

June 1996

Improving Financial
Management and
Accountability in the
Federal Government

Issue Area Plan:
Fiscal Years 1996-98



067908 / 157999

Foreword

As the investigative arm of the Congress and the nation's auditor, the General Accounting Office (GAO) is charged with following the federal dollar wherever it goes. GAO's work promotes a more efficient and cost-effective government; exposes waste, fraud, abuse, and mismanagement in federal programs; helps the Congress target budget reductions; improves accountability through better financial and information management; and alerts the Congress to developing trends that may have significant fiscal or budgetary consequences. GAO develops strategic plans for its 32 issue areas to ensure that its limited resources address issues of greatest importance to the Congress.

GAO's Financial Audits and Management Issue Area Plan focuses on (1) analyzing the financial condition and results of operations for our national government and (2) ensuring effective implementation of the 1990 Chief Financial Officers (CFO) Act, as expanded by the Government Management Reform Act of 1994. These landmark laws provide a blueprint for much needed fundamental reforms of the federal government's financial management practices. They were passed after GAO audits found that federal agencies could not account for hundreds of billions of dollars or balance their books. This poor accountability had led to the lack of essential reliable data for decisionmakers and to billions of dollars in waste and mismanagement.

Under the CFO Act, GAO is responsible, beginning with fiscal year 1997, for annually auditing the consolidated financial statements of the executive branch and reviewing the efforts of CFOs and Inspectors General (IGs) across government in preparing and auditing individual financial statements for the 24 largest departments and agencies. This information will for the first time give congressional leaders comprehensive, reliable data to help reduce federal spending, better assess the performance of federal operations, and ensure greater accountability to American taxpayers.

Foreword

This plan outlines GAO's efforts to

- assess the financial condition and performance of federal operations to assist the Congress in (1) making budgetary decisions, (2) reviewing the results and costs of government activities, and (3) providing oversight of the executive branch's efforts to ensure adequate accountability as stewards over the resources of our national government;
- achieve quality financial management in the federal government as prescribed in the CFO Act, including strong leadership, effective financial management practices, and integrated accounting and information systems that produce reliable, complete, and useful data; and
- identify opportunities for budgetary savings and better management practices to correct high-risk federal operations vulnerable to waste, fraud, abuse, and mismanagement.

Table I describes our objectives and the focus of work planned under each issue. Table II identifies the key individual initiatives GAO will carry out in working toward these objectives.

GAO's efforts will focus primarily on the government's four largest entities—the Department of the Treasury, the Social Security Administration, the Department of Health and Human Services, and the Department of Defense. These entities account for over 80 percent of all federal expenditures and are responsible for managing all public debt and collecting virtually all federal revenues. GAO will also be selectively reviewing major accounts in other executive branch agencies and will use and build on the work of the IGs to meet our statutory responsibility to audit the consolidated financial statements of the executive branch.

The work performed under this plan will provide the basis for our annual audit opinions on the consolidated financial statements of the executive branch. Because of its comprehensive scope, this work will

Foreword

also enable GAO to readily respond to congressional requests and needs on financial management issues. Also, this plan includes efforts to answer existing congressional requests for financial analysis and satisfy about 50 legislative mandates. These initiatives include analyzing issues related to privatizing Power Marketing Administrations; performing annual financial audits of the Bank Insurance Fund, the Savings Association Insurance Fund, and the Federal Savings and Loan Insurance Corporation Resolution Fund; monitoring the Bureau of Indian Affairs' progress in reconciling tribal trust fund accounts; and reviewing financial matters of the District of Columbia government.

GAO also establishes government auditing standards and, in cooperation with the Office of Management and Budget (OMB), the Department of the Treasury, and the Federal Accounting Standards Advisory Board (FASAB), sets accounting standards for the federal government. Additionally, GAO works with the Financial Accounting Standards Board (FASB), the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and others to provide input to accounting and auditing standards established for the private sector and state and local governments.

If you have any questions or suggestions about this plan, please call me or any of our management team listed in table III.



