



# Annual Performance Plan 2017

January 2017

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM





# Annual Performance Plan 2017

January 2017

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# Preface

The Board of Governors' (Board) *Strategic Plan 2016–19* identifies and frames the critical challenges facing the Board and describes a strategy to meet those challenges.<sup>1</sup> The *Annual Performance Plan 2017* sets forth the planned projects, initiatives, and activities that will contribute to furthering the Board's strategic objectives.

Both of these reports are issued in the spirit of the Government Performance and Results Act (GPRA) of 1993, which requires that federal agencies prepare a strategic plan covering a multiyear period and submit an annual performance plan and annual perfor-

mance report. Although the Board is not covered by the GPRA, the Board voluntarily complies with the spirit of the GPRA and, like other federal agencies, prepares a strategic plan as well as an annual performance plan and an annual performance report. As required by the Federal Reserve Act, the Board also annually submits to the Congress a report describing the operations of the Federal Reserve System (System) for the previous year, as well as a detailed explanation of the plans and resources discussed in the approved budgets of the Board and the 12 Federal Reserve Banks.<sup>2</sup>

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<sup>1</sup> The *Strategic Plan 2016–19* is available on the Federal Reserve Board's website at [www.federalreserve.gov/publications/gpra](http://www.federalreserve.gov/publications/gpra).

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<sup>2</sup> The *Annual Report* is available on the Federal Reserve Board's website at [www.federalreserve.gov/publications/annual-report](http://www.federalreserve.gov/publications/annual-report).





# Introduction

The Board's longstanding mission is to foster the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems and to promote optimal economic performance. The Board's mission is rooted in the System's statutory mandates and on a set of core institutional values:

- **Public interest.** In its actions and policies, the Board seeks to promote the public interest. It is accountable to the general public and the Congress.
- **Integrity.** The Board adheres to the highest standards of integrity in its dealings with the public, the U.S. government, the financial community, and its employees.
- **Excellence.** The conduct of monetary policy, responsibility for bank supervision, and maintenance of the payment system demand high-quality analysis; high performance standards; and a secure, robust infrastructure. The pursuit of excellence drives the Board's policies concerning recruitment, selection, and retention of employees.
- **Efficiency and effectiveness.** In carrying out its functions, the Board recognizes its obligation to manage resources efficiently and effectively on behalf of the U.S. taxpayer.
- **Independence of views.** The Board values the diversity of its employees, input from a variety of sources, and the independent professional judgment that is fostered by the System's regional structure. It relies on strong teamwork and consensus building to mold independent viewpoints into coherent, effective policies.

The Board considers strategic planning a critical factor for ensuring the long-term effectiveness and efficiency of operations. The Board's *Strategic Plan 2016–19* guides key investments and aligns resources over the four-year planning period. The plan is organized into six pillars:

1. **Project development and resource allocation.**  
Improve project management capabilities and

align resources to support current and emerging programs central to the Board's mission.

2. **Workforce.** Uphold the Board as a sought-after place to work that attracts highly qualified individuals and embraces the range of similarities and differences each individual brings to the workplace, including thought, experience, and backgrounds.
3. **Physical infrastructure.** Build a productive, collaborative work environment through the tailored use of space, technology, and design.
4. **Technology.** Empower operational excellence, efficiency, and security through innovative technology platforms.
5. **Data.** Research, analyze, and respond to economic and financial developments, challenges, and issues, as well as safety and soundness, consumer protection, and financial stability risks through enhancement of the Board's data management and analytics environment.
6. **Public engagement and accountability.** Increase understanding and appreciation of the Board's mission through public engagement and accountability.

The Board recognizes that there are differences between government and private-sector strategic planning and measurement of those efforts. While private-sector planning often relies on measures of revenue, the Board measures its performance relative to public policy objectives. The *Annual Performance Plan 2017* presents the most significant strategic projects, initiatives, and investments that support the Board's long-term goals and objectives. However, given the large scope of work performed by the Board, many ongoing operational activities are not identified within this document.

