2006. FCAs for the three largest jurisdictions were also behind the original schedule because all the contracts were not to be awarded until December 2003. AOC was also making progress creating a clearly defined, well-documented, and transparent process for evaluating and prioritizing projects by developing criteria to managers for scoring projects across five

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<sup>12</sup> National Research Council, *Stewardship of Federal Facilities: A Proactive Strategy for Managing the Nation's Public Assets* (Washington, D.C.: National Academy Press, 1998), p. 43.

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rating areas—preservation, impact on mission, economic impact, safety, and security.

During the 6-month review period, AOC took steps to develop the Capitol complex master plan. For example, senior AOC officials reported that the contract for the Capitol complex master plan would be awarded in August 2004. These officials also stated that work has been initiated on a facilities plan for the House office buildings, which will be incorporated into the Capitol complex master plan. FCAs for the three largest jurisdictions—the House, Capitol, and Senate—are under way and scheduled to be completed in October 2004. While AOC’s fiscal year 2004 annual performance plan established November 2005 as the target to publish a draft Capitol complex master plan, and December 2006 as the target to publish the final version of the plan, senior AOC officials reported that they now intend to publish a draft of the Capitol complex master plan in February 2006, with the final version published in June 2007.

With respect to project prioritization, AOC reported that the process of scoring projects in 2004 went smoothly. Specifically, agency officials noted that there were very few scoring discrepancies between jurisdictional superintendents and senior AOC officials. AOC officials also noted that the scoring process will be used to determine what projects will be submitted for funding in the fiscal year 2006 budget.

While AOC has taken steps to develop the Capitol complex master plan, AOC officials noted that 12–16 months were added to incorporate comments and finalize the plan. This is the second time target completion dates have been changed to a later date. In addition, AOC officials need to involve their stakeholders early and throughout the Capitol complex master planning process. Given the importance and sensitivity of the master plan and the condition of the Capitol complex, as well as the difficult trade-offs that the current budget environment demands, congressional and other stakeholder involvement early and throughout the development of the master plan is key to its ultimate acceptance and value, which did not occur during the development of a similar plan in 1981. Senior agency officials reported that AOC intends to define the scope of work for the remaining jurisdictions after they complete lessons learned from the first round of FCAs to identify areas that may improve the effectiveness and efficiency of the process. This is an appropriate step if it does not delay the start of future FCAs. Furthermore, completion of the FCAs for the remaining jurisdictions will depend on when funding is received. While FCAs are a key component of the master plan, and

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ultimately need to be integrated into the plan, AOC's master planning efforts can begin before FCAs are completed. Further, once the FCAs are completed it is critical that they are updated regularly.

With regard to project prioritization, AOC has created a clearly-defined, well-documented, and transparent process for evaluating and prioritizing projects. The evaluation criteria will be used to determine which projects will be submitted for funding in the fiscal year 2006 budget cycle. In addition, although the project prioritization process is a useful tool internally, the process does not address the underlying need to inform and get agreement from congressional and other stakeholders on how and why AOC submits specific projects for funding.

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## Recommendations for Agency Action

In order to improve Capitol complex master planning efforts, we recommend that the Architect of the Capitol, with support from the Chief Operating Officer, lead efforts to ensure that congressional and other stakeholders are engaged early and throughout the development of the Capitol complex master plan.

In order to improve the process for prioritizing projects, we recommend that the Architect of the Capitol, with support from the Chief Operating Officer, lead efforts to ensure that AOC informs and obtains agreement from congressional and other stakeholders on how and why specific projects are submitted for funding.

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## AOC Made Progress Toward Adopting a More Strategic Approach to its Recycling Program

It is estimated that recycling 1 ton of paper saves 17 mature trees, 3.3 cubic yards of landfill space, 7,000 gallons of water, 380 gallons of oil, 4,100 kilowatt hours of energy, and 60 pounds of air pollutants. Over 12,000 tons of waste is created annually within the Capitol Hill complex.<sup>13</sup> Much of the waste generated is from office, construction, and maintenance activities and includes such materials as paper, wood, plastic, and metal. AOC is responsible for implementing recycling programs for much of the Capitol Hill complex and has taken steps both centrally, and at the jurisdiction level, to improve the overall effectiveness of its recycling programs.

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<sup>13</sup> Waste tonnage does not include hazardous and non-hazardous chemical waste.

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In our January 2003 report, we recommended that AOC take a more strategic approach to improve the effectiveness of its recycling programs. Specifically, we recommended that AOC develop a clear mission and goals for AOC's recycling programs with input from key congressional stakeholders as part of its proposed environmental program plan. We further recommended that AOC establish reasonable goals based on the total waste stream that could potentially be recycled—information it plans to obtain as part of its long-term environmental program plan.