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Table I: KEY ISSUES

Issue	Significance
Financial Condition and Performance:	
What is the financial condition and cost of operations of the federal government and what needs to be done to ensure better accountability by departments and agencies?	<p data-bbox="703 531 1458 814">The federal government is the largest, most complex organization in the world. Confronted with almost \$5 trillion in debt, many more trillions in other known and potential liabilities, and large annual deficits, the Congress and the President face unparalleled budgetary, policy, and oversight decisions without the benefit of reliable and complete data on the government's financial condition and cost of operations. These decisions will impact every aspect of federal government operations and the health and welfare of America.</p> <p data-bbox="703 852 1458 1163">In the past, there has been an absence of full accountability for federal resources spent and of an adequate accounting to the American public of how their tax dollars were used. Most federal departments have not yet passed the test of an independent annual financial audit. Accurate, reliable, and timely information on the financial condition and cost of operations of the federal government will be critical to making informed decisions and holding the appropriate officials responsible for ensuring basic accountability over government financial operations and safeguarding its assets.</p> <p data-bbox="703 1201 1458 1484">The landmark Chief Financial Officers (CFO) Act of 1990, expanded by the Government Management Reform Act of 1994, established many goals and objectives aimed at achieving these essential reforms. In particular, GAO is responsible, beginning with fiscal year 1997, for annually auditing the consolidated financial statements of the U.S. Government and reviewing the efforts of CFOs and inspectors general (IGs) across government in preparing and auditing individual financial statements for the government's 24 largest departments and agencies.</p> <p data-bbox="703 1522 1458 1768">Government corporations, while historically having audited financial statements, continue to face significant challenges as they work to ensure effective internal control systems as their operating environment changes. Complex technical and economic factors also pose difficulties in setting and consistently applying effective accounting and auditing standards, for government as well as the private sector in areas such as financial derivatives.</p>

Table I: Key Issues

Objectives	Focus of Work
<ul style="list-style-type: none"> • To provide, beginning with fiscal year 1997, an annual opinion on whether the consolidated financial statements for the Executive branch, present complete and reliable information on the government's financial position and cost of operations. • To work with Chief Financial Officers and Inspectors General of the 24 major departments and agencies to help ensure that their financial statements, beginning with fiscal year 1996, disclose <ul style="list-style-type: none"> - reliable and complete information on the (1) costs and related results of all key aspects of agency operations, (2) the execution of budget authority and related appropriations, and (3) governmental assets and liabilities; - the effectiveness of internal controls in place for assuring that assets are adequately safeguarded against fraud, waste, and misappropriation; and - whether all pertinent laws and regulations have been complied with. <p>These 24 agencies account for virtually all federal outlays. A listing of these agencies and their outlays for fiscal year 1995 is in table IV.</p> <ul style="list-style-type: none"> • To perform analyses of reported financial information on major governmental agencies and activities, as requested by the Congress and where otherwise appropriate, and advise the Congress of significant fiscal or budgetary issues. 	<p><u>Department of the Treasury</u></p> <p><u>Bureau of Public Debt</u></p> <ul style="list-style-type: none"> • Determine the completeness and accuracy of the almost \$5 trillion in marketable and nonmarketable federal government debt. • Review the Bureau's oversight and internal controls to assure that the federal debt securities auction process, the Federal Reserve commercial book entry accounting system, and the Public Debt accounting and reporting system effectively account for and protect the government's interest in federal debt securities. • Perform financial analyses on the composition and interest rate sensitivity of public debt, including new issues, maturities, refinancings, and repayments. <p><u>Financial Management Service</u></p> <p>Determine whether</p> <ul style="list-style-type: none"> • assets, such as cash, precious metals, and other nonmonetary liquid assets of the federal government are properly identified, accounted for, safeguarded, and reported; and • federal budgetary and accounting structures used to compile and report budgeted and actual receipts and disbursements of the federal government assure complete, consistent, and accurate reporting of federal activities.

Table I: Key Issues

Issue	Significance
Financial Condition and Performance: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
	<ul style="list-style-type: none">• Determine the accuracy and completeness of accounting records for key aspects of the government's operations, such as<ul style="list-style-type: none">- annual revenues of about \$1.5 trillion;- annual federal disbursements of over \$1.5 trillion for defense, health care, interest on the public debt, social security, transportation, and other significant federal programs; and- net increases in public debt.• Evaluate Treasury's efforts to forecast cash projections to manage the federal government's cash needs for meeting its obligations and assuring that the legislatively mandated debt ceiling is not exceeded.• Monitor the Financial Management Service's implementation of the Electronics Benefits Transfer system and assess the effectiveness of the system in reducing fraud and abuse in government benefit programs.
	<p><u>Internal Revenue Service</u></p>
	<ul style="list-style-type: none">• Perform the annual financial statement audit of the Internal Revenue Service.• Identify solutions to IRS' known financial management problems in accounting for and reporting its<ul style="list-style-type: none">- over \$1.3 trillion in federal tax revenues,- about \$2.1 billion in annual non-payroll expenses, and- continual problems in reconciling its overall spending authority-fund balance with Treasury accounts.

