



# GAO: Summary of Performance and Financial Information Fiscal Year 2016

# S E R V I N G   T H E   C O N G R E S S

## **Mission**

GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

## **Accountability**

We help the Congress oversee federal programs and operations to ensure accountability to the American people. GAO's analysts, auditors, lawyers, economists, information technology specialists, investigators, and other multidisciplinary professionals seek to enhance the economy, efficiency, effectiveness, and credibility of the federal government both in fact and in the eyes of the American people.

## **Integrity**

We set high standards for ourselves in the conduct of GAO's work. Our agency takes a professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced approach to all activities. Integrity is the foundation of our reputation, and the GAO approach to work ensures it.

## **Reliability**

We at GAO want our work to be viewed by the Congress and the American public as reliable. We produce high-quality reports, testimonies, briefings, legal opinions, and other products and services that are timely, accurate, useful, clear, and candid.

## **Scope of work**

GAO performs a range of oversight-, insight-, and foresight-related engagements, a vast majority of which are conducted in response to congressional mandates or requests. GAO's engagements include evaluations of federal programs and performance, financial and management audits, policy analyses, legal opinions, bid protest adjudications, and investigations.



**UNITED STATES  
GOVERNMENT ACCOUNTABILITY OFFICE**  
Budget, Performance, and Financial Snapshot  
Fiscal Year 2016

**WHO WE ARE**

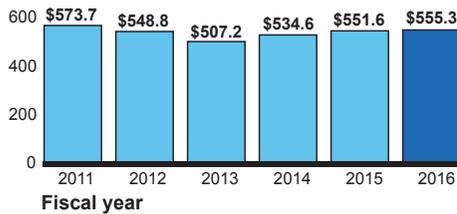
**Mission:** The Government Accountability Office, the audit, evaluation, and investigative arm of the Congress, exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. We examine the use of public funds; evaluate federal programs and policies; and provide analyses, recommendations, and other assistance to help the Congress make informed oversight, policy, and funding decisions.

**Organization and Strategic Focus:** To fulfill our mission, we organize and manage our resources to support four broad strategic goals. These include three external goals: helping to address challenges to the well-being and financial security of the American people, responding to changing security threats and the challenges of global interdependence, and transforming the federal government to address national challenges. Our fourth strategic goal (our one internal goal) is to maximize our value by enabling quality, timely service to the Congress and being a leading practices federal agency.

**Human Capital:** We maintain a workforce of highly trained professionals across a breadth of disciplines. In fiscal year 2016, 71 percent of our approximately 3,000 employees were based at our headquarters in Washington, D.C.; the rest were deployed in 11 field offices across the country.

**BUDGET AND FINANCIAL SNAPSHOT (DOLLARS IN MILLIONS)**

Current year budgetary resources



Fiscal Year 2016

Clean opinion on financial statements	Yes
Clean opinion on internal control over financial reporting	Yes
Timely financial reporting	Yes
Material weaknesses	None
Total assets	\$103.8
Total liabilities	\$81.1

Source: GAO. | GAO-17-2SP

Note: Current year budgetary resources include appropriations and offsetting collections.

**PERFORMANCE SNAPSHOT**

**Accomplishments:** In fiscal year 2016, we exceeded the goals we set for all but two of the areas measured. For example, we reached \$63.4 billion in financial benefits for the federal government—a return of about \$112 for every dollar we spent—and 1,234 improvements in broad program and operational areas across the government. Seventy-three percent of our recommendations were implemented by federal agencies or the Congress (7 percentage points short of our target), and 68 percent of the products we issued contained recommendations. We testified 119 times before the Congress (our target was 120) on a wide variety of topics, about 40 percent (48 of 119) were on areas considered at high risk for fraud, waste, abuse, and mismanagement. For people measures, we met our target for retention rate without retirements,

and exceeded our targets for the remaining six measures, which include our new hire rate, retention rate with retirements, staff development, staff utilization, effective leadership by supervisors, and organizational climate.

**Challenges:** In fiscal year 2016, we made progress addressing our four management challenges—human capital, engagement efficiency, information security, and telework. For human capital, we filled 221 critical positions. To improve engagement efficiency, we continued to streamline engagement processes and systems and conduct outreach with users. For information security, we made upgrades to speed our detection of and response to malicious activity. For telework, we provided staff and managers with thorough telework policies and guidance and mandatory training for managers.

To help determine how well we are meeting the needs of the Congress and the nation and maximizing our value as a leading practices agency, we assess our performance annually using a balanced set of quantitative measures. Below are the key annual performance measures that highlight our performance in significant areas related to the implementation of our mission.

To establish targets for all of our performance measures, we examine our past performance and the external factors that could influence our future work and discuss with our senior executives what could be accomplished in the upcoming fiscal year. We may adjust these targets after we publish our annual performance plan based on changes in planned work or level of funding.

Performance measure	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 target	2016 actual
<b>Results</b>							
Financial benefits (dollars in billions)	\$45.7	\$55.8	\$51.5	\$54.4	\$74.7	\$50.0	\$63.4
Other benefits	1,318	1,440	1,314	1,288	1,286	1,200	1,234
Past recommendations implemented	80%	80%	79%	78%	79%	80%	73%
New products with recommendations	68%	67%	63%	64%	66%	60%	68%
<b>Client</b>							
Testimonies	174	159	114	129	109	120	119
<b>People</b>							
Staff development	79%	80%	80%	83%	84%	80%	83%
Staff utilization	78%	76%	75%	77%	79%	76%	79%
Effective leadership by supervisors	83%	82%	83%	83%	83%	82%	85%
Organizational climate	80%	78%	77%	79%	80%	76%	81%

Source: GAO. | GAO-17-2SP

Notes: See table 1 on page 13 for information on all of our performance measures. Information explaining all of the measures included in this table appears in the Appendix on Data Quality (pages 133-141) of GAO's performance and accountability report for fiscal year 2016 at <http://www.gao.gov/products/GAO-17-1SP>.



Source: GAO. | GAO-17-2SP

January 18, 2017

I am pleased to present this summary of GAO’s key performance and financial information for fiscal year 2016, based on our recently issued Performance and Accountability Report. Our work continued to result in a wide range of financial and other benefits and to demonstrate a steadfast commitment to fulfilling our mission, to support the Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the benefit of the American people.

**Financial Benefits:** In fiscal year 2016, we documented \$63.4 billion in financial benefits for the government—a return of about \$112 for every dollar invested in us. Key examples of our work that contributed to these benefits included (1) reducing improper payments in the Medicare Advantage Program (about \$21.4 billion), (2) increasing the use of strategic sourcing by the Department of Veterans Affairs (VA) to reduce procurement costs (about \$3.6 billion), and (3) improving cost estimates for the Department of Defense’s (DOD) Bulk Fuel Operation and Maintenance budget (about \$2.3 billion).

**Legislative Impacts:** In fiscal year 2016, the Congress used GAO’s work as the basis for a wide range of significant legislative decisions. Examples linked directly to GAO’s work include:

- **The Bipartisan Budget Act of 2015:** The Congress used GAO’s work to identify \$30 billion in offsets or revenue enhancements, including (1) making provider-based off-campus hospital outpatient departments ineligible for inpatient reimbursements, saving \$9.3 billion; (2) streamlining and simplifying audit procedures for certain partnerships—increasing tax revenue by an estimated \$9.3 billion; and (3) requiring agencies to increase civil monetary penalties annually reflecting the consumer price index, generating \$1.3 billion.
- **The Cybersecurity Act of 2015:** Reflected GAO’s work by including provisions that (1) allow the federal government and industry partners to share information about cybersecurity threats; authorize new measures to detect, analyze, and mitigate these threats; and provide liability protection when threat information is shared; (2) require the Department of Homeland Security (DHS) to report on cybersecurity for 10 U.S. ports determined to be at greatest risk, develop an intrusion and prevention system for federal agencies, and study the security of the government’s mobile devices; and (3) authorize the United States to consult with other countries to enhance cooperation for apprehending and prosecuting cyber criminals.