In our January 2004 report, we noted that AOC had begun taking the first steps toward a more strategic approach for its recycling programs. In accordance with our recommendation, and as part of its broader environmental program plan, AOC began collecting information on its facilities and operations through a baseline assessment and waste stream analysis. The baseline assessment evaluated the compliance of AOC facilities and operations with federal, state, and local environmental regulations; the waste stream analysis identified the types of waste created at AOC facilities and possible pollution prevention opportunities, such as waste elimination, reuse, or recycling. AOC will clarify the mission, goals, and measures of its recycling programs as a component of pollution prevention. According to AOC officials, the results of the assessment and analysis will provide a basis for establishing program priorities and measuring future progress. We further noted in our January 2004 report, that AOC was planning to obtain stakeholder input on the environmental program plan beginning in the second quarter of fiscal year 2004, after completion of the baseline assessment and waste stream analysis.

Over the 6 months we reviewed, AOC made progress in the development of its environmental program plan and its movement toward a more strategic approach. In particular, AOC has completed the baseline assessment as well as the waste stream analysis for its facilities and operations.<sup>14</sup> Moreover, AOC is expanding its waste stream analysis—which currently covers office, construction, and maintenance waste—to include electronic waste (e-waste), such as outdated computer equipment. AOC is also developing pollution prevention plans based on the results of the waste stream analysis. In May 2004, AOC received input from internal stakeholders on the draft environmental plan and expects to complete the

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<sup>14</sup> The baseline assessment for AOC facilities and operations was actually completed in November 2003.



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environmental plan in October 2004 as well as receive congressional input early next year.

AOC has made progress toward developing a mission and goals for its recycling programs in accordance with our January 2003 recommendation. The completion of the baseline assessment and waste stream analysis are good first steps toward developing a more comprehensive environmental program plan and should provide a sound basis for establishing program priorities and measuring future progress. The results from these efforts should also help AOC develop targeted pollution prevention plans. Finally, the input received from internal stakeholders on the environmental plan, as well as the expected input from congressional stakeholders early next year, should prove to be invaluable in keeping AOC moving forward strategically. It is critical, however, that at least preliminary congressional input be obtained prior to the environmental plan's completion to help ensure that the plan is consistent with the interests and expectations of congressional stakeholders and that AOC's efforts and resources are targeted at the highest priorities.

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### Recommendation for Agency Action

To further assist AOC in developing a more strategic approach for its recycling programs and to ensure that congressional input is obtained when it would be most useful, we recommend that the Architect of the Capitol direct the Chief Operating Officer to obtain preliminary input from congressional stakeholders on its environmental program plan—particularly as the plan relates to the mission and goals of AOC's recycling programs—prior to the completion of the plan.

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### COO Action Plan Addresses Six Business Areas, but Lacks Sufficient Details to Guide and Communicate the COO's Performance and Progress

One of the most important issues raised in our January 2003 report was the need for Congress to create a Chief Operating Officer (COO) position to serve as the central leadership point to improve AOC's executive decision-making capacity and accountability. The Consolidated Appropriations Resolution, 2003 (Public Law 108-7) established, in section 1203 of Division H, the new position of Deputy Architect/Chief Operating Officer within the Office of the Architect of the Capitol. Subsection 1203(e) required that the COO prepare an action plan describing "the policies, procedures, and actions the [COO] will implement and time frames for carrying out the responsibilities under this section." The responsibilities described include implementing AOC's mission and goals, providing overall organization

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management, assisting the Architect in promoting reform, and measuring results.

The action plan was to be submitted to the Committees on Appropriations of the Senate and House of Representatives and the Committee on Rules and Administration of the Senate not later than 90 days after appointment of the COO, which occurred on July 28, 2003. The COO Action Plan, however, was not submitted to the committees until December 22, 2003—59 days late.

The COO Action Plan and the *Report to the Congress from Deputy Architect/Chief Operating Officer* provide a list of 31 action items and their expected completion dates across six business areas:

1. Organizational Management and Structure – 12 action items,
2. Project Management – 6 action items,
3. Customer Service – 3 action items,
4. Strategic Planning – 5 action items,
5. Communications – 3 action items, and
6. GAO Management Review Recommendations – 2 action items.

