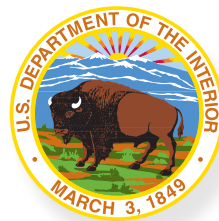


# UNITED STATES DEPARTMENT OF THE INTERIOR

# CITIZENS REPORT

SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION FOR FY 2016



## MISSION

The Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors the Nation's trust responsibilities and special commitments to American Indians, Alaska Natives, and affiliated island communities.



## About Interior

The Department of the Interior (DOI) plays a substantial role in the U.S. economy. According to the latest Economic Report in FY 2015, DOI supported nearly 2 million jobs, provided approximately \$178 billion value added and \$300 billion in economic activity. The DOI's work is performed by multiple bureaus and Departmental offices that take place at 2,400 locations throughout the Nation.

### Economic Contributions

Americans and foreign visitors made nearly 443 million visits to DOI-managed lands. These visits supported approximately 300 thousand jobs, value added provided by visitors to DOI sites was estimated to be \$26 billion, and economic output was estimated to be \$45 billion.

Oil, gas, and coal produced from DOI-managed lands provided value added of approximately \$133 billion; estimated economic output contribution of \$166 billion; and an estimated 800 thousand jobs.

Hydropower, wind, and solar power projects on DOI lands were estimated to contribute \$3 billion in output and supported about 15,000 jobs.

The DOI stores and delivers water for irrigation, municipal and industrial (M&I), and other uses. The value of water varies widely according to location, type of use, and climatic conditions. The DOI irrigation and M&I water activities are associated with \$27 billion in value added, \$48 billion in output, and supported an estimated 361,000 jobs.

The DOI's support for tribal governments represents an important mechanism to facilitate economic development, improve Indian education, and improve the safety of Indian communities. This funding provided \$0.8 billion of economic value and contributed approximately \$1.2 billion to economic output and supported about 9,000 jobs.

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## Our Performance

The DOI's performance is tracked based on the integrated FY 2014-2018 Strategic Plan, which defines the goals, strategies, and performance measures under the following mission areas that reflect the priorities of the Secretary of the Interior:

- Celebrating and enhancing America's great outdoors;
- Strengthening tribal nations and insular communities;
- Powering our future and responsible use of the Nation's resources;
- Engaging the next generation;
- Ensuring healthy watersheds and sustainable, secure water supplies; and
- Building a landscape-level understanding of our resources.

For the purposes of the Citizens Report, a performance summary is provided using a collection of key indicators to gauge trends in performance through FY 2016 based on the information that will be reported in the FY 2017/2018 Annual Performance Plan and 2016 Report (APP&R) when released with the President's FY 2018 Budget; and made available on DOI website's Budget and Performance Portal at [www.doi.gov/bpp](http://www.doi.gov/bpp).

Targets that were not met have been identified as recommended. Explanations will be included in the corresponding Annual Performance Plan and Report when it is released with the FY 2018 President's Budget later in 2017.

Mission Area One & Supporting Measures	2013 Actual	2014 Actual	2015 Actual	2016 Target	2016 Actual
<b>Mission Area One, Celebrating and Enhancing America's Great Outdoors</b>					
Percent of DOI acres that have achieved desired conditions is known and as specified in management plans.	74%	77%	78%	77%	78%
Percent of migratory bird species that are at healthy and sustainable levels.	72%	73%	73%	73%	73%
Percent of historic structures in DOI inventory in good condition.	53%	57%	65%	65%	56%
Percent of visitors satisfied with the quality of their experience.	94%	95%	95%	95%	95%
<b>Mission Area Two, Strengthening Tribal Nations and Insular Communities</b>					
Percent of financial information initially processed accurately in trust beneficiaries' accounts.	100%	100%	100%	99%	100%
Violent (Part 1) crime incidents per 100,000 Indian Country inhabitants receiving law enforcement services.	442	419	460	433	559
Percent of community water systems (in Insular Areas) that receive health-based violation notices from the Environmental Protection Agency.	19%	8%	13%	10%	8%
<b>Mission Area Three, Powering Our Future and Responsible use of the Nation's Resources</b>					
Number of megawatts of approved generating capacity authorized on public land and the outer continental shelf (offshore) for renewable energy development while ensuring full environmental review (cumulative since 2009).	13,787	14,608	15,615	16,466	16,062
Percent of allowable sale quantity timber offered for sale consistent with applicable resource management plans.	80%	76%	80%	80%	62%
<b>Mission Area Four, Engaging the Next Generation</b>					
Number of conservation-related work and training opportunities provided to young people.	15,546	16,644	35,952	25,000	23,312
<b>Mission Area Five, Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies</b>					
Percent of water infrastructure in good condition as measured by the Facility Reliability Rating.	79%	78%	79%	71%	81%
Acre-feet of water conservation capacity enabled through Reclamation's conservation-related programs such as water reuse and recycling and WaterSMART grants.	734,851	860,299	977,454	1,039,454	1,144,822