- The National Defense Authorization Act for Fiscal Year 2016: Reflected GAO’s past recommendations, by reducing authorized funding levels for DOD’s headquarters operations by more than \$1.7 billion. It also included key acquisition reforms, such as (1) providing DOD managers greater flexibility to focus on program management by streamlining requirements at key acquisition decision points and addressing programmatic risk, (2) requiring a DOD acquisition strategy, and (3) requiring changes to DOD managers’ tenure and accountability.
- The Fixing America’s Surface Transportation Act (December 2015): Included several provisions that reflect GAO’s work on transportation and other issues, such as (1) establishing the National Highway Freight Network and the National Multimodal Freight Network; (2) requiring the Department of Transportation (DOT) to assess the safety reviews of new freight trucking operators; (3) requiring DOT to publicize total estimated costs of funded projects over \$25 million; (4) authorizing, together with the Balanced Budget Act of 2015, the sale of 124 million barrels of Strategic Petroleum Reserve oil, under certain provisions that could potentially save \$8 billion from 2018 through 2025; and (5) requiring the Department of State to revoke or deny passports to individuals with certain unpaid taxes.
- The Consolidated Appropriations Act of 2016: Reflected GAO’s work, including requiring the Internal Revenue Service to accelerate W-2 filing deadlines for employers to January 31st—positioning the agency to match W-2s to tax returns before issuing refunds.
- The Fraud Reduction and Data Analytics Act of 2015: Requires the Office of Management and Budget (OMB) to establish guidelines based on GAO’s 2015 “Fraud Framework” to help prevent and respond to fraud and improper payments in federal programs.
- The Frank R. Lautenberg Chemical Safety for the 21st Century Act (June 2016): Provides EPA with greater authority to improve its processes for assessing and controlling toxic chemicals—an issue on our High Risk List since 2009.

Other Benefits: Many other benefits resulting from our work cannot be measured in dollars, but lead to program and operational improvements. In fiscal year 2016, we recorded 1,234 of these other benefits. For example, our work on public safety and security

- prompted DOT to enhance its oversight of roadside safety hardware (e.g., guardrails), including a new process to verify third-party crash-test results;
- led the Consumer Financial Protection Bureau (CFPB) to issue a comprehensive data privacy protection plan and develop procedures to mitigate privacy risks and remove personally identifiable information from the consumer data that it collects;
- prompted the Federal Bureau of Investigation (FBI) to (1) conduct audits to ensure that staff who submit face image searches comply with privacy laws, and (2) undertake an operational review of its face recognition technology to see if it is meeting law enforcement user needs; and

- led the Department of State to enhance its management of transportation-related security risks to better protect U.S. diplomatic personnel and their families when posted overseas.

Similarly, our work related to vulnerable populations

- prompted the Federal Trade Commission and CFPB to issue consumer advisories to reduce the exploitation of vulnerable people regarding pension advances;
- led U.S. Customs and Border Protection to require officers to maintain complete, automated records on the care of unaccompanied alien children in its custody;
- prompted VA to improve the accuracy of the data collected on veteran suicides across its medical centers to better inform suicide prevention efforts; and
- led the Department of Education to enhance assistance for homeless youth in planning for college, navigating the admissions process, and applying for federal student aid.

Furthermore, our work in the area of agency operations

- identified actions that OMB and Treasury can take to implement the DATA Act, to improve the quality and transparency of data on the federal government's spending;
- led the National Guard to improve its preparation for a domestic response to chemical, biological, radiological, nuclear, and high-yield explosive incidents;
- identified steps that the U.S. Federal Air Marshal Service could take to better incorporate security risks into decisions about deploying air marshals; and
- led DOD to involve the National Oceanic and Atmospheric Administration (NOAA) in its future efforts to replace aging satellites and mitigate potential gaps in weather data.

Building Bodies of Knowledge: Through the products we issued in fiscal year 2016, we continued to build on bodies of work to address our three broad strategic goals to (1) address current and emerging challenges to the well-being and financial security of the American people, (2) help respond to changing security threats and global interdependence, and (3) help transform the federal government to address national challenges. Examples include:

- Protection of children. We reported on (1) safety and health issues at Indian school facilities, and the need for better federal coordination to assist K-12 schools with emergency preparedness; (2) the need for better use of data to help agencies identify disparities in K-12 education; and (3) the importance of further assisting states to keep foster children in family-based care.

- **Veterans.** We reported on delays in claims processing by the Veteran’s Health Administration; the need to improve oversight of community care physicians’ credentials, users’ satisfaction with the Veterans Benefits Management System, and post -9/11 GI Bill On-the-Job Training and Apprenticeship Programs.
- **Health care.** We reported on the need for continued oversight of Medicare and Medicaid to address their vulnerability to fraud and improper payments, improved oversight of nursing home quality, and strengthened guidance to protect electronic health data.
- **Science and technology.** We reported on needed oversight of high-containment laboratories and how municipalities can use technology to improve the efficiency of their water distribution systems and tap nontraditional sources to address water scarcity.
- **High-risk areas.** We continued to monitor federal operations previously identified as “high risk” and continued our outreach with OMB and executive branch agencies to discuss how to make progress in these areas. This year, our high-risk work resulted in 163 reports, 48 testimonies, \$30.8 billion in financial benefits, and 477 other benefits.
- **Fragmentation, overlap, and duplication.** Our sixth annual report identified 92 new actions across 37 areas that could reduce fragmentation, overlap, and duplication, or provide other cost savings and revenue enhancement opportunities across the federal government. Actions taken by the Congress and executive branch agencies to address the 544 actions government-wide that we have identified to date have generated about \$56 billion in financial benefits, with at least \$69 billion more expected through 2025.

### Serving Our Clients

In fiscal year 2016, we received requests for work from 95 percent of the standing committees of the Congress—supporting a broad range of congressional interests. We issued 697 reports and made 2,071 new recommendations. Our senior executives were asked to testify 119 times before 69 separate committees or subcommittees. Key topics included improving the government’s financial statements and fiscal outlook, addressing improper payments and the tax gap, improving the government’s efficiency and effectiveness, providing new veterans with timely access to health care, addressing federal agencies’ aging information technology systems, observations on the Zika virus outbreak, and securing the Southwest border.

I continued my regular meetings with the Chairs and Ranking Members of congressional committees and subcommittees to obtain their views on GAO’s work, including their priorities, and to discuss opportunities and challenges facing GAO. I also testified on how implementing GAO’s recommendations can help strengthen the government’s performance and collectively yield billions in financial benefits. In addition, I sent letters to the heads of most federal departments, commending those that had taken action to implement the priority recommendations that we had identified for them last year, and to draw their attention to new and unimplemented priority recommendations

still requiring their attention. Of the 360 priority recommendations that we highlighted in the 2015 letters, 79 (22 percent) had been implemented when the 2016 letters were sent. These letters were also sent to the congressional committees of jurisdiction to inform their oversight.

### Supporting Our People

The hard work and dedication of our professional, diverse, multidisciplinary staff positioned GAO to achieve a 94 percent on-time delivery of our products in 2016. Our fiscal year 2016 performance continues to indicate that we provide staff with the necessary support to produce high-quality work. We met our annual target for retention rate without retirements and exceeded our annual targets for the remaining six people measures—staff development, staff utilization, effective leadership by supervisors, organizational climate, new hire rate, and retention rate with retirements. GAO also maintained its standing as one of the best places to work in the federal government per the Partnership for Public Service—ranking third among mid-sized federal agencies and first for support of diversity.