Overall, the plan's high-level description of the action items assumes that Congress and other users have a deep and detailed knowledge of AOC's goals, internal operations, and management functions—a level of knowledge that is not reasonable to expect. The plan's action items are described at such a high-level that it does not make clear how the COO would carry out his legislated responsibilities or help lead transformational change at AOC. For example, the legislation states that the COO is responsible for proposing organizational changes and staffing needed to carry out AOC's mission and goals. While the COO's report expresses the need for organizational changes and highlights expected improvements, it does not describe what specific changes the COO envisions or how changes would be accomplished. However, AOC included proposed organizational changes in its fiscal year 2005 budget justification. The House Appropriations committee did not approve those changes because, in the committee's view, the AOC proposal does not reflect Congress' intent

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to assign the COO the responsibility for AOC's overall direction, operation, and management to improve AOC's performance.<sup>15</sup>

The COO action plan also does not detail how the individual action items would be accomplished or how performance would be measured. For example, the first item listed in the action plan is to "review/update AOC's organizational structure to better align with the strategic plan and operational mandates," yet the plan lacks necessary details, including how such a review would be conducted, the time frame in which it would be completed, who would be involved in the review, or how progress would be measured. While the plan does list action items according to broad subject areas, for example "organizational management and structure," the plan does not prioritize items that appear to be related nor does it identify the required resources or organizational units that are being delegated those action items. The plan could also better communicate whether the action items are standalone or dependent upon each other to accomplish the COO's responsibilities. Finally, even though the legislation required that the COO action plan be developed concurrently and consistently with the strategic plan,<sup>16</sup> the plan did not include a direct crosswalk to the AOC strategic plan, which was released on December 15, 2003, nor did it provide a clear picture of how the action items will help accomplish the agency's mission and goals.

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## Recommendation for Agency Action

To enhance the usefulness of the COO action plan, we recommend the Architect of the Capitol and the Chief Operating Officer consult with members of Congress and key committees on the specific information regarding AOC's plans, policies, procedures, actions, and proposed organizational changes. As part of this effort, the Architect and the COO should work with Congress to determine Congress' information needs and the timing and format of delivery of that information that will best meet Congress' needs. Furthermore, consistent with our findings and recommendations with respect to congressional and other stakeholder involvement in general and the Capitol complex master plan in particular, as well as our original January 2003 management review, specific emphasis should be placed on AOC's project management. Particular issues to be discussed could include how

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<sup>15</sup> H.R. Rep. No. 108-577, accompanying H.R. 4755 (Jul. 1, 2004).

<sup>16</sup> Pub. L. No. 108-7, §1203(e)(2)(B).

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- AOC's projects' priorities are determined,
  - AOC monitors and controls project cost, quality, and timeliness,
  - AOC uses lessons learned from projects and seeks to incorporate best practices,
  - project management accountability is assigned and managed, and
  - AOC determines the best mix of in-house and contractor support when designing projects.

Subsequent COO action plans and status reports will likely be most helpful to Congress to the extent that they are rigorously specific as to the problem or issue that needs to be addressed, the actions that are being taken in response, the progress to-date, and milestones for additional actions.

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## Concluding Observations

As we noted in our two previous reviews, organizational transformation does not come quickly or easily and the changes under way at AOC require a long-term concerted effort. AOC has made progress in addressing the eight key management control issues and the corresponding recommendations outlined in this report; however, AOC management will need to build on its efforts to date and more fully engage congressional and other stakeholders to ensure that their interests and expectations are incorporated into AOC's organizational transformation. For example, involving stakeholders in the development of a comprehensive strategy to improve internal and external communications, the formulation of a Capitol complex master plan, and the establishment of a recycling mission and goals will be critical in successfully addressing these key issues. As AOC works to establish its strategic management and accountability framework and address long-standing areas of concern, it must continue to demonstrate progress on each of these eight key issues to help it sustain the momentum needed to accomplish its organizational transformation, particularly in engaging its congressional and other stakeholders.

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## Agency Comments and Our Evaluation

We provided the Architect of the Capitol a draft of this report on July 26, 2004, for review and comment. We received written comments from the Architect on August 13, 2004, and they are reprinted in appendix I. In his comments, the Architect generally agreed with our findings and

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conclusions. He suggested technical changes and provided additional information related to information security, safety performance measures, and Capitol complex master planning that were incorporated into our report where appropriate. The Architect also noted his agreement with each new recommendation, except for those regarding worker safety performance measures, Capitol complex master planning, and the process for prioritizing projects.