This planning process allows the Board to continuously develop and evaluate how to best prioritize investments, initiatives, and resources in support of

long-term objectives, particularly as they relate to the pillars above. Board staff prepares quarterly internal reports for Board members and senior leadership on the progress toward achieving the strategic objectives. As necessary, the Board's senior leadership will reassess priorities throughout the strategic plan's

execution period and will adjust the specific activities undertaken in any given year to achieve strategic objectives. The Board will release a report to the public on its performance toward achieving its 2017 objectives as outlined in this document.

# Strategic Pillar 1: Project Development and Resource Allocation

*Goal: Improve project management capabilities and align resources to support current and emerging programs central to the Board's mission.*

## Objective 1.1: Establish effective processes and policies to manage priorities and enable resource allocation in support of current, expanded, or emergent mission priorities.

The Board will develop and enhance processes and policies for prioritizing and allocating resources that allow the organization to respond quickly and effectively to new challenges as well as changes to existing requirements.

### Projects and Initiatives

- Inform and advance Federal Reserve policymaking and research on consumer and community financial services, supervisory concerns, and community economic development opportunities and challenges, as well as inform public understanding of these economic inclusion topics.
- Achieve Reserve Bank oversight risk-management objectives, including enhancing the information technology (IT) business model with respect to oversight of the System IT strategic plan.
- Sustain work to enhance the oversight processes of Reserve Banks to ensure an appropriate risk focus.
- Enhance the budget development and forecasting processes to further the functional costing approach, multiyear outlooks, and alignment with the Board's strategic plan.
- Continue work to develop a Boardwide Enterprise Risk Management program.

## Objective 1.2: Develop and apply repeatable processes and project management capabilities.

The Board must be able to execute new and ongoing projects successfully using project management capabilities and implementing best practices.

### Projects and Initiatives

- Continue the investment review process to strengthen the ongoing oversight and governance of large and significant strategic projects.
- Enhance project management oversight by developing and implementing tools and models for use by established programs.

## Objective 1.3: Foster coordination of substantive work and communication within and across divisions and the System.

The Board will continue to collaborate across divisions and the System and enhance communication by using shared tools and implementation of best practices.

### Projects and Initiatives

- Develop the remaining major post-crisis regulatory reform rulemakings and guidance.
- Develop and, as appropriate, implement resolution and recovery programs, including coordinating with other relevant authorities.
- Continue to evaluate potential long-run monetary policy implementation frameworks.
- Improve coordination between community development and consumer compliance supervision to

enhance efficiency, improve the understanding of community reinvestment opportunities, and inform Community Reinvestment Act supervision.

- Continue to implement Systemwide initiatives to encourage robust information exchange and analysis on risks in consumer financial services markets, encourage new consumer and small business mar-

kets and developments, and inform stakeholders on significant events affecting consumers and communities.

- Execute on and enhance the supervisory program for financial market utilities, including coordinating with other federal supervisory agencies, as appropriate.

## Strategic Pillar 2: Workforce

*Goal: Uphold the Board as a sought-after place to work that attracts highly qualified individuals and embraces the range of similarities and differences each individual brings to the workplace, including thought, experience, and backgrounds.*

### Objective 2.1: Foster an inclusive and collaborative work environment that recognizes, appreciates, and effectively utilizes the talent, skills, and perspectives of every employee.

The Board will continue to promote a diverse workforce and climate that is respectful of all views at all levels of the organization.

#### Projects and Initiatives

- Support employee engagement efforts by providing appropriate tools, guidance, and consultation, such as facilitating focus groups, assisting with the development of action plans, and continuing to educate on best practices.
- Develop an implementation plan for the Board's Diversity and Inclusion Strategic Plan.

### Objective 2.2: Attract diverse, highly qualified talent.

The Board will work to attract a diverse and qualified workforce, which is critical to executing the Board's mission.

#### Projects and Initiatives

- Develop and pilot new diversity-focused recruitment strategies by partnering with new talent acquisition resources and the Board's Diversity

and Inclusion section in an effort to support and continue to build a culture of inclusion by

- broadening candidate sourcing pools,
- training recruiters to use skill sets that reflect diverse views,
- piloting new training programs focused on mitigating bias in the hiring process, and
- educating hiring managers.
- Develop a workforce planning strategy for organization sustainability to include
  - determining an appropriate infrastructure and methodology,
  - assessing the appropriate tools and technology to support such an initiative,
  - building a team to support the strategy, and
  - establishing a project plan for a pilot program for implementation in 2018.