### Managing Our Internal Operations

In fiscal year 2016, we continued efforts to support our fourth strategic goal—to maximize our value by enabling quality, timely service to the Congress and being a leading practices federal agency. We made progress addressing our four internal management challenges—human capital management, engagement efficiency, information security, and telework. To address our human capital challenge, we hired staff to fill 221 positions, and reached 2,983 full-time equivalents—nearing our optimal level of 3,250. For engagement efficiency, we continued to streamline engagement processes and systems and conduct outreach with users. For information security, we made upgrades to speed our detection of and response to malicious activity. With regard to telework, we provided staff and managers with thorough telework policies and guidance and mandatory training for managers.

This fiscal year, we continued to make significant contributions to the domestic and international auditing community. We opened our new Center for Audit Excellence to help domestic and international audit organizations build institutional auditing capacity by providing training and other services. In addition, our Office of General Counsel made progress toward establishing an electronic protest docketing system, handled about 2,700 bid protests, issued over 600 decisions on the merits, and released the first two chapters of the new fourth edition of Principles of Federal Appropriations Law (GAO's Red Book)—the primary resource for appropriations law guidance in the federal community. Moreover, we developed a transition application to provide the new Congress and incoming Administration with quick access to our work, including our priority recommendations.

We again received from independent auditors an unmodified or “clean” opinion on our financial statements for fiscal year 2016 and on our internal control over financial reporting. The detailed performance and financial information in this report is complete and reliable, and meets our high standards for accuracy and transparency.

In fiscal year 2017 and beyond, we will continue to focus our attention on identifying options for the Congress as it tackles the nation's most important challenges. We look forward to continuing to serve the Congress and the public on issues affecting the lives of all Americans.

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Gene L. Dodaro  
Comptroller General  
of the United States

# ABOUT GAO

Source: GAO. | GAO-17-2SP

GAO is an independent, nonpartisan professional services agency in the legislative branch of the federal government. Commonly known as the investigative arm of the Congress or the “congressional watchdog,” we examine how taxpayer dollars are spent and advise lawmakers and agency heads on ways to make government work better. As a legislative branch agency, we are exempt from many laws that apply to the executive branch agencies; however, we generally hold ourselves to the spirit of many of the laws, including the Federal Managers’ Financial Integrity Act (FMFIA), the Government Performance and Results Act (GPRA), as amended, and the Federal Information Security Management Act (FISMA).<sup>1</sup> Accordingly, our performance and accountability report for fiscal year 2016 provides what we consider to be information comparable to that reported by executive branch agencies in their annual performance and accountability reports.<sup>2</sup> The report also fulfills our requirement to report annually on the work of the Comptroller General under 31 U.S.C. 719.

## Mission

Our mission is to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. The strategies and means that we use to accomplish this mission are described in the following pages. In short, we provide objective and reliable information and analysis to the Congress, to federal agencies, and to the public, and we recommend improvements, when appropriate, on a wide variety of issues. Three core values—accountability, integrity, and reliability—form the basis for all of our work, regardless of its origin. These values are described on the inside front cover of this report.

## GAO’s History

The Budget and Accounting Act of 1921 required the President to issue an annual federal budget and established GAO as an independent agency to investigate how federal dollars are spent. In the early years, we mainly audited vouchers, but after World War II we started to perform more comprehensive audits that examined the economy and efficiency of government operations. By the 1960s, GAO had begun to perform the type of work we are noted for today—performance audits—which include

- evaluations of federal policies, programs, and the performance of agencies;
- oversight of government operations to determine whether public funds are spent efficiently, effectively, and in accordance with applicable laws; and
- policy analyses to assess needed actions and the implications of proposed actions.

<sup>1</sup>FMFIA was enacted to strengthen internal controls and accounting systems in the federal government and requires the Comptroller General to issue standards for internal control in the federal government. GPRA seeks to improve public confidence in federal agency performance by requiring that federally funded agencies develop and implement accountability systems based on performance measurements that include goals and objectives and measure progress toward them. The GPRA Modernization Act of 2010 incorporates additional requirements for reporting and transparency. FISMA requires federal agencies to implement policies and procedures to cost-effectively reduce information technology risks.

<sup>2</sup>This product, GAO: Summary of Performance and Financial Information: Fiscal Year 2016, summarizes the key information presented in GAO’s performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>).

Figure 1: GAO's Strategic Plan Framework



**MISSION**

**GAO** exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

**Trends Shaping the United States and Its Place in the World**

National Security Trends	Fiscal Sustainability and Debt Challenges	Global Interdependence	Science and Technology Trends	Communication Networks and Information Technologies	Shifts in Governance and Government	Demographic and Societal Changes
--------------------------	---	------------------------	-------------------------------	---	-------------------------------------	----------------------------------

Goals	Objectives
<p><b>Provide Timely, Quality Service to the Congress and the Federal Government to...</b></p> <p><b>Address Current and Emerging Challenges to the Well-being and Financial Security of the American People related to...</b></p>	<ul style="list-style-type: none"> <li>■ Health care needs</li> <li>■ Lifelong learning</li> <li>■ Challenges facing an aging population</li> <li>■ Effective system of justice</li> <li>■ Housing finance and viable communities</li> <li>■ Stable financial system and sufficient consumer protection</li> <li>■ Natural resources and the environment</li> <li>■ National infrastructure</li> <li>■ Benefits and protections for workers, families, and children</li> </ul>
<p><b>Respond to Changing Security Threats and the Challenges of Global Interdependence involving...</b></p>	<ul style="list-style-type: none"> <li>■ Homeland security</li> <li>■ Military capabilities and readiness</li> <li>■ Foreign policy and international economic interests</li> </ul>
<p><b>Help Transform the Federal Government to Address National Challenges by assessing...</b></p>	<ul style="list-style-type: none"> <li>■ Government's fiscal position and approaches to address current and projected fiscal gaps</li> <li>■ Federal government audit and internal control standards</li> <li>■ Major management challenges and program risks</li> <li>■ Fraud, waste, and abuse, and improvements in internal controls</li> </ul>
<p><b>Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency by focusing on...</b></p>	<ul style="list-style-type: none"> <li>■ Efficiency, effectiveness, and quality</li> <li>■ Diverse workforce and inclusive work environment</li> <li>■ Networks, collaborations, and partnerships</li> <li>■ Human, information, fiscal, technological, and physical resources</li> </ul>

**CORE VALUES**

<b>Accountability</b>	<b>Integrity</b>	<b>Reliability</b>
-----------------------	------------------	--------------------

Source: GAO. | GAO-17-2SP

**Figure 2: How GAO Assisted the Nation • Fiscal Year 2016*****Goal 1: Address Current and Emerging Challenges to the Well-being and Financial Security of the American People***

- Led the Consumer Financial Protection Bureau (CFPB) to issue a comprehensive data privacy protection plan and develop procedures to mitigate privacy risks and remove personally identifiable information from the consumer data that it collects
- Contributed to provisions of the Frank R. Lautenberg Chemical Safety for the 21st Century Act, which provides EPA with greater authority to improve its processes for assessing and controlling toxic chemicals—an issue on our High Risk List since 2009
- Led the Federal Bureau of Investigation (FBI) to (1) conduct audits to ensure that staff who submit face image searches comply with privacy laws, and (2) undertake an operational review of its face recognition technology to see if it is meeting law enforcement user needs
- Prompted VA to improve the accuracy of the data collected on veteran suicides across its medical centers to better inform suicide prevention efforts
- Led the Department of Transportation to enhance its oversight of roadside safety hardware (e.g., guardrails), including a new process to verify third-party crash-test results
- Prompted the Department of Education to better assess how accreditors are evaluating the academic quality of higher education institutions and to improve its own oversight of schools receiving federal funds