Regarding worker safety performance measures, we reported that AOC's safety perception survey had design and implementation weaknesses and, therefore, we recommended a more rigorous methodological approach to the survey. In response, the Architect stated that they found AOC's employee response rate to be 68 percent. While this rate is approaching the 70 percent cut-off that is considered minimally acceptable for this type of survey, only 49 percent of the subgroup of frontline employees (e.g., carpenters, plumbers, and custodial workers) returned a completed survey, according to AOC's summary report. As frontline employees are most at risk of work-related injuries, their low response rate makes it difficult for AOC to draw meaningful conclusions about these employees' attitudes and beliefs towards safety. The Architect also noted that the survey used a number of benchmark questions that have previously been used in other surveys. Nonetheless, AOC's lack of a pre-test of the entire instrument does not give AOC assurance that employees interpreted the questions in the manner AOC had expected. In fact, officials in one AOC jurisdiction were concerned that some questions could be misinterpreted and therefore had employees complete their individual survey in a group like setting. Thus, we believe that AOC's safety perception survey would still benefit from a more rigorous methodological approach.

In our draft report, we also recommended that the Architect direct the COO to improve Capitol complex master planning efforts and the process to prioritize projects by (1) ensuring that congressional and other stakeholders are engaged early and throughout the development of the Capitol complex master plan, and (2) ensuring that AOC informs and obtains agreement from congressional and other stakeholders on how and why specific projects are submitted for funding. According to the Architect, he has and will continue to lead the Capitol complex master plan initiative. In addition, the Architect noted his plan to get an Architect/Engineer (AE) onboard so that they can jointly meet with and ensure that stakeholders are engaged at the beginning and throughout the development of the master plan. We agree that the Architect's personal involvement in the development of the Capitol complex master plan will be

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critical to its success and the Architect's commitment to engage stakeholders is consistent with our recommendation. However, because the COO position was created to serve as the central leadership point to improve AOC's executive decision-making capacity and accountability, the COO should also be involved in the master planning process, project prioritization, and communication with stakeholders. As such, we made revisions to the two recommendations to address the Architect's concerns so that the Architect, with support from the COO, leads efforts to implement the recommendations. In addition, the Architect questioned the direct link between the master plan and the prioritization process. We continue to believe that the Capitol complex master plan and project prioritization should be linked because a master plan could help guide day-to-day prioritization by being the basis for communicating, both internally and externally, the trade-offs that result from prioritizing one project over another, or how individual projects fit within a broader AOC framework. We made revisions to the two recommendations to provide greater clarity by addressing the master plan and the prioritization process separately.

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We are sending copies of this report to interested congressional parties. We are also sending a copy to the Architect of the Capitol. This report is also available at no charge on GAO's Web site at <http://www.gao.gov>.

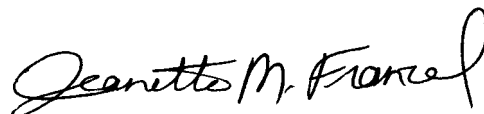
If you or your staff have general questions concerning this report, or specific questions concerning strategic management or human capital issues, please contact J. Christopher Mihm or Steven Lozano at (202) 512-6806 or by e-mail at [mihmj@gao.gov](mailto:mihmj@gao.gov) or [lozos@gao.gov](mailto:lozos@gao.gov). In addition, if you have specific questions concerning financial management issues, please contact Jeanette Franzel or John Reilly at (202) 512-9471 or by e-mail at [franzelj@gao.gov](mailto:franzelj@gao.gov) or [reillyj@gao.gov](mailto:reillyj@gao.gov). If you have specific questions concerning information technology issues, please contact Randolph Hite or Carl Higginbotham at (202) 512-3439 or by e-mail at [hiter@gao.gov](mailto:hiter@gao.gov) or

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J. Christopher Mihm  
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Jeanette M. Franzel  
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# Comments from the Architect of the Capitol



Washington, DC 20515

August 10, 2004

Mr. J. Christopher Mihm, Director  
Strategic Issues  
U.S. General Accounting Office  
441 G St. NW  
Washington, DC 20548

Dear Mr. Mihm:

Thank you for the opportunity to comment on the U.S. General Accounting Office (GAO) August 2004 draft report "Architect of the Capitol: Mid Year Status Report on the Implementation of Management Review Recommendations." As your report reflects, we continue to make steady progress in addressing the recommendations contained in the original report and we are committed to successfully bringing about the organizational transformation we jointly envision.

Our review of the draft report indicates that for the most part, it is consistent with the information we have exchanged throughout the review. Our comments and some updated information are attached. We look forward to continuing to work with you on this path of change, recognizing as you do, that this organizational transformation will take several years to fully accomplish.

Please give Hector Suarez a call (228-1205) if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan M. Hantman". The signature is written in a cursive style with a large initial "A".