## Our Performance (continued)

Mission Area & Supporting Measures	2013 Actual	2014 Actual	2015 Actual	2016 Target	2016 Actual
<b>Mission Area Six, Building a Landscape-Level Understanding of Our Resources</b>					
Number of communities on the geospatial platform that provide information relevant to landscape-level decision making.	N/A	17	20	23	23
Percent of targeted ecosystems with information products forecasting ecosystem change.	33%	44%	44%	44%	44%
Percent completion of earthquake and volcano hazard assessments for moderate to high hazard areas.	38%	40%	41%	40%	43%
Percent of U.S. with completed consistent water availability products.	0%	17%	20%	25%	25%

## AGENCY PRIORITY (PERFORMANCE) GOALS

Agency Priority Goals represent DOI priorities to improve near-term performance, with 24 months to improve outcomes or facilitate progress on projects and processes critical to DOI's mission. The Secretary and Deputy Secretary use the visibility of these goals, quarterly progress reviews, and information learned through the collaborative process to ensure adequate resources for supporting programs. Senior level attention to key milestones, accurately quantified performance results compared to plans, and implementation of alternate strategies assist in ensuring results. The following table provides a brief status of the FY 2016-2017 Agency Priority Goals. Further information on the Agency Priority Goals is available on [www.performance.gov](http://www.performance.gov).

Agency Priority Goal Statement	Results achieved as of the 4th Quarter FY 2016
<b>Renewable energy resource development.</b> By September 30, 2017, increase approved capacity authorized for renewable (solar, wind, geothermal, and hydropower) energy resources affecting DOI managed lands, while ensuring full environmental review, to at least 16,600 Megawatts (since the end of FY 2009).	Goal nearly achieved while some cases experienced technical delays; 16,062 mw of capacity approved.
<b>Water conservation.</b> By September 30, 2017, DOI will facilitate the availability of water supplies employing conservation, efficiency, and technology in the western United States through BOR water conservation programs to 1,100,000 acre-feet cumulatively since the end of FY 2009.	Goal achieved; additional funding provided for more proposals to be approved than originally expected through 1,144,822 acre-feet of water conservation capacity.
<b>Safer and more resilient communities in Indian country.</b> By September 30, 2017, reduce rates of repeat incarceration in five target tribal communities by 3% through a comprehensive "alternatives to incarceration" strategy that seeks to address underlying causes of repeat offenses, including substance abuse and social service needs, through tribal and Federal partnerships.	There have been 93 repeat offenses of 150 habitual offenders in the initial three communities and 18 repeat offenses of 60 habitual offenders in two additional communities. While these results are within the goal level, several years of experience are still needed.
<b>Engaging the next generation.</b> By September 30, 2017, DOI will provide 100,000 work and training opportunities over four fiscal years (FY 2014 through FY 2017) for individuals age 15 to 35 to support DOI's mission.	This goal was expanded in FY 2015 to include Millennials. There have been 76,344 individuals/opportunities-provided in FY 2014 through FY 2016.
<b>Oil and gas resources management.</b> By September 30, 2017, BLM will complete 100 percent of the inspections for Federal and Indian potential high-risk oil and gas production cases annually to better ensure accountability and safety.	Goal achieved: One-hundred percent of the 1,965 high-risk cases have been inspected in FY 2016.
<b>Climate change adaptation.</b> By September 30, 2017, the DOI will mainstream climate change adaptation and resilience into program and regional planning, capacity building, training, infrastructure, and external programs, as measured by scoring at least 400 of 500 points using the Strategic Sustainability Performance Plan scorecard.	There have been 263 points scored toward addressing the next phase of climate change adaptation strategies.
<b>Monarch butterfly and other pollinators conservation.</b> By September 30, 2017, FWS will double the acres of restored or enhanced habitat for monarch butterflies and other pollinators.	Goal achieved: There are 332,038 acres that are being restored or enhanced toward the targeted achievement of 320,000 acres.
<b>Enhancing Indian education.</b> By September 30, 2017, DOI will increase the percentage of tribal students attending bureau funded schools who complete high school with a regular diploma within four years of their 9th grade entry date by 5% (relative to 2014-2015 school year) and convert four schools from bureau to tribal operated.	One tribal school has been converted. Graduation rates for the 2015/2016 school year (49%) were lower than the prior school year, requiring further review of activities.

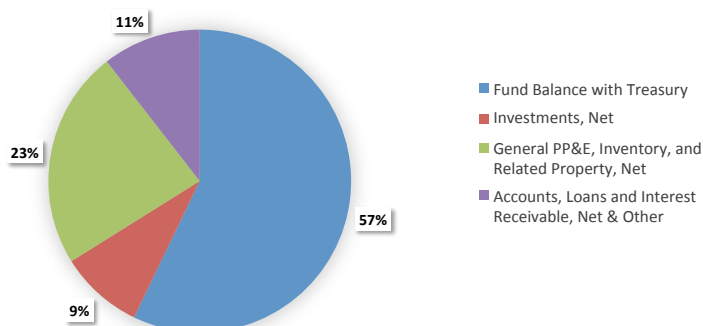
## Finances

This Summary of Performance and Financial Information provides a concise snapshot of DOI's most critical financial elements. The DOI's mission is vast in both economic and physical terms, and we embrace the fact that sound financial management is a cornerstone of effective and efficient stewardship over the resources for which we are responsible. Only with effective financial management can DOI ensure it accomplishes its mission and goals, and ensure the American public that we are effectively utilizing the resources we are provided.