***Goal 2: Respond to Changing Security Threats and the Challenges of Global Interdependence***

- Led the National Guard to improve its preparation for a domestic response to chemical, biological, radiological, nuclear, and high-yield explosive incidents
- Identified steps that the U.S. Federal Air Marshal Service could take to better incorporate security risks into decisions about deploying air marshals
- Led the Department of State to enhance its management of transportation-related security risks to better protect U.S. diplomatic personnel and their families when posted overseas
- Prompted DOD to involve the National Oceanic and Atmospheric Administration (NOAA) in its future efforts to replace aging satellites and mitigate potential gaps in weather data
- Led the Department of Defense to evaluate options for identifying alternative suppliers for its critical microelectronics to help ensure access this essential technology

***Goal 3: Help Transform the Federal Government to Address National Challenges***

- Led to actions that reduced improper payments in the Medicare Advantage Program by about \$21.4 billion
- Prompted the Congress to require the Internal Revenue Service to accelerate W-2 filing deadlines for employers to January 31st—positioning the agency to match W-2s to tax returns before issuing refunds
- Contributed to provisions of the Cybersecurity Act of 2015, which included allowing the federal government and industry partners to share information about cybersecurity threats and authorizing new measures to detect, analyze, and mitigate these threats
- Prompted the Congress to require OMB to establish guidelines based on GAO's 2015 "Fraud Framework" to help prevent and respond to fraud and improper payments in federal programs
- Identified actions that OMB and Treasury can take to implement the DATA Act, to improve the quality and transparency of data on the federal government's spending
- Prompted the Federal Trade Commission and CFPB to issue consumer advisories to reduce the exploitation of vulnerable people regarding pension advances

***Goal 4: Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency***

- Provided staff and managers with thorough telework policies and guidance, mandated telework training for managers, and improved the systems managers use to monitor telework
- Upgraded our information technology systems to reduce the time it takes for us to detect and respond to inappropriate access to computer resources
- Launched the Fast Facts pilot to improve how we communicate with online readers, by providing them with a short introduction and visual (e.g., photo) for selected reports to quickly convey the bottom-line message

Source: GAO. | GAO-17-2SP

Note: Additional information on accomplishments by goal is highlighted in Part II (pages 64-97) of GAO's performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>).

## Fiscal Year 2016 Performance Summary

The results of our efforts are reflected in our solid performance in fiscal year 2016 (see [table 1](#)).

### Results:

We exceeded our target of \$50.0 billion in financial benefits by \$13.4 billion—reaching \$63.4 billion. This represents a \$112 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 34 benefits, accomplishing 1,234 other benefits. We fell short of meeting our target of 80 percent for past recommendations implemented by 7 percentage points—finishing the fiscal year at 73 percent. Although our average implementation rate for the past 4 years has been 77 percent, we are analyzing this decline to identify contributing factors and will take appropriate actions in 2017. We exceeded our target of 60 percent for new products with recommendations by 8 percentage points, with 68 percent of new products containing recommendations.

### Clients:

We exceeded our target of 90 percent for delivering our products and testimonies in a timely manner by 4 percentage points—reaching 94 percent on-time delivery for fiscal year 2016. Our senior executives were asked to testify 119 times, falling 1 testimony short of our fiscal year 2016 target of 120. This was due to fewer than anticipated hearings being held, which is a factor not in our control. We were asked to testify before 69 separate committees or subcommittees on topics spanning most federal agencies.

### People:

We met our annual target of 96 percent for retention rate without retirements and exceeded our target of 92 percent for our retention rate with retirements by 1 percentage point. We also exceeded our target of 80 percent for staff development by 3 percentage points—reaching 83 percent. For staff utilization, we exceeded our target of 76 percent by 3 percentage points, ending the year at 79 percent. For effective leadership by supervisors, we exceeded our target of 82 percent by 3 percentage points—reaching 85 percent. For organizational climate, we reached 81 percent—exceeding our target of 76 percent by 5 percentage points. We fell short of our hiring target of 272, yet we filled 221 critical positions; reached a new hire rate of 81 percent; and made important strides toward our optimal full-time equivalent (FTE) staffing level of 3,250.

### Internal Operations:

We assessed staff satisfaction with our three internal operations measures for calendar year 2015 through our internal customer satisfaction (CSAT) survey, conducted in January 2016. In this survey, we assessed how well our administrative services (e.g., travel support, counseling, building security, etc.) help employees get their jobs done, improve quality of work life, and how satisfied employees are with IT tools. In 2016, we continued our efforts to maintain staff satisfaction with our internal measures for “helping staff get the job done” (80 percent) and to improve the other two services that did not meet our goal of 80 percent in 2015—“improve quality of work life” (78 percent) and “IT Tools” (67 percent). We plan to conduct our next CSAT in January 2017.

**Table 1: Agency-wide Summary of Annual Measures and Targets**

Performance measure	2011 actual	2012 actual	2013 actual	2014 actual	2015 actual	2016 target actual		Met/not met	2017 target
<b>Results</b>									
Financial benefits (dollars in billions)	\$45.7	\$55.8	\$51.5	\$54.4	\$74.7	\$50.0	\$63.4	Met	\$50.0
Other benefits	1,318	1,440	1,314	1,288	1,286	1,200	1,234	Met	1,200
Past recommendations implemented	80%	80%	79%	78%	79%	80%	73%	Not Met	80%
New products with recommendations	68%	67%	63%	64%	66%	60%	68%	Met	60%
<b>Client</b>									
Testimonies	174	159	114	129	109	120	119	Not Met	120
Timeliness	95%	95%	94%	95%	98%	90%	94%	Met	90%
<b>People</b>									
New hire rate	84%	76%	66%	88%	83%	80%	81%	Met	80%
Retention rate									
With retirements	92%	93%	93%	94%	94%	92%	93%	Met	92%
Without retirements	96%	96%	96%	97%	96%	96%	96%	Met	96%
Staff development	79%	80%	80%	83%	84%	80%	83%	Met	80%
Staff utilization	78%	76%	75%	77%	79%	76%	79%	Met	76%
Effective leadership by supervisors	83%	82%	83%	83%	83%	82%	85%	Met	82%
Organizational climate	80%	78%	77%	79%	80%	76%	81%	Met	76%
<b>Internal operations</b>									
Help get job done	80% (3.98)	N/A <sup>a</sup>	82%	82%	80% <sup>b,c</sup>	80%	N/A <sup>b</sup>	N/A <sup>b</sup>	80%
Quality of work life	80% (3.99)	N/A <sup>a</sup>	78%	78%	78% <sup>b,c</sup>	80%	N/A <sup>b</sup>	N/A <sup>b</sup>	80%
IT Tools	N/A <sup>d</sup>	N/A <sup>a,d</sup>	68% <sup>d</sup>	65%	67% <sup>b,c</sup>	80%	N/A <sup>b</sup>	N/A <sup>b</sup>	80%

Source: GAO. | GAO-17-2SP

Note: Information explaining all of the measures included in this table appears in GAO's performance and accountability report for 2016 (Appendix on Data Quality) on pages 133-141 (<http://www.gao.gov/products/GAO-17-1SP>).

<sup>a</sup>No survey was conducted in calendar year 2012 (denoted by N/A).

<sup>b</sup>The most recent survey was conducted in January 2016 for calendar year 2015 (denoted by N/A).

<sup>c</sup>The targets for all three categories in 2015 were 80 percent.

<sup>d</sup>In 2013, we added the IT performance measure to better gauge and track satisfaction with GAO's IT services. In prior survey years, IT services were covered under one of the other performance measures (years prior to addition of performance measure are denoted by N/A).

Our fiscal year 2017 targets for all 16 of our performance measures are the same as those targets we reported in our fiscal year 2017 performance plan issued in May 2016.