Alan M. Hantman, FAIA  
Architect of the Capitol



**General Issues:**

**Terminology Issues:** On the “Highlights” page, in the second paragraph, it states that “AOC has taken steps to develop a Capitol Hill complex master plan . . .” The use of the underlined terminology is incorrect, has never been used, and if used in the GAO report, will lead to confusion. The correct terminology is “Capitol Complex Master Plan (CCMP).” This is the terminology that appears in the AOC Strategic Plan, the signed contract with the consultant developing the plan, and all other related documentation. All references to “Capitol Hill Complex Master Plan” in the GAO report should be changed to “Capitol Complex Master Plan.”

**AOC Suggested Change:** All references to “Capitol Hill Complex Master Plan” in the GAO report should be changed to “Capitol Complex Master Plan.” The following pages require change:

- page 3, near the bottom, paragraph 1
- page 4, paragraph 1
- page 15
- page 34
- page 35, paragraphs 1, 2, 4
- page 36, paragraph 1, 3
- page 42, paragraph 2

Page 8 - The term “Building condition assessments (BCA)” is used. The terminology “Building Condition Assessment” is incorrect. AOC’s Strategic Plan uses the term “Facility Condition Assessment (FCA).”

**AOC Suggested Change:** All references to “Building Condition Assessments” in the GAO report should be changed to “Facility Condition Assessments.” The following pages require change:

- page 9
- page 34
- page 35
- page 36

Pages 8, 35 - Building Condition Assessments are referred to as “key components of a master plan.” Similar terminology appears in the second paragraph on page 34 and again in the first paragraph on page 36. This is incorrect; they are not a component or a part of the master plan. They provide, in an ideal manner, information on facility conditions is a desired but a not mandatory “prerequisite” to undertaking a master plan.

**AOC Suggested Change:** Information derived from Facility Condition Assessments (FCA) will be used in the development of the Capitol Complex Master Plan where appropriate.

Page 9 – The report refers to identifying lessons learned from the first round of FCAs as “an appropriate step if it assures that future BCAs (should be FCAs) are completed accurately and more efficiently without causing delays.” Similar wording appears in the first paragraph on page 36. The wording implies that the ongoing FCAs for the Capitol Building, and Senate and House Office Buildings were not completed accurately or efficiently resulting in delays. All references are incorrect. The development of the first round of FCAs has been a model of accuracy, efficiency, and timeliness.

**AOC Suggested Change:** The wording should be modified to reflect that the first round of FCAs has been a model of accuracy, efficiency, and timeliness.

Page 19 - To provide feedback to its employees, AOC continues to publish its weekly....and issues HR Bulletins that provide updates on benefits

**AOC Suggested Change:** Should change to read, “... and issues HR Bulletins that provide information on changes in HR practices and that highlight time sensitive information regarding issues such as benefits. (The bulletins aren’t restricted to benefits announcements.)

Page 20 - Most important, AOC’s top leadership must make visible and timely adjustments in policy or procedures in response to employee concerns.

**AOC Suggested Change:** Should change to read “must make visible and timely adjustments as appropriate in policy or procedures in response to employee concerns.” (Not all employee concerns will result in a change.)

Page 32 - Finally, AOC has continued to assess training performance by asking participants to evaluate training courses, as well as solicit informal feedback from participant’s supervisors... However, AOC has made little progress on developing tools necessary for more complex assessments of its training and development efforts, such as measuring their impact on overall program or organizational results, or comparing the benefits of training efforts against their costs. We have previously reported on the potential value – and challenges– associated with these more complex approaches of assessing training and development. When deciding on an evaluation strategy, agencies (such as AOC) should select an appropriate analytical approach that will best measure the effect of its programs while also considering what is realistic and reasonable given broader context and fiscal constraints.

**AOC Suggested Change:** Should change to read, “...continued to assess training performance by asking participants to evaluate training courses, having subject matter experts from the Safety, Fire and Environmental Program Office audit the courses, as well as solicit informal feedback.. In addition, AOC has drawn correlations between safety training for a specific procedure followed by a reduction in related injury rates or other positive result. For example:

- Manual Material Handling (Back Safety) resulted in fewer injuries.

- Asbestos & Lead Courses have resulted in fewer employee complaints due to enhanced understanding of hazards. *(Per the Senate Office Buildings)*
- Personal Protective Equipment Training has resulted in a noticeably greater use of PPE. *(Per the Senate Office Buildings)*
- Aerial Lift Operator Safety Training has resulted in a number of aerial lifts being replaced or repaired which have no doubt prevented possible injuries. *(Per the Central Staff Safety Office)*
- A recent actual event (blood clean up) demonstrated that trainees are very knowledgeable and are applying the principles taught in BloodBorne Pathogens training. *(Per the Central Staff Safety Office).*

Page 35: GAO states: While AOC has taken steps to develop the Capitol Hill complex master plan, AOC officials noted that 12 – 16 months were added to incorporate comments and finalize the plan. This is the second time target completion dates have been changed to a later date.