### Assets

The DOI is steward of more than \$93 billion in assets. The DOI manages more than 500 million acres of land area, and 700 million acres of subsurface minerals. The following graph depicts the major categories of assets that we report:

#### FY 2016 Assets by Category

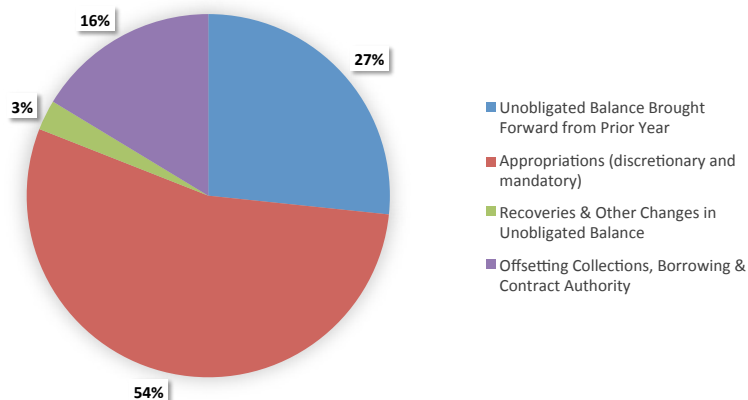


### Budget by Source

Most of DOI's funding comes from general government funds administered by the U.S. Treasury and appropriated by Congress. The DOI budgets emphasize constraint and as a result there is a focus on identifying efficiencies and cutting costs. The DOI's FY 2016 budget included \$11 billion in discretionary appropriations and \$7 billion in permanent appropriations. Additional spending authority is provided through offsetting collections, cost recovery, fees, and borrowing activity.

#### FY 2016 Budgetary Resources

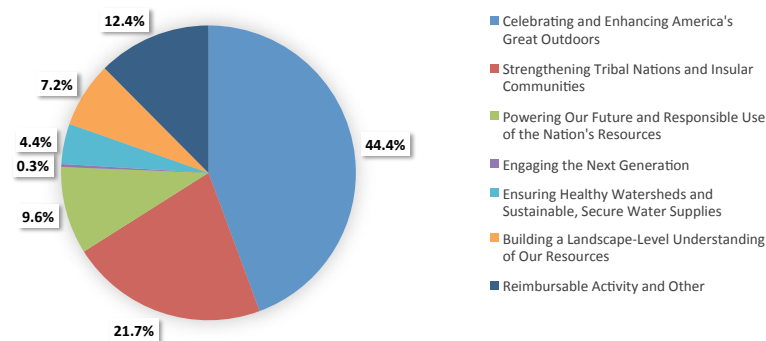
In FY 2016, an audit was conducted resulting in a clean audit opinion. Complete financial information can be found at [www.doi.gov/pfm/afr/2016/](http://www.doi.gov/pfm/afr/2016/).



### Net Costs

Most of DOI's costs are directly related to providing services to the public. The DOI's net cost of operations for FY 2016 was \$17 billion. The DOI's net cost by mission area for FY 2016 is depicted in the chart below.