## Financial Benefits and Other Benefits

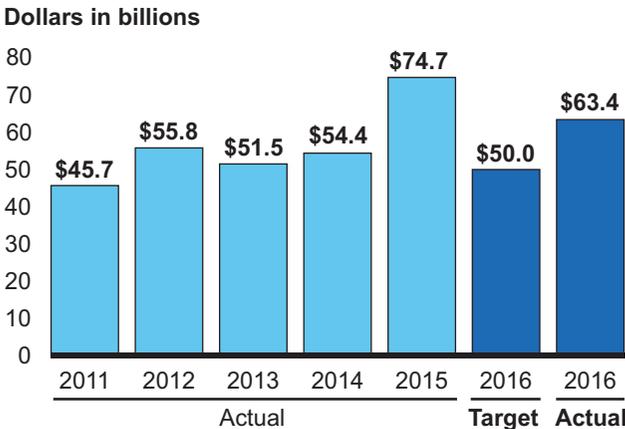
We generally describe the positive outcomes resulting from our work as either financial or other benefits. In many cases, the benefits we claimed in fiscal year 2016 are based on work we did in past years because it often takes the Congress and agencies time to implement our recommendations or to act on our findings.

### Financial Benefits

Our findings and recommendations produce measurable financial benefits for the federal government after the Congress acts on or agencies implement them and the funds are made available to reduce government expenditures or are reallocated to other areas. For example, a financial benefit can be the result of changes in business operations and activities; the restructuring of federal programs; or modifications to entitlements, taxes, or user fees.

In fiscal year 2016, our work generated about \$63.4 billion in financial benefits (see [fig. 3](#)). We exceeded our target of \$50 billion by about 27 percent due to one unexpectedly large accomplishment of \$21.4 billion. Part II of GAO's performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>) provides more information on these accomplishments by goal on pages 64-89. We have maintained \$50 billion as our target for financial benefits in fiscal year 2017 based on our past, ongoing, and expected work.

**Figure 3: Financial Benefits GAO Recorded**



Source: GAO. | GAO-17-2SP

The financial benefits that we report in our performance measures are net benefits—that is, estimates of financial benefits that have been reduced by the estimated costs associated with taking the action that we recommended. We convert all estimates involving past and future years to their net present value and use actual dollars to represent estimates involving only the current year. We can claim financial benefits over multiple years, but we limit the period over which benefits from an accomplishment can accrue to no more than 5 years. Additional examples of financial benefits can be found in Part II of GAO's performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>) on pages 64-89.

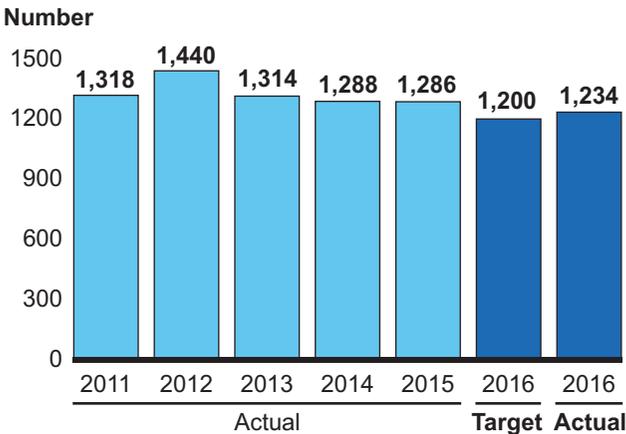
**Selected Fiscal Year 2016 Financial Benefits**

- Reducing Medicare Advantage Improper Payments – \$21.4 billion
- Increasing Use of Strategic Sourcing by the Department of Veterans Affairs – \$3.6 billion
- Decreasing Program Balances for the Making Homes Affordable Program – \$2.0 billion
- Improving Management of DOD’s Funds for Combatting Terrorism – \$1.6 billion

**Other Benefits**

Many of the benefits that result from our work cannot be measured in dollar terms, which we refer to as other benefits. During fiscal year 2016, we recorded a total of 1,234 other benefits (see [fig. 4](#)). We exceeded our target by 34 benefits largely because of a number of accomplishments we documented for public safety and security and business process and management. Specifically, in fiscal year 2016, we documented about 46 percent of the total other benefits in the area of public safety and security, including programs such as homeland security and justice programs and critical technologies; and about 22 percent of these other benefits resulted from improvements in business process and management, such as federal information systems, business systems modernization, and financial management. Part II of GAO’s performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>) provides more information on these other benefits by goal on pages 64-89. We have set our 2017 target for these benefits at 1,200 again based on our past, ongoing, and expected work.

**Figure 4: Other Benefits**



Source: GAO. | GAO-17-2SP

## Selected Fiscal Year 2016 Other Benefits

### Public Insurance and Benefits

- Led the Social Security Administration to improve its oversight of benefits for children with impairments that are likely to improve, by increasing the number of reviews it conducts to establish recipients' continued eligibility for these benefits

### Public Safety and Security

- Prompted the Department of Homeland Security (DHS) and the Department of Justice to improve their efforts to prevent and address fraud in applications for asylum by conducting regular fraud risk assessments, and DHS to implement new tools to detect patterns of fraud

### Acquisition and Contract Management

- Led DOD to study options for using warranties and clarifying guidance to improve the Navy's shipbuilding contracts by limiting government liability for certain defects

### Tax Law Administration

- Led the Congress to require the Department of State to revoke or deny passports to individuals with certain unpaid taxes, based on our March 2011 report, which identified more than 200,000 people who obtained passports in 2008 and who owed over \$5.8 billion in unpaid federal taxes

### Program Efficiency and Effectiveness

- Prompted the Federal Deposit Insurance Corporation and the Federal Reserve to help key financial institutions improve the contingency plans they must prepare for reorganizing or liquidating in case they fail, by disclosing the assessment framework used to review these plans

### Business Process and Management

- Led the Bureau of Consumer Financial Protection to address a material weakness in internal control over how it reports certain liabilities, the Securities and Exchange Commission to decrease its risk of errors, and the Department of the Treasury to improve its ability to identify the extent of audit coverage over the data in the U.S. government's financial statements

## Past Recommendations Implemented

One way we measure our impact on improving the government's accountability, operations, and services is by tracking the percentage of recommendations that we made 4 years ago that have since been implemented. We use a 4-year reporting window because it generally takes 4 full years to implement some of our recommendations. We also assess recommendations implemented after 4 years based on our experience that recommendations remaining open after that period of time are generally not implemented in subsequent years. The 73 percent implementation rate for fiscal year 2016 fell short of our target of 80 percent for the year. Although our average implementation rate for the past 4 years has been 77 percent, we are analyzing this decline to identify contributing factors and will take appropriate actions in 2017.

## New Products Containing Recommendations

In fiscal year 2016, about 68 percent of the 549 written products we issued contained recommendations. We track the percentage of new products with recommendations because we want to focus on developing recommendations that, when implemented by the Congress and agencies, produce financial and other benefits for the nation. We exceeded our target of 60 percent by 8 percentage points. However, we are maintaining the 60 percent target for 2017 because we recognize that including recommendations in our products is not always warranted, and the Congress and agencies often find informational reports as useful as those that contain recommendations.

## Client Measures

To fulfill the informational needs of the Congress, we deliver the results of our work orally as well as in writing at a time agreed upon with our clients. We issued 749 total products and completed work for 128 committees or subcommittees in fiscal year 2016. Our performance this year indicates that we assisted the Congress well, by responding to all congressional requests for testimony and delivering almost all of our products when promised based on the feedback from our clients.

