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Testimony



141311

For Release
on Delivery
Expected at
Tuesday
May 8, 1990
9:30 a.m. EDT

How to Enhance Congressional Oversight

Statement of
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Before the
Senate Committee on Banking
Subcommittee on HUD/Mod Rehab Investigations



048444 / 141311

Mr. Chairman and Members of the Subcommittee

I am pleased to be here today to discuss how congressional oversight of federal agencies and programs can be enhanced.

Diligent congressional oversight of executive agencies and programs can greatly enhance program operations by focusing on program and policy implementation. All too often the focus in the executive branch and Congress is on policy development. Executive branch officials are seldom selected because of their managerial backgrounds, and during their generally short tenures--averaging about 2 years--they tend to measure their success by the policies they develop rather than by how well they are carried out. Few direct their energies to the management issues facing their agencies. At the same time, congressional attention also is often on the development of legislation. Congressional oversight of implementation issues often occurs only when things have reached crisis proportions.

More attention needs to be given to basic management issues facing our program agencies. The serious problems our government faces today, including the breakdown in internal controls at the Department of Housing and Urban Development, the crises in the savings and loan industry and in our nation's nuclear production facilities, and the rising costs we face to modernize our air traffic control system, arose in part from our failure to pay adequate attention to the nuts-and-bolts issues of

managing our government's programs effectively and preparing adequately for the future.

All too often, GAO's audits detect continuing management control weaknesses which were previously identified in our reports and those of Congress, Inspectors General, and the agencies themselves. How often have those reports been systematically analyzed and used as a basis for developing plans to improve agency operations?

Major breakdowns in management controls will continue to plague us until we give sustained attention to ensuring that the agencies have the (1) necessary mission planning systems to provide organizational direction; (2) modern and accurate financial and management information systems to monitor operations; (3) effective evaluation efforts to assess the efficiency and effectiveness of programs; and (4) dynamic human resources programs which not only recruit and develop the talented workers who are the key to any effective organization, but also have good mechanisms for holding managers accountable for results. Over the past decade, HUD experienced problems in all these areas which contributed to the fraud and waste found in the co-insurance, home financing, and moderate rehabilitation programs, and the breakdown in financial and fiscal controls over Federal Housing Administration (FHA) funds.

What are some of the key elements of good congressional oversight? First, it is important for Congress to engage in a continuing dialogue with agency political leadership over the future course of the agency. This dialogue is essential to forming the basic consensus over agency goals which is critical for effective agency operations. Those agencies which operate with conflicting mandates often experience serious management problems. For example, since the creation of the General Service Administration, there have been conflicting views on the best ways to provide the government's housekeeping services. Some see GSA's mission as one of setting policy and overseeing the operations of the executive branch agencies. Others have asserted that GSA can achieve the greatest efficiencies through controlled operations in the areas of common item procurement, space control, and surplus property transfers. These conflicting views have never been resolved, resulting in continuing criticism of GSA's performance from Congress and the federal agencies.

Second, as problems with program implementation are identified, Congress needs to insist that agency officials develop plans and time tables for correcting the problems. Congress needs to evaluate closely the adequacy of the plans prior to accepting them. Once the plans have been accepted, the authorizing and appropriation committees need to support the accomplishment of the plans through realistic funding decisions. Moreover, it should be easier to support agency funding decisions to solve

agency management problems if they are made within the framework of an overall plan for the agency.

Third, Congress needs to make it clear to agency officials that they will be held accountable for taking effective corrective actions. Agency progress must be monitored on a continuing basis to ensure that resources are being used appropriately, milestones are being met, and agency plans remain realistic. The agencies must be convinced that they will not be able to just appear at one or two hearings, report on progress, answer several questions, and go their own way.

The struggle to improve program management is often a long, difficult, and thankless task, but Congress needs to persevere in its oversight efforts. It is inevitable that there will be times when there will be significant disagreements in objectives and approaches between the Congress and the executive branch. These must be worked through. Likewise, there will be other areas in which there will be disagreements within Congress on the appropriate direction of federal programs, and these must be reconciled as best as possible. And there may be charges that Congress is trying to micro-manage agencies. But effective, persistent oversight, designed to hold agency officials accountable for carrying out their own plans is not micro-management.

GAO will continue to assist the Congress in its oversight efforts. Through our program results reviews, we will continue to provide Congress with reliable information on how agency programs are carried out. Through consultations with congressional committees, we will continue to plan our work so that we can provide our evaluations in a timely manner. Our goal is to develop strategic work plans in all our issue areas that will reflect the key issues and concerns of the Congress. That way the information we provide can be most useful in the legislative process. Constant dialogue between us and the committees is thus essential if we are to be responsive.

Our work at HUD demonstrates the role congressional concerns play in our work plans. Consistent with congressional interest, we are placing more emphasis on a range of issues surrounding housing for the elderly, including the need for improved integration of housing and health care services for the low-income elderly. Our work on the impacts of making changes to the criteria used by the Federal Housing Administration to insure single family housing loans responds to congressional interest in receiving our analysis of strategies such as easing down payment requirements, raising FHA loan ceiling limits, and making flexible interest rate mortgages more available. We are also surveying the adequacy of HUD's oversight of the modernization program for public housing in recognition of congressional

concerns relating to the controls over the more than \$1.5 billion annually appropriated to this program.

We will continue to urge the passage of comprehensive financial management reform legislation. Developing modern information systems capable of providing accurate information to congressional and executive branch policymakers is fundamental to effective program management and oversight.

Finally, we shall continue doing agency general management reviews (GMRs). These reports provide both Congress and the executive branch with the basis for a viable agenda for addressing agency management weaknesses in the context of achieving program objectives. Agency leaders have found that the GMR reports can help get the commitment necessary within their agency bureaucracies and within Congress to address difficult management issues. Congress has reacted in an increasingly positive way to the reports, using them to conduct agency oversight. Some committees have specifically asked agency leaders to report on their efforts to address our recommendations. Others have used the reports as a tool for understanding agency management strategies and needs. To the extent that Congress and the agency leadership can agree in the priority management efforts needed, the chance for progress is enhanced.

That concludes my prepared statement. I would be pleased to answer any questions.