#### FY 2016 Net Cost by Segment





## Providing Value to the American People

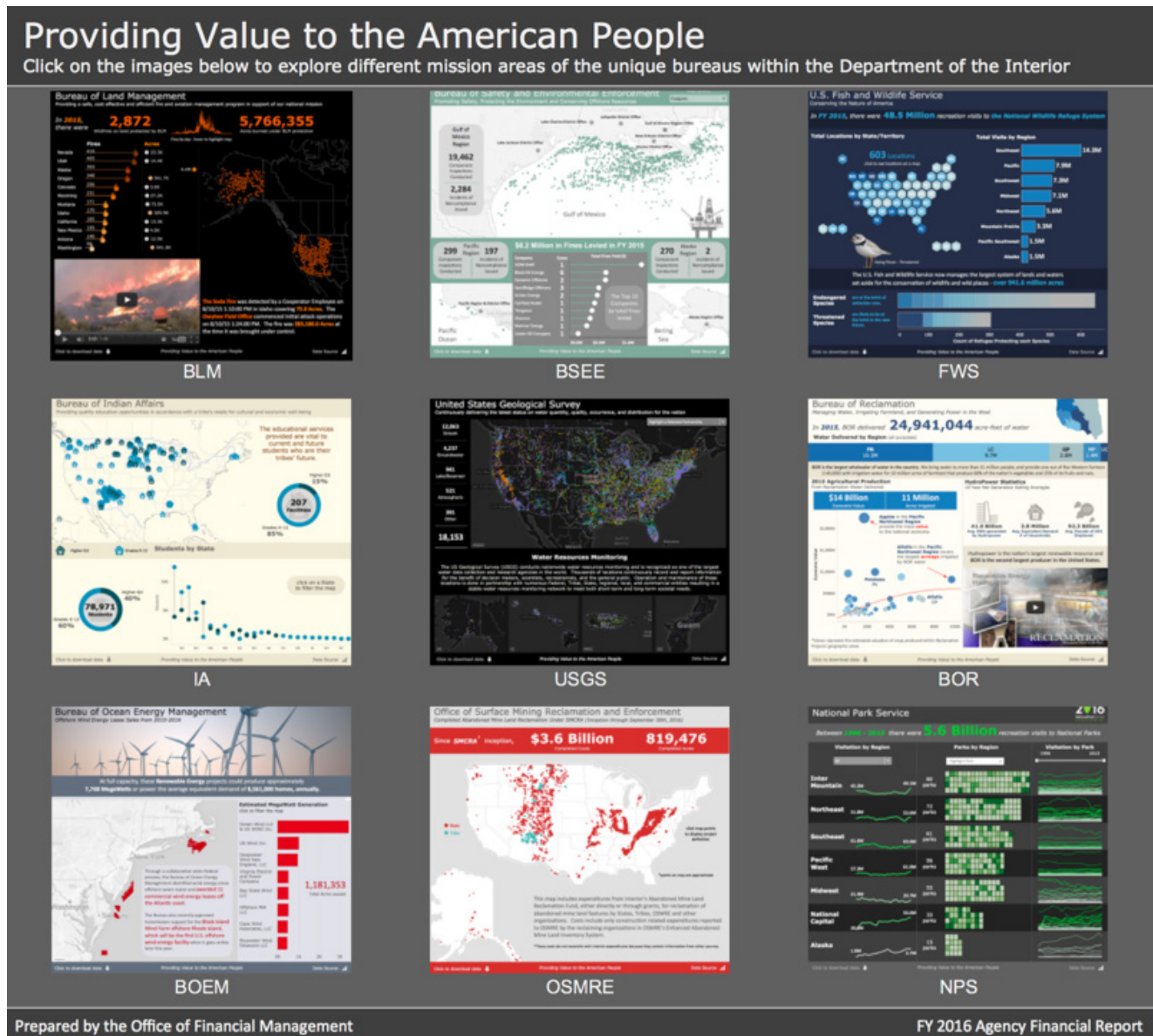
The DOI protects America's natural resources and heritage, honors our cultures and tribal communities, and supplies the energy to power our future. The DOI is made up of nine bureaus (the Bureau of Indian Affairs and the Bureau of Indian Education are represented collectively as Indian Affairs) and a number of departmental offices charged to accomplish the broad mission entrusted to us by the American people.

The goal of the following visualizations is to highlight these bureaus, a portion of their unique mission, and to demonstrate the value provided to the American people.

The bureaus selected data to be presented electronically in an interactive dashboard and published on the Internet. Readers can interact with these dashboards to explore some of the many benefits provided by the DOI's bureaus.

Access the data visualization via a web browser here: <https://www.doi.gov/pfm/afr/2016/visualization/value>. Clicking on the preview thumbnails will load the interactive presentation for each bureau.

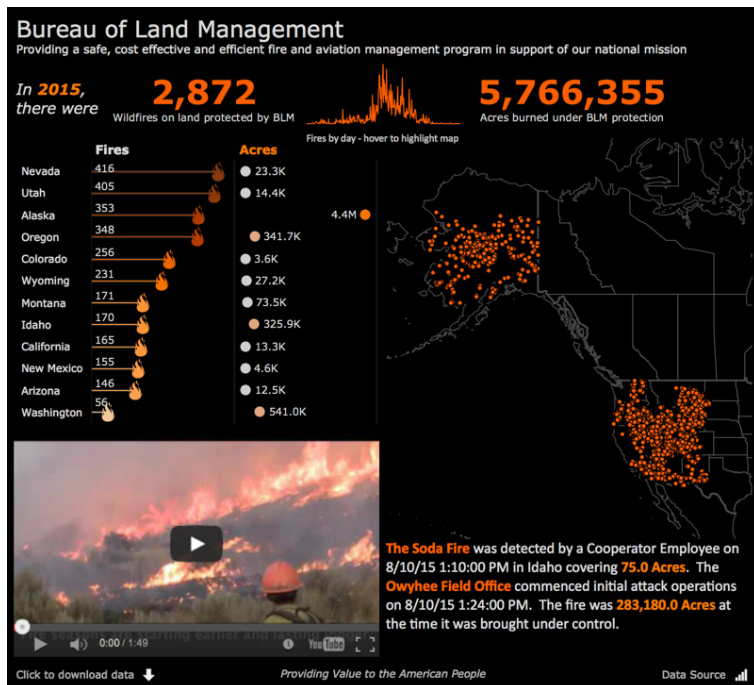
These visualizations and the data on which they are based have not been audited.



Pictured above is the landing page readers will see when arriving at the website. Click any of the images above to be directed to the interactive presentation.