## Testimonies

Our clients often invite us to testify on our current and past work as it relates to issues that committees are examining through the congressional hearing process. During fiscal year 2016, our senior executives were asked to testify 119 times and fell 1 testimony short of our target. This measure is client-driven based on invitations to testify; therefore we cannot always anticipate clients' specific subject area interests. The 119 testimonies we delivered in fiscal year 2016 covered the scope of our mission areas (See [fig. 5](#) for selected topics we testified on by strategic goal in fiscal year 2016.) Forty percent of the testimonies that our senior executives were asked to deliver were related to high-risk areas and programs, which are listed on page 43 of GAO's performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>). For 2017, we have maintained our target of 120 testimonies, which we consider a stretch goal, given the level of testimony requests in recent years and the fact that 2017 is the start of a new Congress and Administration.

## Timeliness

To be useful to the Congress, our products must be available when our clients need them. In fiscal year 2016, we exceeded our timeliness target of 90 percent by 4 percentage points. We outreach directly to our clients through several means, including an electronic feedback form. We use the results of our client feedback form as a primary source and barometer for whether we are getting our products to our congressional clients when they need the information. We have again set our fiscal year 2017 target at 90 percent because we believe that this is realistic given current staffing levels and workload demands.

**Figure 5: Selected Testimony Topics • Fiscal Year 2016****Goal 1: *Address Current and Emerging Challenges to the Well-being and Financial Security of the American People***

- Ensuring Safety and Health at Indian Schools
- Addressing Improper Payments in the Supplemental Nutrition Assistance Program
- Improving Oversight of the Small Business Administration's HUBZone Program
- Timely Handling of Veterans' Health Care Claims
- Controls for Preventing Human Trafficking
- Reforming Regulation of Scientific Research
- Safeguarding Transport of Spent Nuclear Fuel
- Overseeing the Nuclear Security Enterprise
- U.S. Postal Service Management Challenges
- Commercial Space Industry Developments and FAA Challenges
- Improving Medicaid's Allocations to States
- Managing Leasing of Federal Real Property
- Managing Federal Agencies' Vehicle Fleets

**Goal 2: *Respond to Changing Security Threats and the Challenges of Global Interdependence***

- Future Access and Capabilities Challenges for Trusted Defense Microelectronics
- Meeting Pilot Workforce Needs for Unmanned Aerial Systems
- Addressing Acquisition Shortfalls with the Ford Class Aircraft Carrier
- Addressing NASA's Management Challenges for Major Acquisition Projects
- Assessing Southwest Border Security
- Reducing Migration of Unaccompanied Children from Central America
- Improving DOD's Whistleblower Protections
- Implementing the Securities and Exchange Commission's Conflict Minerals Rule
- Combatting Nuclear Smuggling
- Addressing IT Security and Identity Theft
- Enhancing National Biodefense and Biosurveillance Capacity
- Providing Data on Proposed U.S. Assistance to Palau
- Oversight of Humanitarian Aid to Syria

**Goal 3: *Help Transform the Federal Government to Address National Challenges***

- Observations on the Zika Virus Outbreak
- Improving Enrollment Controls for Medicare Providers and Suppliers
- Addressing Cyber-Based Risks to Federal Systems
- Addressing DATA Act Implementation Challenges
- Addressing Government-Wide Improper Payments and the Tax Gap
- Reducing Fragmentation, Overlap, and Duplication in Federal Programs
- Modernizing Federal IT Systems
- Improving Integration of VA and DOD Electronic Health Records
- Improving Federal Financial Management
- Oversight at High-Containment Laboratories
- Addressing Numerous IT Challenges at the Veterans Administration
- Improving Oversight of the Department of Homeland Security's Human Resources IT
- Recruiting and Retaining Millennial Employees in the Federal Workforce
- Improving IRS' Efforts to Protect Taxpayer Data and Combat Identify Theft Refund Fraud
- Improving Management of Information Technology for the 2020 Census

Source: GAO. | GAO-17-2SP

Note: Additional information on selected testimonies can be found in Part II of GAO's performance and accountability report for fiscal year 2016 on pages 67-68, 76-77, and 83-84 (<http://www.gao.gov/products/GAO-17-1SP>).

## People Measures

Our highly professional, multidisciplinary, and diverse staff were critical to the level of performance we demonstrated in fiscal year 2016. Our ability to hire, develop, retain, and lead staff is a key factor to fulfilling our mission of serving the Congress and the American people. In fiscal year 2016, we met one of our people measures and exceeded the targets for our other six measures. These measures are directly linked to our goal 4 strategic objective of being a leading practices federal agency. For more information about our people measures, see GAO's performance and accountability report for fiscal year 2016, table 20 (Appendix on Data Quality) on pages 133-141 (<http://www.gao.gov/products/GAO-17-1SP>).

### New Hire Rate

Our new hire rate is the ratio of the number of people hired to the number we planned to hire. Our annual workforce planning process helps to identify the human capital resource requirements needed to accomplish our mission. The workforce plan takes into account strategic goals, projected workload requirements, and other changes, such as retirements, attrition, promotions, and skill gaps and specifies the number of planned hires for the upcoming year. Adjustments to the plan are made throughout the year, if necessary, to respond immediately to the most pressing issues for congressional oversight and decision making. In fiscal year 2016, our new hire rate was 81 percent. We planned to hire 272 new staff, and filled 221 positions (81 percent of our target) by the end of the year.

### Retention Rate

We continuously strive to make GAO a place where people want to work. Once we have made an investment in hiring and training people, we would like them to stay with us. Our retention rate measure is one indicator of whether we are attaining this objective. We calculate this measure by taking 100 percent minus the attrition rate, where attrition rate is defined as the number of separations divided by the average onboard strength. We calculate this measure with and without retirements. In fiscal year 2016, we exceeded our target rate of 92 percent for retention with retirements by 1 percentage points at 93 percent. We met our retention rate target without retirements at 96 percent.

### Staff Development and Utilization, Effective Leadership by Supervisors, and Organizational Climate

One way that we measure how well we are supporting our staff and providing an environment for professional growth is through our annual employee feedback survey. This web-based survey is administered to all of our employees once a year. Through the survey, we encourage our staff to indicate what they think about our overall operations, work environment, and organizational culture and how they rate their immediate supervisors on key aspects of their leadership styles. See GAO's performance and accountability report for fiscal year 2016, table 20 (Appendix on Data Quality) on pages 133-141 for additional information about these measures (<http://www.gao.gov/products/GAO-17-1SP>). This fiscal year, 60 percent of our employees completed the survey, and we exceeded all four targets (see [table 1](#)). Our performance on staff development exceeded

our target of 80 percent by 3 percentage points. Staff utilization exceeded our target of 76 percent by 3 percentage points, organizational climate exceeded our target of 76 percent by 5 percentage points, and leadership exceeded our target of 82 percent by 3 percentage points. Given our performance on these measures in recent years, we have decided to keep these targets for fiscal year 2017.

## Other Ways GAO Served the Congress and the Nation

### GAO's High-Risk Program

Every 2 years at the start of a new Congress, we issue a biennial update of our High-Risk report. This report focuses attention on government operations that are at high risk of fraud, waste, abuse, and mismanagement, or need transformation to address

economy, efficiency, or effectiveness challenges. This report, which was last issued in 2015 and will be updated in 2017, offers solutions to 32 identified high-risk problems and the potential to save billions of dollars, improve service to the public, and strengthen the performance and accountability of the U.S. government.

The major cross-cutting High-Risk program areas range from transforming DOD business operations and managing federal contracting more effectively, to assessing the efficiency and effectiveness of tax law administration, to modernizing and safeguarding insurance and benefit programs. Our 2016 high-risk work produced 163 reports, 48 testimonies, \$30.8 billion in financial benefits, and 477 program and operational benefits. The high-risk areas with the largest amount of financial benefits were DOD Weapon Systems Acquisitions, Tax Law Administration, and Medicaid. The 2017 update will report on progress made and what remains to be done to address each of the high-risk areas.