### Objective 2.3: Retain valued employees through human resource best practices.

The Board will continue to enhance its human resource practices and offer competitive compensation and benefits to retain top talent.

#### Projects and Initiatives

- Assess and update the Board's talent management policies to ensure alignment with industry best practices and to mitigate talent retention risks.
- Develop and pilot new retention metrics strategies, such as exit and stay interviews, to determine employee turnover trends and develop future talent risk-mitigation strategies.

## Objective 2.4: Develop the next generation of Board leaders.

The Board will preserve and build upon existing leadership development programs to ensure success going forward.

### Projects and Initiatives

- Develop and pilot a New Officer On-Boarding Program in an effort to support the transition of

talented staff into the officer ranks by equipping them with the appropriate tools, knowledge, competencies, and resources to serve effectively as officials of the Board.

## Strategic Pillar 3: Physical Infrastructure

*Goal: Build a productive, collaborative work environment through the tailored use of physical space, technology, and design.*

### Objective 3.1: Develop and maintain a long-term space strategy that enhances the ability of the Board staff to carry out its mission.

The Board recognizes the need for a long-term strategy for managing physical space, including aligning space requirements to projected workforce growth.

#### Projects and Initiatives

- Build out lease space for projected near-term workforce growth.
- Finalize midterm space plan and begin implementation of the plan's elements.
- Continue to develop and refine the Board's long-term strategy for managing physical space.

### Objective 3.2: Enhance the usability of existing space to provide a secure, modern environment that meets the needs of the workforce, promotes efficiency, supports resiliency and continuity efforts, and maximizes productivity.

The Board's renovation of the Martin Building and upgrades to the Eccles and New York Avenue buildings represent critical steps toward creating a mod-

ern, safe, and efficient workplace. Projects will enhance occupant safety and security within the Board's facilities.

#### Projects and Initiatives

- Continue to manage the multiyear Martin Building renovation project effectively.
- Implement upgrades to the Eccles Building including completion of infrastructure upgrades to ensure the Eccles Building operates independently of the Martin Building.
- Continue work on projects that enhance the safety and security of Board facilities.
- Enhance the usability of the New York Avenue Building to provide a modern environment that meets the needs of the workforce.
- Implement technology upgrades and enhance meeting space throughout the Board's facilities.

### Objective 3.3: Develop and implement best practices for efficiently managing space.

The Board seeks to emphasize the efficient use of space, including consolidating the workforce into as few locations as possible while meeting contingency needs and considering the environmental impact. Ongoing facility assessments will ensure that existing Board facilities are operating efficiently.

#### Projects and Initiatives

- Modernize the plumbing infrastructure at the New York Avenue Building in response to the building's 2015 condition assessment.





## Strategic Pillar 4: Technology

*Goal: Empower operational excellence, efficiency, and security through innovative technology platforms.*

**Objective 4.1: Develop, implement, and maintain a Boardwide technology roadmap driven by business needs that consistently improves the computing environment while strengthening a risk-based information security program.**

The Board will focus on evolving its computing infrastructure to support expanding business demands and keep pace with evolving technology. Board staff rely extensively on technology and information services to enable them to be productive; to focus on their core businesses; and to connect, collaborate, and communicate easily with the confidence that their computing environment and information are secure and of high quality. Organizational business drivers will inform an enterprise-level approach to technology and infrastructure investments.

### Projects and Initiatives

- Complete the assessment of technology capability categories and execute against the technology investment and implementation plan based on business priorities.
- Implement enhancements to information labeling and continuous monitoring programs.
- Continue to identify strategic investments in technology, including those that increase capacity for data and information processing and expand electronic collaboration capabilities.

**Objective 4.2: Create and maintain a research and development (R&D) culture and environment that allows for technology evaluation and innovation outside of the necessary constraints of the production environment.**

The Board will need to keep pace with rapid technological change without compromising the security of critical information assets. The development of innovative business approaches will provide an environment that enables controlled risk taking.