**AOC Suggested Change:** Delete “This is the second time target completion dates have been changed to a later date.” Insert the following sentence: In addition, just prior to the publishing of the AOC Strategic Plan, the Architect determined that significant efficiencies could be realized through the use of the General Services Administration (GSA) to administer the contracting process resulting in other date modifications relating to the Capitol Complex Master Plan schedule.

Page 38: GAO states “It is critical, however, that at least preliminary congressional input be obtained prior to the environmental plan’s completion in October 2004...”

**AOC Suggested Change:** AOC’s Strategic Plan contains a milestone for a draft (not final) of the Environmental Plan to be completed in October 2004. The plan also contains an activity of “gathering stakeholder input” prior to the completion of the draft plan. The sentence should be changed to read: “AOC recognizes the importance of stakeholder input and has incorporated this activity into the process of developing and drafting its environmental program plan.” Reference to October 2004 should be deleted.

#### **Key Issue – Stakeholder Involvement**

##### Corresponding Prior Recommendation:

- (1) Improve strategic planning and organizational alignment by involving key congressional and other external stakeholders in AOC’s strategic planning efforts and in any organizational changes that may result from these efforts.
- (2) Develop a comprehensive strategy to improve internal and external communications by completing the development of congressional protocols by involving stakeholders.

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**Appendix I**  
**Comments from the Architect of the Capitol**

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Related New Recommendation: (Pages 4, 17)

To strengthen the relationship between AOC and its congressional and other stakeholders, we recommend the Architect of the Capitol

- Work with Congress on the design and implementation of a transparent process to facilitate an understanding between AOC and its congressional stakeholders about how AOC targets its efforts and resources at the highest project priorities and how strategic and tactical decisions and trade-offs are made.

Corresponding Prior Recommendations:

(3) Conduct a pilot of its congressional protocols in one or more of its jurisdictions to determine how well its protocols would work in addressing customer requests for service, while balancing the needs of multiple requests with the strategic plan and corresponding project priorities of the agency.

(4) Develop a comprehensive strategy to improve internal and external communications by improving annual accountability reporting through annual performance planning and reporting.

Related New Recommendation: (Pages 4, 16)

To strengthen the relationship between AOC and its congressional and other stakeholders, we recommend the Architect of the Capitol

- Actively consult with Congress on the design and implementation of meaningful outcome- and performance-based measures that are useful to both AOC and Congress and thereby enable AOC and Congress to assess AOC's progress.

New Recommendation: (Pages 4, 16)

To strengthen the relationship between AOC and its congressional and other stakeholders, we recommend the Architect of the Capitol

- Expedite the release of the 2003 building services customer satisfaction survey, as a transparency and accountability mechanism and to provide Congress and other stakeholders assurance that actions are being taken in response to their feedback.

**AOC Response:**

AOC agrees with the recommendations to take steps to more fully engage congressional and other stakeholders.

**Key Issue – Employee Communications**

Corresponding Prior Recommendation:

(5) Strengthen AOC's human capital policies, procedures, and processes by assessing ways in which AOC management could better gather and analyze data from the various employee relations offices and employee advisory council while maintaining employee confidentiality.

Related New Recommendation: (Pages 5, 20)

To improve communications with employees, we recommend that the Architect of the Capitol direct the Chief Operating Officer to

- Fully and effectively implement the basic framework as defined in its communications plan and process manuals, and finalize its draft employee feedback manual to assure that the current progress already made is maintained.

Corresponding Prior Recommendations:

(6) Establish a direct reporting relationship between the Ombudsperson and the Architect consistent with professional standards.

(7) Develop a comprehensive strategy to improve internal and external communications by providing opportunities for routine employee input and feedback.

(8) Gather and analyze employee feedback from focus groups or surveys before fiscal year 2005, as well as communicate how it is taking actions to address any identified employee concerns.

Related New Recommendation: (Pages 5, 21)

To improve communications with employees, we recommend that the Architect of the Capitol direct the Chief Operating Officer to:

- Conduct an analysis of both AOC management and employee needs with respect to resolving employee concerns and issues, as well as assessing the capacity of existing offices to fulfill those needs.