Our experience for more than 25 years has shown that the key elements needed to make progress in high-risk areas are congressional action, high-level Administration initiatives, and agency efforts targeted to address the risk. In 2016, we met with top Office of Management and Budget (OMB) and agency leaders in a series of regular meetings to discuss progress and actions needed for removal from the High Risk List. For example, the Comptroller General and senior executives from our IT Team had a very productive meeting with officials regarding OMB's actions to date and future plans to address two areas on GAO's High Risk List—IT acquisitions and operations and cyber security. A complete list of high-risk areas is shown in Table 8 on page 43 of GAO's performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>). Details on each high-risk area can be found at <http://www.gao.gov/highrisk/overview>.

#### Our 2016 High-Risk area work:

- 163 reports
- 48 testimonies
- \$30.8 billion in financial benefits
- 477 other benefits

## Opportunities to Reduce Fragmentation, Overlap, and Duplication, Achieve Savings, and Enhance Revenue

In April 2016, we issued our sixth report (GAO-16-375SP) to the Congress in response to a statutory provision that calls for us to identify federal programs, agencies, offices, and initiatives that have duplicative goals or activities and report annually to the Congress on our findings, as well as actions to reduce such duplication. Given the current fiscal condition, we also identify additional opportunities to achieve greater efficiency and effectiveness by means of cost savings or enhanced revenue collection.

Our 2016 duplication report identified 92 actions that executive branch agencies or the Congress could take to improve the efficiency and effectiveness across 37 areas of government. We suggested 33 actions to address evidence of fragmentation, overlap, or duplication in 12 new areas across the government missions such as defense, economic development, health, homeland security, and information technology. For example, GAO suggested that the Congress consider changes to the financial regulatory structure, and the Board of Governors of the Federal Reserve System and the Office of Financial Research take steps to improve collaboration in monitoring systemic risk, to reduce or better manage fragmentation and overlap.

We also presented 59 opportunities for executive branch agencies or the Congress to take actions to reduce the cost of government operations or enhance revenue collections for the Treasury across 25 areas of government. For example, we suggested that the National Park Service could potentially increase revenues from the recreation fees it collects by millions of dollars annually if the Congress were to amend the authorizing legislation for this program and if the agency required park units to periodically review these fees.

In addition to identifying new areas, we continued to monitor the progress the Congress and executive branch agencies have made in addressing the 544 actions government-wide that we identified in our past annual fragmentation, overlap, and duplication reports. As of March 2, 2016, 41 percent of these actions were addressed, 34 percent were partially addressed, and 20 percent were not addressed. Congressional and executive branch efforts to address these actions over the past 5 years have resulted in roughly \$56 billion in financial benefits, with at least an additional \$69 billion in estimated benefits projected to be accrued through 2025.

Policymakers and the public can track the status of congressional and executive branch efforts to address the issues we have previously identified on GAO's Action Tracker, located on our website under the "Duplication and Cost Savings" collection [http://www.gao.gov/duplication/action\\_tracker/all\\_areas](http://www.gao.gov/duplication/action_tracker/all_areas).

## Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

The Dodd-Frank Wall Street Reform and Consumer Protection Act, passed in 2010, was intended to address regulatory gaps and oversight failures in the U.S. mortgage, securities, and financial markets. We have completed the almost 30 one-time studies mandated by the act and continue to conduct work on the

recurring studies. In fiscal year 2016, we reported on the recurring audits of the financial statements of the Securities and Exchange Commission (GAO-16-145R), Consumer Financial Protection Bureau (GAO-16-96R), and the Securities and Exchange Commission's Conflict Minerals Rule (GAO-16-805).

In addition to work mandated by the act, we also responded to requests from the Congress on topics related to the act. For example, we studied the impact of Dodd-Frank regulations on community banks, credit unions, and systemically important institutions (GAO-16-169), and the regulators' processes for reviewing financial institutions' resolution plans that were required by the act (GAO-16-341). We also conducted work at three entities that were established by the act. We analyzed the authorities and actions of the Financial Stability Oversight Council and Office of Financial Stability as part of our review of the current financial regulatory structure (GAO-16-175), and reviewed personnel management and organizational culture at the Consumer Financial Protection Bureau (GAO-16-62).

Overall, our work provided the Congress with information that helped it oversee the financial markets and regulators and understand the effects of new regulations.

## Managing Our Resources

### Resources Used to Achieve Our Fiscal Year 2016 Performance Goals

Our financial statements for the fiscal year ending September 30, 2016, were audited by an independent auditor, CliftonLarsonAllen, LLP, and received an unmodified opinion. The auditor found our internal controls over financial reporting to be effective—which means that no material weaknesses or significant deficiencies were identified—and reported that we substantially complied with the applicable requirements for financial systems in FFMIA. In addition, the auditor found no instances of noncompliance with the laws or regulations in the areas tested. In the opinion of the independent auditor, our financial statements are presented fairly in all material respects and are in accordance with accounting principles generally accepted in the United States. The auditor's report, along with the statements and their accompanying notes, can be found on pages 102-125 of GAO's performance and accountability report for fiscal year 2016 (<http://www.gao.gov/products/GAO-17-1SP>).

Compared with the statements of large and complex departments in the executive branch, our statements present a relatively simple picture of a small yet very important agency in the legislative branch. We focus most of our financial activity on the execution of our congressionally approved budget with most of our resources devoted to the people needed for our mission.

In fiscal year 2016, our budgetary resources included new direct appropriations of \$531.1 million, and \$24.2 million in spending authority from offsetting collections, primarily from the lease of space in our headquarters building and certain audits of agency financial statements. Our total budgetary resources in fiscal year 2016 were \$594.1 million.

Total assets were \$103.8 million, consisting mostly of funds with the Treasury and property and equipment (including the headquarters building, land and improvements, and computer equipment and software), and was substantially the same as total assets at the end of fiscal 2015.

Total liabilities were \$81.1 million, composed largely of employees' accrued annual leave, employees' salaries and benefits, amounts owed to other government agencies, and nongovernmental accounts payable. The balance of total liabilities at the end of fiscal year 2016 remains substantially the same as total liabilities at the end of fiscal 2015.

## Internal Management Challenges

The Comptroller General, the Executive Committee, and other senior executives identify management challenges through the agency's strategic planning, management, internal controls, and budgetary processes. We monitor our progress in addressing these challenges through our annual performance and accountability process, and ask our Inspector General (IG) each year to comment on management's assessment of these challenges. In fiscal year 2016, we made notable progress addressing our four internal management challenges—human capital management, engagement efficiency, information security, and telework. See GAO's performance and accountability report for fiscal year 2016, pages 58-61, for additional information on these challenges (<http://www.gao.gov/products/GAO-17-1SP>).

### Human Capital Challenge

Ensuring that GAO has the appropriate number of professional staff with the skills needed to identify, analyze, and propose solutions to current and emerging issues is our singular human capital challenge. To address this challenge, we filled 221 critical positions this year and reached 2,983 full-time equivalents—nearing our optimal level of 3,250. We also continued to promote a diverse and inclusive workplace and were again ranked as first among mid-sized federal agencies by the Partnership for Public Service for our efforts to promote diversity. In addition, we continued to refine and expand use of our human resources systems functionality to bring greater integrity and consistency to our various human capital lines of business. Moreover, we continued to develop and implement human capital metrics to increase the efficiency, effectiveness, and value of our human resources, systems, processes, procedures, and practices.

### Engagement Efficiency

Last year, we identified two key challenges to further streamlining and improving the efficiency of the processes we use to conduct our engagements and produce our products without sacrificing quality—technology and change management. This year, we continued to make good progress modernizing some of the systems that support engagement management, enabling us to begin retiring outdated legacy systems; and continued outreach with staff and managers to facilitate the implementation of related changes.