Table I: Key Issues

Issue	Significance
Financial Condition and Performance: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
	<ul style="list-style-type: none">• Perform financial analyses on key aspects of IRS' operations, including<ul style="list-style-type: none">- identifying valid IRS accounts receivable and their related collectibility;- reviewing the propriety of large refunds; and- identifying and verifying the propriety of IRS' electronic disbursements charged to its information systems appropriation, with emphasis on costs identified as Tax Systems Modernization costs.
	<p><u>Department of Defense (DOD)</u></p> <ul style="list-style-type: none">• Independently review the effectiveness of DOD's accountability structure and financial reporting for its trillion dollar investment in mission assets and disbursements.• In coordination with the DOD IG, identify and report opportunities for improving the presentation, disclosure, and controls regarding DOD's financial condition and results of operations, including issues such as inventories and environmental liabilities.
	<p><u>Department of Health and Human Services (HHS)</u></p> <ul style="list-style-type: none">• In coordination with the HHS IG, perform the first-ever detailed financial audit and analysis of the \$260 billion in annual Medicare, Medicaid, and related expenditures. Primary efforts will focus on:<ul style="list-style-type: none">- determining whether reported Medicare and Medicaid expenditures (1) represent services provided to eligible beneficiaries in compliance with laws and regulations and (2) include all costs for which the federal government is liable; and

Table I: Key Issues

Issue	Significance
Financial Condition and Performance: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
	<ul style="list-style-type: none">- understanding audit work and quality control procedures used by states for Medicaid expenditures, including internal control and compliance testing.
	<p><u>Social Security Administration (SSA)</u></p> <ul style="list-style-type: none">• Review and test, on a targeted basis, the work performed by the SSA IG on the hundreds of billions of dollars in social security expenditures. This effort will include reviewing the IG's assessment of the adequacy of SSA's controls, including those for determining recipient eligibility and calculating benefit payments, and SSA's compliance with significant provisions of selected laws and regulations.
	<p><u>Financial Status of Trust Funds</u></p> <ul style="list-style-type: none">• Assess the reliability of the reported financial status of major trust funds, including the Medicare Hospital Insurance Trust Fund, the Highway Trust Fund, and the Social Security Administration's Old Age and Survivors Insurance Trust Fund.
	<p><u>Federal Loans and Loan Guarantees</u></p> <ul style="list-style-type: none">• Assess whether the hundreds of billions of dollars in government loans receivable and loan guarantees are correctly accounted for and disclosed under Credit Reform guidelines and new accounting standards, with focus on the Departments of Agriculture, Education, Housing and Urban Development, and Veterans Affairs.
	<p><u>Environmental Clean-Up</u></p> <ul style="list-style-type: none">• Review accounting for the government's hundreds of billions of dollars of estimated environmental clean-up liabilities and the reasonableness of related cost estimates. This effort will focus primarily on the Departments of Energy, Defense, Interior, and Agriculture.

Table I: Key Issues

Issue	Significance
Financial Condition and Performance: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
	<u>Law Enforcement</u>
	<ul style="list-style-type: none">• Assess the reliability and completeness of information on the cost of law enforcement operations across government, including the Departments of Justice and Treasury, along with an in-depth study of seized asset operations at those agencies.
	<u>Property, Plant and Equipment/Heritage Assets</u>
	<ul style="list-style-type: none">• Provide guidance to agencies on implementation of new accounting standards on reporting property, plant and equipment, including heritage assets such as federal lands, and reviewing agency efforts to correct property accounting system weaknesses.
	<u>Federal Pension Plans</u>
	<ul style="list-style-type: none">• Monitor financial statement audits of the two largest federal pension plans, administered by OPM and DOD, to assess the reliability and completeness of information disclosed.
	<u>Federal Financial Assistance</u>
	<ul style="list-style-type: none">• Strengthen the single audit process, which is an important vehicle in informing federal oversight officials and program managers about the stewardship of federal financial assistance by state and local governments, nonprofit organizations, and others.• Analyze single audit and other related work and assess the federal government's use of single audit reports and other mechanisms for ensuring accountability over federal financial assistance.