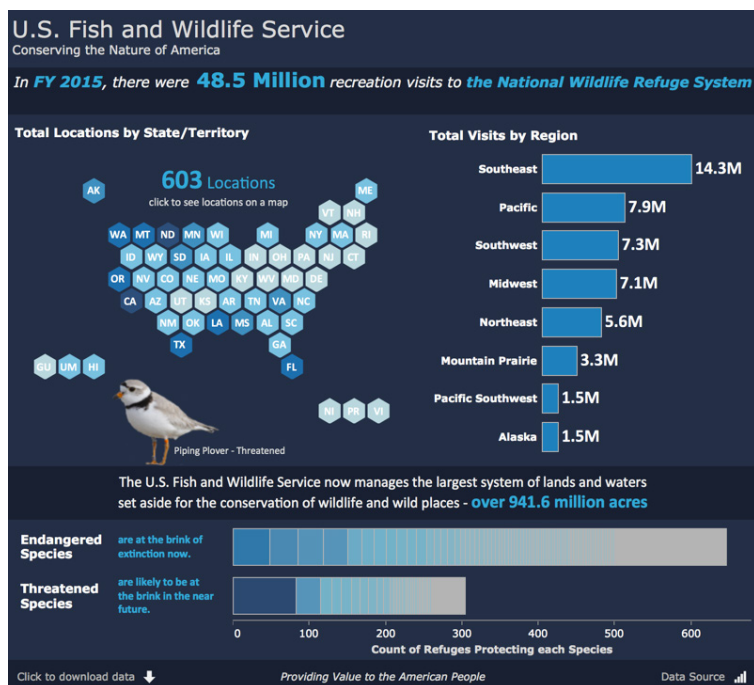
## Providing Value to the American People (continued)

These visualizations and the data on which they are based have not been audited.



Each dashboard has customized interactivity, but generally readers can interact with the data by filtering, viewing detailed pop-ups, drilling down, or following links for more information, etc.

The following presentation depicts wildfires and acres burned under BLM protection by State during 2015. Readers can hover over the sparkline to highlight fires by day on the map, click on any State to filter the dashboard, and click on any fire location on the map to display specific details about that fire. A wildfire video produced by DOI is embedded to provide additional information.



The following presentation depicts a count of FWS locations by State, FY 2015 recreation visits to the National Wildlife Refuge System by region, and counts of refuges protecting endangered and threatened species. Clicking on a State or Territory will filter the recreation visits and species protected totals and a map will appear to display the geographic locations in each area.

Other data presentations available, but not pictured here, include:

- BSEE – 2015 Safety Inspections, Fines, and FY 2015 Oil and Gas Production;
- IA – 2015 Schools, Colleges and Student Counts;
- USGS – 2016 Hydrologic locations (Streamgages, Groundwater, etc.);
- BOR – 2015 Water Delivery, Agricultural Production, and Hydropower statistics;
- BOEM – Wind farm leases and potential power generation;
- OSMRE – Abandoned Mine Land Projects; and
- NPS – Recreation Visitation over twenty years.

Click any of the images above to be directed to the interactive presentation.



## What's Ahead?



Today, the mission of DOI is complex—to protect and manage the Nation's natural resources and cultural heritage, provide scientific and other information about those resources, supply the energy to power our future, and honor its trust responsibilities and special commitments to American Indians, Alaska Natives, and affiliated island communities. The DOI's people, programs, and responsibilities impact Americans across all 50 States. The DOI is the steward of 20 percent of the Nation's lands, managing national parks, national wildlife refuges, and public lands and assisting States, Tribes, and others in the management of natural and cultural resources. DOI grants access to public lands and offshore areas for renewable and conventional energy development—covering roughly a quarter of the Nation's domestic supplies of oil and natural gas—while ensuring safety, environmental protection and revenue collection for the American public. DOI oversees the protection and restoration of surface mined lands and is the largest supplier and manager of water in the 17 Western States, assisting others with water conservation and extending water supplies and providing hydropower resources to power much of the 17 Western States. The DOI serves as Trustee to American Indians and Alaska Natives, fulfilling essential trust responsibilities to tribal communities. DOI's OIA carries out the responsibilities for U.S. affiliated Insular Areas, which include the territories of Guam, American Samoa, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, and three sovereign freely associated states (the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau). The DOI supports cutting edge research in geology, hydrology, and biology, informing resource management and community protection

decisions at DOI and across the world. A Strategic Plan and a set of Priority Performance Goals guide DOI's activities. The following initiatives exemplify how DOI will maintain and build the capacity to carry out these responsibilities on behalf of the American people in the future.

### ***Celebrating and Enhancing America's Great Outdoors***

In 2010, DOI launched the America's Great Outdoors (AGO) initiative to develop a 21st Century conservation and recreation strategy. Each year national parks and monuments, wildlife refuges, and DOI's other public lands provide hundreds of millions of visitors the opportunity to recreate on America's land and appreciate the Nation's cultural and natural resources. The AGO initiative reinvigorated conservation partnerships and reconnected the public with the lands and waters that are the shared heritage of all Americans. Investments in America's great outdoors create millions of jobs and spur billions of dollars in national economic activity through outdoor recreation and tourism.