## Information Security

This year, we continued to improve management and oversight of our information security systems and processes by reducing the time it takes for us to detect and respond to inappropriate access to computer resources, continuing to optimize software and hardware configurations to meet our evolving business needs, and establishing a continuous monitoring process to evaluate IT security controls.

## Telework

Last year, we added telework as a separate management challenge. We recognized the increased attention government-wide on the effective implementation of agency telework programs and conducted a comprehensive analysis of our telework program. We found that the program was sound, but also identified four areas of opportunity for improvement—guidance and training for staff and managers, cost-benefit monitoring, informal employee interaction and collaboration, and telework tools and management systems. We took a number of steps this year to address this challenge, including providing staff and managers with thorough telework policies and guidance, mandating training for managers, and improving the systems managers use to monitor telework.

GAO's IG concurred with these reported management challenges based on its audits, evaluations, and investigations, completed in fiscal year 2016 and in prior years. The IG also found that GAO has ongoing efforts intended to mitigate the risks to the agency presented by each challenge and to improve its operating controls and efficiency. See Part IV of GAO's performance and accountability report for fiscal year 2016 on pages 127-128 (<http://www.gao.gov/products/GAO-17-1SP>).

## Mitigating External Factors

In addition to the resource constraints and budget uncertainty, which directly affect our internal management challenges, other external factors that could affect our performance and progress toward our goals include (1) shifts in congressional interest, (2) modifications or repeals of outdated statutory requirements, and (3) access to agency information.

Demand for our work is very high as demonstrated by the 851 congressional requests and new mandates in fiscal year 2016. The Comptroller General and other senior officials maintain frequent communication with our congressional clients in order to ensure that our work supports the highest congressional legislative and oversight priorities while recognizing that changing international and domestic events may affect priorities.

We continue to collaborate with the Congress to revise or repeal mandated reporting requirements which have, over time, lost relevance or usefulness. Specifically, we worked with the defense committees to have six mandates repealed or revised in the 2016 National Defense Authorization Act (PL 114-92). We identified additional statutory reporting requirements for repeal or revision that would help free up our resources for higher congressional priorities. The GAO Mandates Revision Act of 2016 passed the House of Representatives on September 20, 2016 and is awaiting consideration in the Senate. We plan to continue collaboration with congressional leaders during the closing days of the 114th Congress to see this measure through to enactment.

Another external factor that affects our ability to serve the Congress is the extent to which we have access to information. This access to information plays an essential role in our ability to report on issues of importance to the Congress and the American people. Executive departments and agencies are generally very cooperative in providing us access to the information we need. It is fairly rare for an agency to deny us access to information, and rarer still for an agency to refuse to work toward an accommodation that will allow us to do our work.

While we generally receive very good cooperation, over time we have experienced access issues at certain departments and agencies. We actively pursue access issues as they arise, and we are engaged in discussions and efforts with the executive branch to enhance our access to information. As we reported in fiscal year 2015, GAO's discussions with the State Department and the U.S. Agency for International Development (USAID) led both to change their practices that were making it difficult for GAO to obtain copies of documents deemed to contain Controlled Unclassified Information (CUI). In fiscal year 2016, in order to ensure both agencies were implementing their new practices effectively, GAO monitored how they responded to our document requests. As a result of these changes, GAO has experienced a significant improvement in our ability to obtain copies of CUI documents, which has greatly enhanced our ability to effectively and efficiently carry out our mission. These changes have also brought the State Department and USAID practices more in line with those of the other executive branch agencies, which routinely provide copies of documents containing CUI to GAO. We will continue to monitor how both agencies respond to GAO document requests to ensure continued effective implementation of these new practices.

Another issue relating to our access to information is in the context of the Intelligence Community. As we have reported for the past several years, the Director of National Intelligence, in consultation with the Comptroller General, issued a written directive in 2011 governing our access to information in the possession of an element of the Intelligence Community, Intelligence Community Directive (ICD) 114. The directive was designed to address the historic challenges that we have experienced in gaining access to information in the Intelligence Community, and it contains a number of provisions promoting constructive interaction between us and elements of the Intelligence Community, such as establishing a presumption of cooperation with us. However, we continue to have concerns with how several key terms in the directive could be interpreted, since they are framed as areas where information would generally not be available to us for certain audits or reviews. As GAO's work reviewing activities of the Intelligence Community continues to grow, it will be important that these terms and the overall directive be carefully implemented and monitored to ensure that we are able to obtain the information we need to assist the Congress in its oversight responsibilities. In fiscal year 2016, we successfully worked through a number of issues with various elements of the Intelligence Community related to obtaining information we requested. However, the process often took a significant amount of time and resulted in delays in our work. We will continue to monitor the implementation of ICD 114 moving forward, and remain committed to engaging with the Intelligence Community. See GAO's performance and accountability report for fiscal year 2016, pages 61-63, for additional information on these mitigating external factors (<http://www.gao.gov/products/GAO-17-1SP>).

This page intentionally left blank

## Image Sources

This section contains credit and copyright information for images and graphics in this product, as appropriate, when that information was not listed adjacent to the image or graphic.

Front cover: GAO (GAO Building).

Page 1: GAO (GAO seal).

## Providing Comments on This Report

To provide comments for improving this report, please contact our Chief Quality Officer, who can be reached at (202) 512-6100, at [apqa@gao.gov](mailto:apqa@gao.gov), or at the following address:

U.S. Government Accountability Office  
441 G Street NW, Room 5041  
Washington, D.C. 20548

## Obtaining Copies of GAO Documents

The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's website ([www.gao.gov](http://www.gao.gov)). Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to [www.gao.gov](http://www.gao.gov) and select "E-mail Updates."

However, you can also order GAO documents by phone. The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <http://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

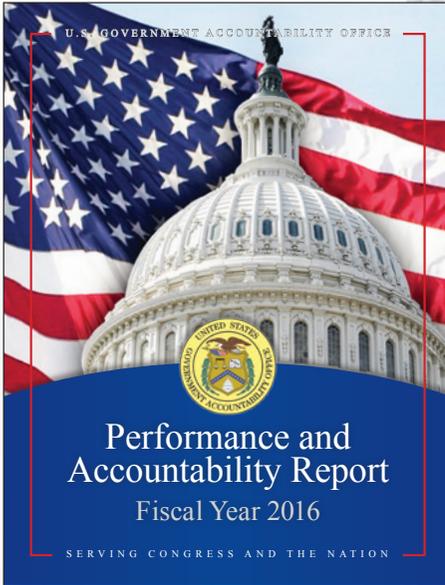
## Connect with GAO

Connect with GAO on Facebook, Flickr, Twitter, and YouTube. Subscribe to our RSS Feeds or E-mail Updates. Listen to our Podcasts. Visit GAO on the web at <http://www.gao.gov>.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

This page intentionally left blank

This summary report and the full version are available through our website at <http://www.gao.gov/about/performanceaccountabilityreport/overview>. Also linked to that page are our strategic plan and our past performance and accountability publications.



## Other web pages of possible interest

### Legal products

Download legal decisions and opinions about appropriations, bid protests, and major federal agency rules

<http://www.gao.gov/legal>

### E-mail alerts

Get automatic updates on new GAO products

<http://www.gao.gov/subscribe/index.php>

### Careers at GAO

Review current job openings, apply online, and learn about GAO's teams and offices

<http://www.gao.gov/jobopp.htm>

### FraudNet

Report allegations of fraud, waste, abuse, or mismanagement of federal funds

<http://www.gao.gov/fraudnet/fraudnet.htm>

### Performance.gov

Review performance information for all cabinet departments and nine other major agencies <http://www.performance.gov>



Accountability ★ Integrity ★ Reliability

<http://www.gao.gov/products/GAO-17-2SP>