



Highlights of [GAO-08-413T](#), a testimony before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

For decades, GAO has assisted Congress in its oversight role and helped federal departments and agencies with disparate missions to improve the economy, efficiency, and effectiveness of their operations. GAO's work provides important insight on matters such as best practices to be shared and benchmarked and how government and nongovernmental partners can become better aligned to achieve important outcomes for the nation. In addition, GAO provides Congress with foresight by highlighting the long-term implications of today's decisions and identifying key trends and emerging challenges facing our nation before they reach crisis proportions.

For this hearing, GAO was asked to (1) highlight governmentwide issues where it has made a major contribution to oversight and could assist the intelligence and other congressional committees in their oversight of the Intelligence Community, and (2) comment on the potential impact on GAO's access to perform audit work on personnel security clearances if the Office of the Director of National Intelligence (ODNI) were to assume management of this issue from the Office of Management and Budget (OMB). Given historical challenges to GAO's ability to audit the Intelligence Community's programs and activities, this testimony also discusses GAO's views on Senate bill S. 82, known as the Intelligence Community Audit Act of 2007.

To view the full product, click on [GAO-08-413T](#). For more information, contact Davi M. D'Agostino, 202-512-5431 or dagostinod@gao.gov.

INTELLIGENCE REFORM

GAO Can Assist the Congress and the Intelligence Community on Management Reform Initiatives

What GAO Found

GAO has considerable experience in addressing governmentwide management challenges, including such areas as human capital, acquisition, information technology, strategic planning, organizational alignment, and financial and knowledge management, and has identified many opportunities to improve agencies' economy, efficiency, and effectiveness, and the need for interagency collaboration in addressing 21st century challenges. For example, over the years, GAO has addressed human capital issues, such as acquiring, developing, and retaining talent; strategic workforce planning; building results-oriented cultures; pay for performance; contractors in the workforce; and personnel security clearances, which affect all federal agencies, including the Intelligence Community. Furthermore, GAO identified delays and other impediments in the Department of Defense's (DOD) personnel security clearance program, which also maintains clearances for intelligence agencies within DOD. GAO designated human capital transformation and personnel security clearances as high-risk areas. GAO also recently issued reports addressing Intelligence Community-related management issues, including intelligence, surveillance, and reconnaissance; space acquisitions; and the space acquisition workforce.

If ODNI were to assume management responsibilities over security clearances across the federal government, GAO's ability to continue monitoring this area and provide Congress information for its oversight role could be adversely affected. In 2006, OMB's Deputy Director for Management suggested that OMB's oversight role of the governmentwide security clearance process might be transferred to the ODNI. GAO has established and maintained a relatively positive working relationship with the ODNI, but limitations on GAO's ability to perform meaningful audit and evaluation work persist. While GAO has the legal authority to audit the personnel security clearance area, if the ODNI were to assume management responsibilities over this issue, then it may be prudent to incorporate some legislative provision to reinforce GAO's access to information needed to conduct such audits and reviews.

GAO supports S. 82 and believes that if it is enacted, the agency would be well-positioned to assist Congress in oversight of Intelligence Community management reforms. S. 82 would reaffirm GAO's existing statutory authority to audit and evaluate financial transactions, programs, and activities of elements of the Intelligence Community, and to access records necessary for such audits and evaluations. GAO has clear audit and access authority with respect to elements of the Intelligence Community, subject to a few limited exceptions. However, for many years, the executive branch has not provided GAO the level of cooperation needed to conduct meaningful reviews of elements of the Intelligence Community. This issue has taken on new prominence and is of greater concern in the post-9/11 context, especially since the ODNI's responsibilities extend well beyond traditional intelligence activities. The reaffirmation provisions in the bill should help to ensure that GAO's audit and access authorities are not misconstrued in the future.