The FWS national wildlife refuge system is a critical component of the AGO initiative. The refuge system delivers conservation on a landscape level, delivering benefits such as improved water quality, flood mitigation, and important habitat for the survival and protection of endangered species. It also offers recreational opportunities such as fishing and wildlife watching. With 80 percent of the U.S. population residing in urban areas, these activities and outdoor experiences are unfamiliar to many. To address this challenge, FWS developed the Urban Wildlife Conservation Program and designated 17 Urban Wildlife Refuge Partnerships in demographically and

geographically varied cities. The Valle de Oro National Wildlife Refuge—the location of the Southwest's first urban refuge partnership—will serve as an oasis for both wildlife and people on a former dairy farm just a few miles south of Albuquerque, New Mexico's largest metropolitan area. The partnership will provide meaningful nature-based activities for students from area schools. Students will engage in approximately six hours of instructional time over the course of four days, blending classroom and field science experiences at the refuge. This new refuge will offer unique environmental education and recreation opportunities while encouraging conservation of wildlife and their habitats for the benefit of present and future generations of Americans.

In 2016, NPS celebrated 100 years of preserving and sharing America's natural, cultural, and historic treasures. The centennial year of 2016 kicked off a second century of stewardship of America's national parks and community engagement through recreation, conservation, and historic preservation programs. The NPS will make investments to connect a new generation to America's parks and to care for and maintain the national parks for the next 100 years. The NPS is developing Centennial Challenge projects and programs to benefit visitors in the NPS second century. For example, NPS recently announced the opening in Ohio of the first phase of Cuyahoga Valley National Park's first mountain biking trail. This 2.3-mile section of the East Rim Trail system gives mountain bikers, hikers, and runners a challenging new trail to explore in the Cleveland/Akron, Ohio area. Designed to follow the natural topography of the valley, the trail passes through dense woodlands and open meadows. When complete, the full East Rim Trail system will measure nearly 10 miles and connect to a system of bike trails over 100 miles long.

### ***Strengthening Tribal Nations and Insular Communities***

The DOI maintains strong and meaningful relationships with Native and insular communities, strengthens government-to-government relationships with federally recognized

tribes, promotes efficient and effective governance, and supports nation-building and self-determination. The DOI's programs deliver community services, restore tribal homelands, and fulfill commitments related to water and other resource rights, execute fiduciary trust responsibilities, support the stewardship of energy and other natural resources, create economic opportunity, expand access to education, and assist in supporting community resilience.

The FY 2017 budget included key investments to support the Generation Indigenous, an initiative focused on addressing barriers to success for American Indian and Alaska Native children and teenagers. In addition to DOI, multiple agencies—Education, Housing and Urban Development, Health and Human Services, Agriculture, Labor, and Justice—are working collaboratively with tribes on new and increased investments to implement education reforms and address issues facing youth. The Generation Indigenous initiative will support educational outcomes and provide wraparound services to help address barriers and provide opportunities for youth, including behavioral and mental health, and substance abuse services.

To promote public safety and community resilience in Indian communities, the FY 2017 law enforcement budget builds on recent successes in reducing violent crime and expands efforts to lower repeat incarceration in Indian Country, which is a DOI priority goal. The BIA Office of Justice Services will continue pilot programs at five sites that seek to lower rates of repeat incarceration, with the goal of reducing recidivism by a total of three percent within these communities by September 30, 2017. To achieve this goal, BIA will implement comprehensive alternatives to incarceration strategies that seek to address underlying causes of repeat offenses—including substance abuse and social service needs—by utilizing alternative courts, increased treatment opportunities, probation programs, and interagency and intergovernmental partnerships with tribal, Federal, and state stakeholders.







***Powering Our Future and Responsible Use of the Nation's Resources*** - The DOI protects and enables development of America's shared natural resources to supply the energy that powers the Nation's future. The DOI's efforts are critical to ensure all development—energy, timber, forage, and non-energy mineral—are managed safely, smartly, and comply with the highest scientific and environmental standards. As a steward of lands, water, wildlife, and cultural heritage, DOI strives to ensure the sustainability of these assets to support the American economy, communities, and the well-being of the planet.

The DOI has made the development of renewable energy resources on America's public lands one of its top priorities. Public lands contribute 15 percent of hydropower, three percent of windpower, 57 percent of geothermal energy, and 43 percent of installed solar energy to the Nation's renewable energy generation capacity. In 2017, BLM will continue to aggressively pursue the President's goal for increasing renewable energy development in an environmentally sound manner in which renewable energy development is managed in an accelerated but responsible manner to ensure the protection of signature landscapes, wildlife habitats, and cultural resources. Collaboration through close working relationships with local communities, State regulators, private industry, and other Federal agencies is the foundation of the "smart from the start" approach. Renewable energy projects authorized by BLM constitute a major contribution not only to the Nation's energy grid, but also to the national economy. Renewable energy projects on

public lands have already garnered an estimated \$8.6 billion in capital investments, with the potential for an additional \$28 billion for approved projects pending construction.

***Engaging the Next Generation***— The future of America's public lands depends on young people becoming active stewards of the environment throughout their lives. The DOI has a unique opportunity to harness the strong spirit of community service and volunteerism alive within the Nation's youth, and encourage them to use their time, energy, and talent to enjoy and conserve America's natural and cultural treasures. The DOI plays a key role in improving the Nation's future by introducing, involving, and encouraging the next generation as stewards of culture, history, land, water, and wildlife. In this dynamic and changing Nation, more and more people are isolated from the outdoors in cities and large urban areas.