AOC Response:

AOC agrees with the recommendations to improve employee communications by continuing to fully implement AOC's communication framework. We will monitor employee relations issues and employee feedback to determine if there is a need for an Ombudsperson. This function, which was filled by a contractor, not a permanent staff person, has not been used this fiscal year. Human Resources and EEO staff have been proactively focusing efforts on addressing employee issues and communications.

**Key Issues – Auditable Financial Statements and Financial Reporting for Business Segments**

Corresponding Prior Recommendation:

(9) Continue to improve AOC's approach to financial management by developing strategies to institutionalize financial management practices that will support budgeting, financial, and program management at AOC.

Related New Recommendation Pertaining to Auditable Financial Statements:

To help strengthen and sustain AOC's emerging foundation of financial accountability and control, we recommend that the Architect of the Capitol, the Chief Operating Officer, and other senior management

- Provide strong and visible support for efforts to prepare auditable financial statements and implement an effective internal control framework by monitoring the implementation and related milestones for each effort, ensuring the commitment to and support for each effort by participating AOC units, and acting to resolve any impediments that may arise.

**AOC Response:**

AOC agrees with this recommendation.

Related New Recommendations Pertaining to Financial Reporting for Business Segments:

To enhance the successful development of useful financial, cost, and/or performance reporting for major operating units and appropriate cost accounting, we recommend that the Architect of the Capitol direct the Chief Operating Officer and the Chief Financial Officer to:

- Work with operating managers to assess the usefulness of financial-statement-level information, take an active role in AOC near-term efforts to develop agency wide performance measures, and review all available options to determine whether substantial work can begin, prior to fiscal year 2006, on the analyses needed to identify changes necessary to implement useful cost accounting at AOC, and
- Have senior management visibly demonstrate its continuing commitment to and support for making AOC-wide system, procedural, and cultural changes necessary

to provide managers with timely financial, cost, and performance information by monitoring the efforts' implementation and related milestones, ensuring the commitment to and support for the efforts by participating AOC units, and acting to resolve any impediments that may arise.

**AOC Response:**

AOC agrees with this recommendation.

**Key Issue – Information Security Management**

**Corresponding Prior Recommendation:**

(10) Establish and implement an information security program. Specifically, the Architect should establish an information security program by taking the following steps:

- designate a security officer and provide him or her with the authority and resources to implement an agency wide security program,
- develop and implement policy and guidance to perform risk assessments continually,
- use the results of the risk assessments to develop and implement appropriate controls,
- develop policies for security training and awareness and provide the training, and monitor and evaluate policy and control effectiveness.

**No New Recommendations**

**AOC Response:**

AOC agrees with the recommendations in the report and are taking the following steps to address the recommendations:

- AOC is expediting the modification of the existing contract (within the scheduling constraints set by GSA) to hire two security specialists,
- Security training and awareness training is proceeding with new employee orientation for security awareness, security awareness at every OIRM all-hands meeting and web-based annual security awareness training. Subsequent roles and responsibilities training will begin in FY06. Executive level security training will lead this effort.

- The Risk Assessment Policy was implemented in the first quarter of FY04 as demonstrated by the risk assessment conducted on AOC's mission critical general support systems. The risk assessment was conducted using NIST and FISCAM guidance. The mission critical general support systems, the AS400 and Unix system, contained AOC's financial management system (FMS).
- The control to mitigate the identified risks was implemented through the CIO Council's Plans of Action and Milestone (POA&M) methodology. The CISO is currently seeking ways to automate this control.
- AOC is monitoring policy and control effectiveness through OIRM's Metrics Program. An evaluation of AOC's security controls is conducted on a monthly basis by the Inspector General and the Deputy Chief of Staff. The findings of the risk assessments conducted on AOC's general support systems and mitigation processes is reviewed bi-weekly by the Inspector General and the Risk Assessment Manager. Plans are underway to automate the monitoring and evaluation of the security metrics for each security policy area.

**Key Issue - Worker Safety Performance Measures**

Corresponding Prior Recommendation:

(11) Identify performance measures for safety goals and objectives, including measures for how AOC will implement 43 specialized safety programs and how superintendents and employees will be held accountable for achieving results.

Related New Recommendation:

To enhance worker safety performance measures at AOC, we recommend that the Architect of the Capitol direct the Chief Operating Officer to:

- Expand upon its safety perception survey by developing a more rigorous methodological approach and collecting such information on a more regular basis.

AOC Response:

AOC has reviewed the perception survey methodology and found that 68% of AOC employees responded to survey (a response rate well above 30% norm reported by Dupont Safety Resources (DSR), designer of the survey). The survey also uses a number of benchmark questions that have been used by DSR in a number of public and private surveys. These benchmark questions, have undergone pre-testing, therefore modifying those questions would invalidate their use.



