GAO's Role in Addressing Trends & Challenges for the 21st Century

David M. Walker
Comptroller General of the United States
SUPPORTING CONGRESS
for the 21st Century
GAO's History: 1921 to the Present

21
Budget and Accounting Act establishes GAO

30s
Workload explodes during WWII; staff temporarily triples to 15,000

40s
Begins field work during the Great Depression

50s
GAO's mission expands- shifts from individual voucher audits to comprehensive audits; workforce reduced and professionalization begins

60s
Workload expands again due to Vietnam War and Great Society programs

70s
First Yellowbook- government auditing standards established

80s
Renewed focus on financial management, deficit, and budget issues broadens GAO's work

90s
Major government management laws created:
- CFO Act
- GPRA
- Paperwork Reduction Act
- Clinger-Cohen Act
- Management Reform Act
- Acquisition Streamlining Act

all add to GAO workload while workforce contracts
Serving the Congress

GAO’s Strategic Plan Framework

Mission

GAO exists 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.

Goals

To address current and emerging challenges to the well-being and financial security of the American people

To respond to changing security threats and the challenges of global interdependence

To a more results-oriented and accountable federal government

By being a model organization for the federal government

Themes

Demographics
Globalization
Quality of Life
Security
Technology

Objectives

Health care needs and financing
Retirement income security
Social safety net
Education/workforce issues
Effective system of justice
Community investment
Natural resources use and environmental protection
Physical infrastructure

Diffuse security threats
Military capabilities and readiness
Advancement of U.S. interests
Global market forces

Fiscal position of the government
Government financing and accountability
Governmentwide management reforms
Economy, efficiency, and effectiveness improvements in federal agencies

Client relations
Strategic and annual planning
Human capital
Core business and supporting processes
Information technology services

Core Values

Accountability
Integrity
Reliability
ACCOUNTABILITY

describes the nature of GAO's work. GAO helps the Congress oversee federal programs and operations to ensure their accountability to the American people.

INTEGRITY

describes the high standards that GAO sets for itself in the conduct of its work. GAO takes a professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced approach to all of its activities.

RELIABILITY

describes GAO's goal for how its work is viewed by the Congress and the American public. GAO seeks to ensure that its work is timely, accurate, useful, clear and candid.
Financial Benefits

Dollars in billions

1996: 17.3
1997: 20.9
1998: 19.7
1999: 20.1
4 Year Average: 19.5

FISCAL YEARS
Testimonies

FISCAL YEARS

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>181</td>
</tr>
<tr>
<td>1997</td>
<td>182</td>
</tr>
<tr>
<td>1998</td>
<td>256</td>
</tr>
<tr>
<td>1999</td>
<td>229</td>
</tr>
<tr>
<td>4 Year Average</td>
<td>212</td>
</tr>
</tbody>
</table>
Human Capital Profile (FY 1989 & 2000)

Number of authorized staff

Mission (Percent)

<table>
<thead>
<tr>
<th>Mission Support</th>
<th>FY 1989</th>
<th>FY 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,204</td>
<td>2.4</td>
<td>3,275</td>
</tr>
<tr>
<td>8.0</td>
<td>8.0</td>
<td>3.2</td>
</tr>
<tr>
<td>34.1</td>
<td>34.1</td>
<td></td>
</tr>
<tr>
<td>26.8</td>
<td>26.8</td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>3.1</td>
<td></td>
</tr>
<tr>
<td>74.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SES

<table>
<thead>
<tr>
<th>Mission Support</th>
<th>FY 1989</th>
<th>FY 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>74.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Band III

<table>
<thead>
<tr>
<th>Mission Support</th>
<th>FY 1989</th>
<th>FY 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>74.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Band II

<table>
<thead>
<tr>
<th>Mission Support</th>
<th>FY 1989</th>
<th>FY 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>74.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Band I

<table>
<thead>
<tr>
<th>Mission Support</th>
<th>FY 1989</th>
<th>FY 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>74.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other¹

<table>
<thead>
<tr>
<th>Mission Support</th>
<th>FY 1989</th>
<th>FY 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>74.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY 2000 Data as of July 3, 2000

¹ Attorneys and criminal investigations
² FY1989 includes 20 SES, or .88 percent of all staff;
  FY 2000 includes 10 SES, or .38 percent of all staff

Note: Total SES staff, mission and mission support, represented 2.8 percent and 3.7 percent of all employees
in FY 1989 and FY 2000, respectively
TRENDS & CHALLENGES
for the 21st Century
Globalization

World Exports as a Percentage of GDP (1960-1997)

Percentage of GDP
25
20
15
10
5
0

Security

Countries With Weapons of Mass Destruction Posing National Security Concerns

Sources: DOD and State Department
Security

Reduction of DOD Active Duty Personnel

Source: Annual Report of the Secretary of Defense for 1999 to the President and the Congress.
Demographics

Percentage of Population Over 65

30 Percent of Population

Source: Department of Commerce, Bureau of the Census.
Demographics

Social Security Workers per Beneficiary

10 Workers per Beneficiary

Source: Old Age Survivors and Disability Insurance Trustees.
Quality of Life

- Quality of Life Has Improved for Many Americans
- Workforce Has Changed
- Many Challenges Remain
- Prosperity Itself Is Creating Greater Stresses
Internet Users Worldwide, 1998-2003

350 People in Millions

Government Performance and Accountability

Federal Spending and Revenues, 1950-2010

Percentage of GDP

Note: Projections assume that discretionary spending grows at the rate of inflation after 2000 and based on The Budget and Economic Outlook: An Update, Congressional Budget Office, July 2000.

Source: Office of Management and Budget and the Congressional Budget Office.
Composition of Spending as a Share of GDP

Composition of Spending as a Share of GDP Under the Save the Social Security Surpluses Simulation

Percentage of GDP

Revenue

Social Security  Net interest
Medicare & Medicaid  All other spending

Note: Revenue as a share of GDP declines from its 2000 level of 20.5 percent due to unspecified permanent policy actions that reduce revenues and increase spending to eliminate the non-Social Security surpluses. The Save the Social Security Surpluses simulation can only be run through 2061 due to the elimination of the capital stock.

Source: GAO's July 2000 analysis.
Distribution of Federal Spending, 1962-99

Then vs. Now

Mandatory and Discretionary Spending as a Percent of Total Outlays

Percent of total outlays

Note: Projection for 2010 assumes that discretionary spending grows at the rate of inflation after 2000 and based on The Budget and Economic Outlook: An Update, Congressional Budget Office, July 2000.

Source: Budget of the U.S. Government, Fiscal Year 2001, Office of Management and Budget and the Congressional Budget Office.