Young people are increasingly drawn indoors and are becoming inactive and disconnected from nature. To address the growing disconnect between young people and the outdoors, DOI developed strategies to promote public-private partnerships and collaborative efforts across all levels of government to connect young people with the land and inspire them to play, learn, serve, and work outdoors. Youth engagement objectives continue to be a priority for DOI bureaus. In FY 2017, the FWS will expand youth programs and partnerships, including the partnership with the 21st Century Conservation Service Corps (21CSC), which is an important tool in reaching urban youth. The 21CSC puts young Americans to work protecting and restoring public and tribal lands and



waters. Mobilization of the 21st Century Conservation Service Corps resulted in several high impact initiatives, including the Latino Heritage internship, an engineering internship pilot in the field of materials and corrosion; developing the Next Generation of Conservationists grants; continuing the AmeriCorp Environmental Summer Steward program; and expansion of the Urban Wildlife Conservation Program. These initiatives enabled significant progress towards Interior's goal to provide 100,000 work and training opportunities to young people and veterans by the end of 2017.

Through the Urban Wildlife Conservation Program, FWS is inviting city dwellers to enjoy the outdoors by creating opportunities near urban communities. An additional \$5.5 million is requested in the 2017 budget to extend successful partnerships in Baltimore, Maryland, and Albuquerque, New Mexico, to other refuges across the Country. The FWS will use this increase to create additional urban community partnerships to engage youth in nature-related activities and programs. Along with communities and partners near Denver, Colorado, FWS is working with kids to help turn a degraded retention pond in an underserved neighborhood into a local park that connects to the nearby Rocky Mountain Arsenal National Wildlife Refuge. This will allow a healthy watershed to flourish, bridging the gap between young people and the great outdoors.

***Ensuring Healthy Watersheds and Sustainable, Secure Water Supplies*** – The Nation, and particularly the West, which is the fastest growing region in the United States, faces serious water challenges related to climate change and competing demands. Adequate and safe water supplies are

fundamental to the health, economy, security, and environment of the country. Intensifying droughts, variable hydrology, and extreme weather events aggravate water shortages and floods, contribute to impaired water quality, and deplete groundwater resources. At the same time, population growth and new demands, including energy development, are increasing competition for supplies. Extreme and exceptional drought continues in many basins and in some places reservoir supplies are averaging almost half of their historic levels. Snowpack, which acts like reservoir storage for many western basins, is diminishing. The aquifers on which millions of Americans rely for freshwater are being depleted at an accelerating rate, particularly where drought is forcing water users to increasingly depend on underground sources of freshwater. At the same time, the cost of maintaining water infrastructure continues to increase. New approaches are needed to ensure the resilience of the Nation's water infrastructure in the face of climate change and more volatile natural events, and to provide prudent maintenance necessary to reliably deliver water supplies.

The DOI's WaterSMART initiative works to secure and enhance water supplies to benefit people, the economy, and the environment, and identifies adaptive measures that help to address climate change and future demands. WaterSMART enables the USGS and BOR to make focused and leveraged investments to address the water resource challenges facing the Nation. The programs included in WaterSMART are collaborative in nature and work across jurisdictional boundaries to achieve sustainable water management. Coordination between BOR and USGS has existed from the very beginning of the WaterSMART initiative. For example, the two bureaus have been working together on preparations





for new WaterSMART assessments in the Rio Grande and Red River basins—2016 to 2018—as well as on a National Brackish Groundwater Assessment, with the production and post processing of a national database that will provide critical information on brackish groundwater availability and quality. The WaterSMART program's basin studies component leverages funding and technical expertise from BOR in a collaborative effort with knowledgeable state, tribal, and local water practitioners. Basin studies aim to identify practical, implementable solutions to existing or anticipated water shortages and to support related efforts to ensure sustainable water supplies. The basin studies conducted to date advance the state of knowledge about the dynamics of each particular watershed and generate a collective expertise to formulate constructive actions to address imbalances.

***Building a Landscape-Level Understanding of Our Resources*** – To effectively carry out its mission and priorities, DOI recognizes the need to consider resource management decisions and resilience across large landscapes. The DOI analyzes the effects of management decisions across broad scales and multiple jurisdictions and balances development with conservation to enhance ecosystems and improve community resilience. This approach requires strong applied and basic scientific research, data collection and monitoring systems, and shared information and tools to bolster partnership efforts. The DOI's premier science agency, USGS, and the scientific capabilities across other DOI bureaus provide the expertise needed to support this landscape level strategy.

The Nation is facing a rising number of extreme natural events—including severe storms, wildfires, and drought—which are expected to increase in both frequency and intensity in the future. In the past months, Americans have battled high intensity wildfires in the West and Pacific Northwest, floods in the Midwest, mudslides in California, and intense tornadoes in the South. As the population grows in coastal areas, major cities, and the wildland-urban interface, Americans are more vulnerable to these severe events, as well as other natural hazards, such as earthquakes and storm surges. Coastal erosion in the Arctic and other sensitive areas is also putting communities and infrastructure at risk.