Table I: Key Issues

Issue	Significance
Financial Condition and Performance: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
<u>Government Corporations</u>	<u>Indian Trust Funds</u>
<ul style="list-style-type: none">• Ensure that government corporations produce financial statements in accordance with generally accepted accounting principles or other comprehensive basis of accounting.• Ensure that government corporations have effective internal control systems over financial reporting, safeguarding of assets, and compliance with laws and regulations having a direct and material effect on financial statements.• Provide warnings to Congress and the administration of problems affecting the financial condition of government corporations.	<ul style="list-style-type: none">• Monitor Interior's efforts to correct Indian trust fund management weaknesses, including reconciliation of tribal trust fund accounts and implementation of the American Indian Trust Fund Management Reform Act of 1994.
<u>Federal Pension Plans</u>	<u>D.C. Government</u>
<p>In accordance with requirements of Public Law 95-595:</p> <ul style="list-style-type: none">• Provide accounting and actuarial reporting guidance, in conjunction with OMB, for the 51 pension plans for federal agencies, nonappropriated fund activities, and Federal Reserve and Farm Credit System entities.• Provide the Congress, as requested, with financial analysis and other information regarding federal pension plans.	<ul style="list-style-type: none">• Continue to identify impediments and potential solutions for improving overall financial accountability within the District of Columbia government.• Conduct and monitor financial statement audits of government corporations including the Bank Insurance Fund, the Federal Savings and Loan Insurance Corporation Resolution Fund, and the Savings Association Insurance Fund.• Assess efforts by government corporations to resolve internal control weaknesses.• Review effectiveness of controls of government corporations undergoing significant restructuring.
<ul style="list-style-type: none">• Monitor pension plan reporting to assess financial status and compliance with reporting requirements.• Monitor accounting standards and reporting guidance affecting pension plans.	

Table I: Key Issues

Issue	Significance
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**Financial Condition and Performance:
(cont.)**

Table I: Key Issues

Objectives	Focus of Work
<u>Legislative Accounts</u>	
<ul style="list-style-type: none">• Provide support as requested in conducting financial audits and related services for legislative branch activities.	<ul style="list-style-type: none">• Conduct mandated financial statement audits (Congressional Award Foundation, Interparliamentary Accounts, Government Printing Office, and others) and other financial audits as requested, such as at the Library of Congress.
<u>Other Government Activities</u>	
<ul style="list-style-type: none">• Ensure that other government activities have effective financial accountability.	<ul style="list-style-type: none">• Perform congressionally mandated financial audits and reviews of other government activities such as independent counsels.
<u>Accounting and Auditing Standards</u>	
<ul style="list-style-type: none">• Provide leadership and technical assistance to the Federal Accounting Standards Advisory Board (FASAB) on existing and evolving accounting and cost accounting standards for the federal government.	<ul style="list-style-type: none">• Track, analyze, and comment on proposed standards and guidance.
<ul style="list-style-type: none">• Issue accounting standards for the federal government, after considering FASAB recommendations.	<ul style="list-style-type: none">• Review implementation of standards.
<ul style="list-style-type: none">• Provide the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB), and the American Institute of Certified Public Accountants (AICPA) with analysis of existing and proposed financial reporting and auditing standards.	<ul style="list-style-type: none">• Work with FASAB to develop federal accounting principles.• Work with the Government Auditing Standards Advisory Council in considering revisions, interpretation, and guidance on government auditing standards to address gaps created by changes to accounting standards and to resolve any other major issues that have arisen since the 1994 revision of the Yellow Book.
<ul style="list-style-type: none">• Assess consistency in the application of generally accepted accounting principles and auditing standards, and evaluate whether the economic substance of high-risk activities is fairly reported and disclosed in financial statements.	<ul style="list-style-type: none">• Review progress the accounting profession has made in responding to concerns expressed about the profession.
<ul style="list-style-type: none">• Provide an early warning of emerging accounting and auditing problems that impact the public interest, such as financial derivative products.	<ul style="list-style-type: none">• Assess the need for and feasibility of expanded financial reporting and auditor services.