AOC is looking into incorporating safety-related questions in future employee surveys covering other issues as well.

Corresponding Prior Recommendations:

(12) Establish a safety training curriculum that fully supports all of the goals of the safety program and further evaluate the effectiveness of the training provided.

(13) Establish a senior management work group that will routinely discuss workers' compensation cases and costs, and develop strategies to reduce these injuries and costs.

AOC Response:

No additional comments

**Key Issue – Capitol Hill Complex Master Planning**

Corresponding Recommendations:

(14) Develop a Capitol Hill complex master plan and complete condition assessments of all buildings and facilities under the jurisdiction of AOC.

Related New Recommendation:

In order to improve Capitol Hill complex master planning efforts and the process for prioritizing projects, we recommend that the Architect of the Capitol direct the Chief Operating Officer to

- Ensure that congressional and other stakeholders are engaged early and throughout the development of the Capitol Hill complex master plan.

AOC Response:

I disagree with this recommendation.

(1) Please correct reference to this initiative. It is not the Capitol Hill Complex Master Plan, it is the Capitol Complex Master Plan. (2) With regard to the Capitol Complex Master plan, I have and will continue to lead this initiative. My plan has been to get the AE on-board so that we can jointly meet with our stakeholders to ensure they are engaged at the beginning and through out development of the master plan. (3) I do not understand the how the reference to "improve... the process for prioritizing projects" links with the Complex Master Plan initiative.

(15) Develop a process for assigning project priorities that is based on clearly defined, well-documented, consistently applied, and transparent criteria.

Related New Recommendation:

In order to improve Capitol Hill complex master planning efforts and the process for prioritizing projects, we recommend that the Architect of the Capitol direct the Chief Operating Officer to:

- Ensure that AOC informs and obtains agreement from congressional and other stakeholders on how and why specific projects are submitted for funding.

AOC Response:

I disagree with this recommendation. As noted previously, (1) Please correct reference to this initiative, it is the Capitol Complex Master Plan. (2) With regard to the Capitol Complex Master plan, I have and will continue to lead this initiative. My plan has been to get the AE on-board so that we can jointly meet with our stakeholders to ensure they are engaged at the beginning and through out development of the master plan. (3) Given the current status on this initiative, I do not understand the recommendation to direct the COO to “Ensure that AOC informs and obtains agreement from congressional and other stakeholders on how and why specific projects are submitted for funding.”

**Key Issue – Strategic Management of Recycling**

Corresponding Recommendations:

(16) Develop a clear mission and goals for AOC’s recycling program with input from key congressional stakeholders as part of its proposed environmental master plan. AOC may want to establish reasonable goals based on the total waste stream—information it plans to obtain as part of its long-term environmental management plan—that could potentially be recycled.

Related New Recommendation:

To further assist AOC in developing a more strategic approach for its recycling programs and to ensure that congressional input is obtained when it would be most useful, we recommend that the Architect of the Capitol direct the Chief Operating Officer to:

- Obtain preliminary input from congressional stakeholders on its environmental program plan—particularly as the plan relates to the mission and goals of AOC’s recycling programs—prior to the completion of the plan.

AOC Response:

AOC agrees with is recommendation and has an activity listed in the Strategic Plan to “gather stakeholder input” prior to publishing the draft environmental program plan.

**Key Issue – COO Action Plan**

New Recommendations:

To enhance the usefulness of the COO action plans, we recommend the Architect of the Capitol and the Chief Operating Officer

- Consult with members of Congress and key committees on the specific information regarding AOC's plans, policies, procedures, actions, and proposed organizational changes.
- Work with Congress to determine Congress' information needs and the timing and format of delivery of that information that will best meet Congress' needs. Furthermore, consistent with our findings and recommendations above in regard to congressional and other stakeholder involvement in general and the Capitol Hill Complex master plan in particular, as well as our original January 2003 management review, specific emphasis should be placed on AOC's project management. Particular issues to be discussed could include how:
  - AOC's projects' priorities are determined,
  - AOC monitors and controls project cost, quality, and timeliness,
  - AOC uses lessons learned from projects and seeks to incorporate best practices,
  - Project management accountability is assigned and managed, and
  - AOC determines the best mix of in-house and contractor support when designing projects.

Subsequent COO action plans and status reports, will likely be most helpful to Congress to the extent that they are rigorously specific as to the problem or issue that needs to be addressed, the actions that are being taken in response, the progress-to-date, and milestones for additional actions.

AOC Response:

AOC agrees with the recommendations.

# Staff Acknowledgments

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