The 2017 budget applies the insights gained during extreme events of the past year, including the historic western drought, wildfires, and severe flooding in the Southeast. It reflects the importance of building resilient landscapes and communities, and proposes wise investments that help address vulnerabilities. The 2017 budget also proposes investments throughout DOI to improve scientific understanding related to resource management and expands access to and benefits from this important information. The DOI continues to face the challenge of providing relevant scientific information to land, water, and wildlife managers on a regular basis. The DOI also must continue to work effectively and efficiently across landscapes and watersheds with other Federal agencies, states, local and tribal governments, and private partners to formulate shared understandings and common strategies for land and resource managers to adapt to the challenges and ensure the resilience of our Nation's resources.



## Effective and Efficient Management of the Department of the Interior

As stewards of our Nation's lands and resources, DOI managers understand the need for accountability, the obligation to operate effective and efficient programs, and that sound financial management is a cornerstone of program performance.

We continually advocate for strong internal controls and appreciate they are critical to effective execution of our programs and providing the best value to citizens. This year we were successful in mitigating our two prior year material weaknesses related to Controls over General Property, Plant, and Equipment as well as Department-wide Information Technology Controls and remediating the related non-compliance with the Federal Financial Management Improvement Act of 1996. In addition, we were successful in remediating the prior year significant deficiency related to Financial Reporting. Unfortunately, we incurred a new significant deficiency relating to accrued liabilities but are confident we will successfully remediate

this issue in the current year. We are very proud to be able to say that we were successful in mitigating all issues reported in the prior year.

In FY 2016, DOI continued to strengthen its efficiency in operations and improve its operational performance. There are many positive achievements to highlight over the past year, including making progress toward the implementation of the Digital Accountability and Transparency Act of 2014 and the Federal Information Technology Acquisition Reform Act. The DOI completed the migration of the final three Financial and Business Management System (FBMS) environments to a modernized, secure cloud hosting environment to replace obsolete servers and networking storage equipment. The DOI is leading a change in computing technology through the implementation of in-memory computing. The first phase was planned, developed and tested in FY 2016 and will go live in early FY 2017. This first

phase is to add the SAP HANA™ Accelerator. The DOI has also researched and planned the remaining phases that will be implemented in the coming years. The second phase, moving the data warehouse to HANA™, began in FY 2016 with planning and data cleansing efforts.

Building on the successful completion and acceptance of DOI's financial systems roadmap, DOI has initiated business and systems roadmaps in several areas complementary to FBMS, such as budget and performance, facilities work order management, and revenue systems. The goal of each of these roadmaps is to create a plan to support the kinds of benefits being realized from FBMS, such as common business and data standards; modern and unified platforms; transparent reporting using modern analytical tools; increased automated controls and information security; and support for Government-wide initiatives.

## Management Challenges

While the DOI achieved significant progress in FY 2016, the Office of Inspector General (OIG) and the U.S. Government Accountability Office (GAO) annually advise Congress on what are considered to be the major management and performance challenges facing DOI. These are presented in the Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, included in Section 3 Other Information, of the Agency Financial Report (AFR). The OIG's review addresses the challenges that the DOI faces in eight key priority areas: energy management; climate effects; information technology; water programs; responsibility to American Indians and Insular Areas;

acquisition & financial assistance; public safety and disaster response; and, operational efficiencies.

The DOI's leadership provides ongoing direction on these and other management issues in regular management reviews, quarterly reviews of performance including priority goals, and weekly meetings between the Deputy Secretary, Chief of Staff, and Inspector General. The DOI strives to support an effective risk management culture that enables individuals and groups to report risks in an informed manner and exercise judgment to elevate risks when needed. To further underscore the importance of timely implementation of OIG and GAO audit

recommendations, DOI has a performance goal of implementing at least 85 percent of all GAO and OIG recommendations where implementation was scheduled to occur during the current year or in previous years. The DOI set its performance goal at 85 percent to allow for impacts, challenges, or unforeseeable delays when initial corrective action plans were developed; some corrective actions can span multiple years. In FY 2016, DOI achieved an implementation rate of 83 percent. This was due to an increase in the number of recommendations scheduled for closure and unforeseen challenges in completing corrective actions. The DOI continues to emphasize completing remediation activities in a timely manner.

## We would like to hear from you!

Each year, the DOI produces an Agency Financial Report (AFR) that primarily focuses on financial results, and an Annual Performance Report (APR) that reviews strategic goals and performance results, in lieu of a combined Performance and Accountability Report. The fiscal year (FY) 2016 APR will be included in the DOI's FY 2018 Congressional Budget Justification available in 2017. In addition, the DOI also publishes this Summary of Performance and Financial Information, which is an overview of the AFR. Electronic copies of DOI's AFR and this Summary report are available at <https://www.doi.gov/pfm/afr> and <https://www.doi.gov/pfm/citizens-report> respectively. Do you like this report? Do you believe it should include different or additional information? Please contact Office of Financial Management, Paul McEnrue, at [PFM@ios.doi.gov](mailto:PFM@ios.doi.gov) or 202-208-4701. More information is available on Interior's website, [www.doi.gov](http://www.doi.gov).