Table I: Key Issues

Issue	Significance
Financial Condition and Performance: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
<ul style="list-style-type: none">• Assess the accounting profession's role in providing expanded auditing services to the business community.• Work with international accounting and auditing organizations to improve financial reporting and auditing.• Provide direction to federal agencies on accounting and internal control standards contained in GAO's <u>Policy and Procedures Manual for Guidance of Federal Agencies</u>.• Support the intergovernmental audit forums' efforts to improve financial reporting and auditing.	<ul style="list-style-type: none">• Update GAO's existing accounting and internal control guidance for federal agencies.• Respond to agency inquiries regarding interpretation of the accounting and internal control guidance.• Work with the audit community on the interpretation and application of accounting and auditing standards.

Table I: Key Issues

Issue	Significance
Financial Operations:	
What needs to be done to improve the federal government's financial management infrastructure?	<p>The CFO Act established goals and objectives for dramatically improving the financial operations of the federal government. Although progress has been made, financial audits have shown that agencies often do not follow rudimentary bookkeeping practices such as performing reconciliations, documenting adjustments, verifying physical inventories, and making supervisory reviews of transactions and account adjustments.</p> <p>Weaknesses such as these suggest fundamental deficiencies in the agencies' underlying financial management infrastructure, including its support staff and systems. Upgrading and training financial management staff requires short-term attention to identify the extent of the skills gap and how it can be most effectively narrowed or closed. Also, agencies need to make their existing systems, many of which are antiquated and in need of major upgrading, work better until efforts to modernize agency systems are realized. Such efforts will improve data reliability and help ensure that information transferred to new systems is accurate.</p> <p>When the quality of the underlying data can withstand the scrutiny of an independent audit, these audits will not only be useful for decisionmakers, but also for better day-to-day management decisions and oversight. The audits will also help engender public confidence that the federal government can be an effective financial steward, fully accountable for the use of tax dollars.</p> <p>Furthermore, financial audits have identified computer security weaknesses that expose agencies' sensitive and critical data and computer programs to unauthorized modification, disclosure and/or destruction. Agencies need to establish more effective security management programs to monitor computer security and implement corrective actions.</p>

Table I: Key Issues

Objectives	Focus of Work
Financial Operations	
<ul style="list-style-type: none">• To promote effective implementation of the CFO Act across the 24 largest executive branch agencies by helping to ensure that<ul style="list-style-type: none">- the scope and authorities of agency CFOs provide them with the proper responsibilities and authorities;- CFO, Deputy CFO, and related financial management support teams possess needed qualifications and receive appropriate training;- agencies implement modern, integrated financial management systems that link budgetary, accounting, and cost accounting systems with a focus on performance measures; and- agencies operate efficient processes by making appropriate use of standard systems, participating in cross servicing with other agencies, and outsourcing.	<ul style="list-style-type: none">• Prepare periodic governmentwide assessments of agencies' progress in meeting the goals of the CFO Act.• Focus on DOD efforts to<ul style="list-style-type: none">- establish a skilled financial management workforce,- ensure that planned financial management systems are capable of producing accurate data, and- build an effective financial management organization structure with clear accountability.• Map, in detail, DOD's disbursement process, which results in annual expenditures of almost \$300 billion. Identify the root causes of and short-term improvements needed to minimize its billions in unmatched disbursements, and to address other disbursement accountability issues.• Develop specific solutions to known systems deficiencies within agencies, and any new deficiencies identified as a result of our continuing work.

Table I: Key Issues

Issue	Significance
Financial Operations: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
<ul style="list-style-type: none">• To identify budgetary savings opportunities through improved efficiencies for existing processes and systems, and effective implementation of systems modernization efforts. • To improve collection efforts across government by providing solutions for more effective and efficient loan origination and debt collection policies and practices.	<ul style="list-style-type: none">• Identify financial management best practices by other countries, state and local governments, and the private sector for potential application to the federal government. • Identify opportunities for increased use of standard financial management systems, cross-servicing, outsourcing, and other approaches for improving agency operations. • Conduct a study of centralized financial management functions in states, selected private sector companies, and other countries to determine whether such a structure would provide a more effective, efficient, and timely financial management structure for reporting budgetary and actual financial information. This work includes responding to a congressional request to review Australia's centralized financial management system. • Identify current levels and recent trends in outstanding amounts owed the federal government, especially delinquencies and losses, as well as methods being used by agencies to collect receivables. Also, analyze legislation for broadening and strengthening available debt collection authorities.