### Projects and Initiatives

- Sustain efforts to create an innovation lab to allow for research and technical evaluation.

**Objective 4.3: Continuously enhance the mobile environment to meet requirements for information access, ease of use, and information security.**

The Board will continue to improve access to its information assets from an increasingly mobile workforce.

### Projects and Initiatives

- Execute against the established mobility plan, building upon existing platforms, to enhance technology services.

**Objective 4.4: Provide the ability for Board employees to collaborate effectively with a wide variety of partners, including those within the Board, the System, and broader communities.**

The Board will focus on enhancing electronic collaboration capabilities within and outside the System. As the need to share information with varying degrees of sensitivity grows, the Board must be equipped to provide secure and efficient communication mechanisms.

#### **Projects and Initiatives**

- Implement technology solutions that address defined business needs and evaluate metrics for improving user experience regarding connectivity, collaboration, and data and information processing.

**Objective 4.5: Evaluate the information technology service-provisioning model across the Board and the System to ensure alignment and promote service and cost efficiencies.**

The Board will consider best-practice service delivery models across the System to provision IT services. The Board will focus on automation enhancements that improve business processes and look for ways to fund investments through associated savings.

#### **Projects and Initiatives**

- Continue to execute against a described framework that defines key criteria that will be used in IT decisions across the organization.
- Continue to coordinate activities and employ joint project teams with technology service partners across the System in accordance with defined governance structures.

## Strategic Pillar 5: Data

*Goal: Research, analyze, and respond to economic and financial developments, challenges, and issues, as well as safety and soundness, consumer protection, and financial stability risks through enhancement of the Board's data management and analytics environment.*

### Objective 5.1: Strengthen the Board's governance of its data assets to increase their quality, reliability, and usability.

The Board will work to strengthen and improve data governance policies, processes, and standards for assessing potential new data acquisitions and providing appropriate access to data across the organization.

#### Projects and Initiatives

- Continue to implement components of a Board-wide data governance framework.
- Implement the initial component of a data stewardship program in support of the enterprise data inventory. Continue to define requirements for the other aspects of enterprise data stewardship.
- Implement a Systemwide process to analyze, coordinate, and prioritize data for use in supervising institutions.

### Objective 5.2: Improve the data architecture, processes, and data storage technology to respond with greater agility and efficiency to emerging business needs for data, while facilitating controlled sharing and the movement of data to get the right data to the right people at the right time.

The Board will institute effective data policies and procedures backed by sufficient, secure, and scalable storage capacity to ensure that employees get timely access to data.

#### Projects and Initiatives

- Sustain the development of a target data architecture with key enterprise assets such as the National Information Center and Financial Data Repository.
- Continue to develop the foundation for an information-sharing framework that leverages the enterprise data inventory and maintains controlled internal access to data assets.
- Implement the automated workflow Information Collection Coordination System in a phased approach throughout the organization.

**Objective 5.3: Create and maintain an R&D culture and a stand-alone R&D environment so that the Board’s ability to evaluate and innovate regarding new data sets, tools, and policies is improved.**

The Board will require investments in modernized technology, processing systems, and business analytics as data needs and data availability continue to grow.

**Projects and Initiatives**

- Continue to develop a cross-organizational innovation framework, including the development of an innovation lab as noted in Objective 4.2.

**Objective 5.4: Improve Board staff’s ability to find what data are available and how to access them to be more effective, and to more easily recognize and account for data gaps and overlaps.**

The Board will continue to build employee awareness and understanding of the availability of data across the organization.

**Projects and Initiatives**

- Implement the baseline enterprise data inventory of Board data assets including the collected and acquired data. Begin defining the requirements for created data assets.
- Create a Boardwide data awareness and education program.
- Continue to invest in and improve access to consumer and community data and information throughout the Board and the System.

**Objective 5.5: Enhance the transparency of Board data by increasing the awareness, accessibility, and usability of publicly available Board data to contribute to the body of global open data assets.**

The Board will continue to support transparency and open data initiatives.

**Projects and Initiatives**

- Begin the process of analyzing the business line requirements to define an enterprise open data strategy.