Table I: Key Issues

Issue	Significance
Financial Operations: (cont.)	

Table I: Key Issues

Objectives	Focus of Work
<ul style="list-style-type: none">• To assess computer security over financial management systems across the government and identify needed improvements.	<ul style="list-style-type: none">• Review inspectors general work on computer security governmentwide and perform reviews of computer security at the Departments of Treasury, Defense, and Justice, as well as the Federal Deposit Insurance Corporation.• Develop a methodology for computer security reviews.
<ul style="list-style-type: none">• To shape effective guidance for implementation of the CFO Act.	<ul style="list-style-type: none">• Review guidance for implementing the CFO Act, such as OMB's form and content and audit guidance for the preparation and audit of federal financial statements.• Monitor efforts by the CFO Council and President's Council on Integrity and Efficiency on financial management improvement initiatives, such as ongoing efforts to streamline financial management reporting requirements.• Review guidance for implementing the Federal Managers' Financial Integrity Act (FMFLA) and agency efforts to implement effective management control systems.

Table I: Key Issues

Issue	Significance
<p>High Risk:</p> <p>How effectively are agencies identifying and resolving high-risk areas vulnerable to waste, fraud, abuse, and mismanagement?</p>	<p>Many critical government operations are highly vulnerable to waste, fraud, abuse, and mismanagement. The government is needlessly losing billions of dollars and missing huge opportunities to achieve its objectives at less cost and with better service delivery. These vulnerabilities expose the government to significant future losses. Mitigating these losses is especially important at a time when the government faces large budget deficits.</p> <p>At the heart of these high-risk problems is a lack of fundamental accountability, which has led to hundreds of management weaknesses throughout government, many persisting for years. These weaknesses have fostered an environment with inefficient processes that do not provide reliable information and that urgently need to be streamlined and improved. This situation justifiably reinforces the public's low level of confidence in how the government manages their tax dollars.</p>

Table I: Key Issues

Objectives	Focus of Work
High-Risk Areas	
<ul style="list-style-type: none">• Continue to assess the progress of departments and agencies in addressing high-risk areas already identified by GAO.• Report to each new Congress and the public on efforts to identify the root causes of, and solutions for, these high-risk problems.• Identify and report on newly emerging areas that are most vulnerable to waste, fraud, abuse, and mismanagement.	<ul style="list-style-type: none">• Provide an update in early 1997 on existing high-risk areas, which entail<ul style="list-style-type: none">- providing accountability and cost-effective management of Defense programs,- ensuring all revenues are collected and accounted for,- obtaining an adequate return on multibillion dollar investments in information technology,- controlling Medicare claims fraud and abuse,- minimizing loan program losses, and- improving management of federal contracts at civilian agencies. <p>The 20 individual areas currently in GAO's high-risk program, along with points of contact, are listed in table V.</p> <ul style="list-style-type: none">• Review the results of CFO audits across the government to ensure that GAO surfaces the highest risks.

TABLE II: PLANNED MAJOR WORK

Perform financial statement audits and/or related financial management reviews of:

- Department of the Treasury, in coordination with the Inspector General, including the
 - Internal Revenue Service
 - Financial Management Service
 - Bureau of Public Debt
- Department of Defense, including overall financial management operations, with particular focus on
 - financial systems and organization
 - accountability and visibility records on mission assets
 - financial management personnel qualifications
 - financial management of the contracting process
- Department of Health and Human Services, in coordination with the Inspector General, focusing on Medicare and Medicaid
- Government corporations, such as the Federal Deposit Insurance Corporation, including
 - Bank Insurance Fund
 - Federal Savings and Loan Insurance Corporation Resolution Fund
 - Savings Association Insurance Fund
- Other government activities, including Independent Counsels

Table II: Planned Major Work

In coordination with agency inspectors general, perform targeted financial audit work at:

- Social Security Administration
- Departments of
 - Agriculture
 - Transportation
 - Housing and Urban Development
 - Justice
 - Energy
 - Education
 - Labor
 - Veterans Affairs
 - Interior, including Bureau of Indian Affairs
 - Commerce
- General Services Administration
- Environmental Protection Agency
- Federal Emergency Management Agency
- Office of Personnel Management