# Strategic Pillar 6: Public Engagement and Accountability

*Goal: Increase understanding and appreciation of the Board's mission through public engagement and accountability.*

**Objective 6.1: Provide information on issues spanning the full range of the Board's missions that enhances public understanding of the Board and its policy decisions and that allows the Congress and the public to assess the effectiveness and efficiency of the Board in fulfilling its responsibilities.**

The Board will continue to build awareness and understanding of its mission, policies, and operations among the Congress and the public and through a variety of communication vehicles.

## Projects and Initiatives

- Enhance the Board's external communication platforms and mechanisms to promote better understanding of the Federal Reserve by providing more information through the Board's website and other external communication platforms.
- Sustain relationships and facilitate communications with congressional offices and news media to ensure dissemination of information on the Federal Reserve's analysis and policies to the Congress and the public and in a timely and accurate manner.
- Increase the depth of understanding on issues related to household financial stability and effective consumer protection through engaged and informed stakeholder collaboration and research.
- Conduct research on topics such as: financial markets; banking conditions; economic activities;

monetary policy; the global economy and its interactions with the U.S. economy; financial stability; consumer risk; community and human capital development dynamics and practices; safety and efficiency of payment, clearing, and settlement arrangements, activities, and instruments; and retail payments trends. As appropriate, continue to make the research available to the public through publications, working papers, academic journal articles, the public website, or conference presentations.

**Objective 6.2: Clearly communicate the rationale underlying the Board's decisions across a range of topics, including monetary policy, regulatory policy, payment system policy, and supervisory actions.**

The Board will continue to communicate and publish reports regarding its policy decisions through a variety of communication vehicles.

## Projects and Initiatives

- Enhance transparency and understanding of the supervision process and outcomes, both within the System and for the public, focusing on aggregate quantitative and qualitative information rather than firm-specific information.
- Continue to support the Board and the Federal Open Market Committee in the formulation, implementation, and communication of monetary policy.
- Produce and publish surveys, reports, and data on financial markets, banking conditions, consumer and household finances, and the Reserve Bank balance sheets.

### Objective 6.3: Expand the extent and effectiveness of engagement and collaborations with external entities, as appropriate.

The Board will continue to collaborate with external entities as appropriate to inform the Board's policy decisions by providing a more complete understanding of the economy and the financial system. Staff will continue to contribute to activities that enhance the resiliency of the financial sector and coordinate with other federal supervisory agencies. Staff will continue to research a wide array of policies, propose guidance on supervisory programs, and address any legislative mandates or changes in the economic conditions.

#### Projects and Initiatives

- Enhance working relationships and improve engagement with stakeholders, as appropriate, including representatives from academia, other government agencies, and international groups.
- Continue to develop policies and standards that foster safety and efficiency in the payment system and identify payment improvement strategies to increase end-to-end speed and safety, including working jointly with Reserve Banks to engage payment system stakeholders in payment system improvement efforts as outlined in the *Strategies for Improving the U.S. Payment System* paper.<sup>3</sup>
- Foster collaboration to help refine, and consult on consumer protection regulations for which the

<sup>3</sup> Board of Governors of the Federal Reserve System, *Strategies for Improving the U.S. Payment System* (Washington: Board of Governors, January 2015), <https://fedpaymentsimprovement.org/wp-content/uploads/strategies-improving-us-payment-system.pdf>.

Federal Reserve has authority, working with other banking agencies and the Consumer Financial Protection Bureau, as appropriate.

### Objective 6.4: Gather information, views, and perspectives on issues related to the Board's mission from a wide range of constituencies, including consumers, businesses, financial sector participants, community groups, researchers, and elected and other public officials.

The Board will engage with the public on a wide range of issues relevant to the organization's mission. Staff will work on a broad research agenda that focuses on the macroeconomy and financial markets and will work to assess potential financial stresses that could threaten economic and financial stability.

#### Projects and Initiatives

- Contribute to domestic and international efforts to improve the quality of financial data that can better inform policymaking.
- Engage payment system stakeholders in payment system improvement efforts, including members of the faster payment and secure payment task forces and the public.
- Continue to engage diverse stakeholders to solicit and inform their views on Board supervisory, monetary, payments, and regulatory policies toward effective consumer protection, strengthened communities, and household financial stability.



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