Assess selected aspects of federal and agency financial management including:

- Governmentwide debt collection practices
- Financial reporting and ratemaking at Power Marketing Administrations
- District of Columbia government, including the financial management system, the highway trust fund, health care costs, and planned construction of a new sports arena and convention center

Table II: Planned Major Work

Perform reviews of computer security at:

- Department of Treasury, in coordination with the Inspector General, including
 - Internal Revenue Service
 - Financial Management Service
 - Bureau of Public Debt
- Department of Justice
- Department of Defense
- Federal Deposit Insurance Corporation, including
 - Bank Insurance Fund
 - Federal Savings and Loan Insurance Corporation Resolution Fund
 - Savings Association Insurance Fund

Work jointly with agency inspectors general to develop a profile on computer security governmentwide

TABLE III: GAO CONTACTS

Gregory M. Holloway
Director
(202) 512-9510

- Governmentwide Issues
- Department of the Treasury
- Department of Commerce
- Department of Justice
- General Services Administration
- Office of Personnel Management

William M. Hunt
Associate Director
(202) 512-3406

George H. Stalcup
Associate Director
(202) 512-9490

Robert W. Gramling
Director
(202) 512-9406

- Government Corporations
- Federally Sponsored Pension Plans
- Legislative Accounts
- Accounting Standards
- Auditing Standards

Lisa G. Jacobson
Director
(202) 512-9542

- Department of Defense
- Department of State
- Agency for International Development
- National Aeronautics and Space Administration (NASA)

Linda M. Calbom
Director
(202) 512-8341

- Department of Agriculture
- Department of Energy
- Department of Interior
- Department of Transportation
- Department of Housing and Urban Development
- Environmental Protection Agency
- Federal Emergency Management Agency
- National Science Foundation
- Nuclear Regulatory Commission
- Small Business Administration

Table III: GAO Contacts

Robert F. Dacey
Director
(202) 512-3317

- Department of Health and Human Services
- Department of Education
- Department of Veterans Affairs
- Department of Labor
- Social Security Administration
- Computer Controls

David L. Clark
Director
(202) 512-9489

- Inspector General Act Issues
- Intergovernmental Audit Issues
- Independent Counsels

Peter V. Aliferis
Associate Director
(202) 512-4707

TABLE IV: CFO ACT AGENCIES

Agency/Department	Fiscal year 1995 outlays (in billions of dollars) ^a	Percent of total
SSA	362.1	21.9
Treasury	348.6	21.0
HHS	303.1	18.3
Defense	291.2	17.6
Agriculture	56.7	3.4
OPM	41.3	2.5
Transportation	38.8	2.3
Veterans Affairs	37.8	2.3
Labor	32.1	1.9
Education	31.3	1.9
HUD	29.0	1.8
Energy	17.6	1.1
NASA	13.4	0.8
Justice	10.8	0.7
Interior	7.4	0.4
EPA	6.4	0.4
State	5.3	0.3
Commerce	3.4	0.2
AID	3.2	0.2
FEMA	3.1	0.2
NSF	2.8	0.2
GSA	0.7	0.0
SBA	0.7	0.0
NRC	0.03	0.0
Total CFO entities	1646.9	99.4
All other government	9.7	0.6
Total government	1656.6	100.0

^aAmounts shown exclude undistributed offsetting receipts (\$137.5 B).

Source: Budget of the United States Government, 1997.

TABLE V: GAO HIGH-RISK AREAS

PROVIDING FOR ACCOUNTABILITY AND COST-EFFECTIVE MANAGEMENT OF DEFENSE PROGRAMS

•Financial Management	Lisa G. Jacobson	(202) 512-9542
•Contract Management	David E. Cooper	(202) 512-4587
•Weapons Systems Acquisitions	Louis J. Rodrigues	(202) 512-4841
•Inventory Management	David R. Warren	(202) 512-8412

ENSURING ALL REVENUES ARE COLLECTED AND ACCOUNTED FOR

•IRS Financial Management	Gregory M. Holloway	(202) 512-3406
•IRS Receivables •IRS Filing Fraud	Lynda D. Willis	(202) 512-9110
•Customs Service Financial Management	Norman J. Rabkin	(202) 512-8777
•Asset Forfeiture Programs	Laurie Ekstrand	(202) 512-8787

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