



[Reports & Testimonies](#)

[Bid Protests & Appropriations Law](#)

[Key Issues](#)

[About GAO](#)

[Multimedia](#)

## Key National Performance Indicators

### Total Quality Management for SAIS

[PowerPoint Presentation](#)

[The Evolving Role of the SAI](#)

[GAO's Role](#)

[Building Quality](#)

[Quality Begins with Strategic Planning](#)

[Serving the Congress GAO's Strategic Plan Framework](#)

[Strategic Plan for Serving Congress](#)

[Annual Performance Measures \(1998 and 2002\)](#)

[Realign Resources to Focus on the Plan](#)

[GAO'S Organization](#)

[Define the Dimensions of Quality \(Maximizing Value and Managing Risk\)](#)

[Risk-based Quality Assurance for Portfolio Management](#)

[Institutional Risk Management](#)

[Identifying High Risk in Government Programs](#)

[GAO's High Risk List](#)

[Develop a Skilled Workforce](#)

[Provide for Independent Audits and Quality Assessments](#)

[In Conclusion](#)

The slide features a world map background with a blue-to-green gradient. The text is centered and reads:

**TOTAL QUALITY  
MANAGEMENT**  
*for*  
**SAIS**

17th Annual Conference of the International Consortium on  
Governmental Financial Management  
Miami, Florida USA  
April 1, 2003

**David M. Walker**  
Comptroller General of the United States

**Notes:**



# The Evolving Role of the SAI

- Our rapidly changing world is changing expectations for governments and SAIs:
  - Increasing global interdependency
  - Changing security threats
  - Transition to knowledge-based economies
  - Changing demographics and quality of life issues
  - Rapidly evolving science and technology
  - Rising health care costs and challenges
  - Evolving governance structures
  - Public expectations for improved government performance and accountability
  - Long-range fiscal challenges

## Notes:



## GAO's Role

- GAO's role has been to support the Congress in carrying out its constitutional responsibilities and to help improve the performance and assure accountability of government for the benefit of the American people
- We do this in four fundamental ways:
  - **Oversight**—preventing and detecting fraud, waste, and abuse
  - **Insight**—making government more efficient and effective
  - **Foresight**—examining the role of government
  - **Adjudication**—bid protest resolution, legal opinions (e.g. appropriations law)

3

### Notes:



## Building Quality

- Focus on hiring, enabling, empowering, rewarding and retaining top talent (people)
- Recognize the importance of people, process, technology, and environmental dimensions to achieve total quality management
- Quality cannot simply be added as a step or steps in a process
- GAO's approach is holistic and comprehensive
  - Begins with strategic planning
  - Establishes core values as a foundation for everything the agency does (i.e. beliefs and boundaries)
  - Requires proper organizational alignment and allocation of resources
  - Uses a value and risk based management approach
  - Includes an appropriate degree of transparency about key policies, procedures, and criteria (e.g. protocols, high risk criteria)
  - Establishes a consistent, repeatable engagement acceptance, status, and report review process with appropriate documentation and records retention
  - Includes public dissemination of virtually all GAO reports and testimonies
  - Focuses on serving clients and achieving positive and identifiable results (e.g. ROI).
  - Opens the process to independent external review

4

### Notes:

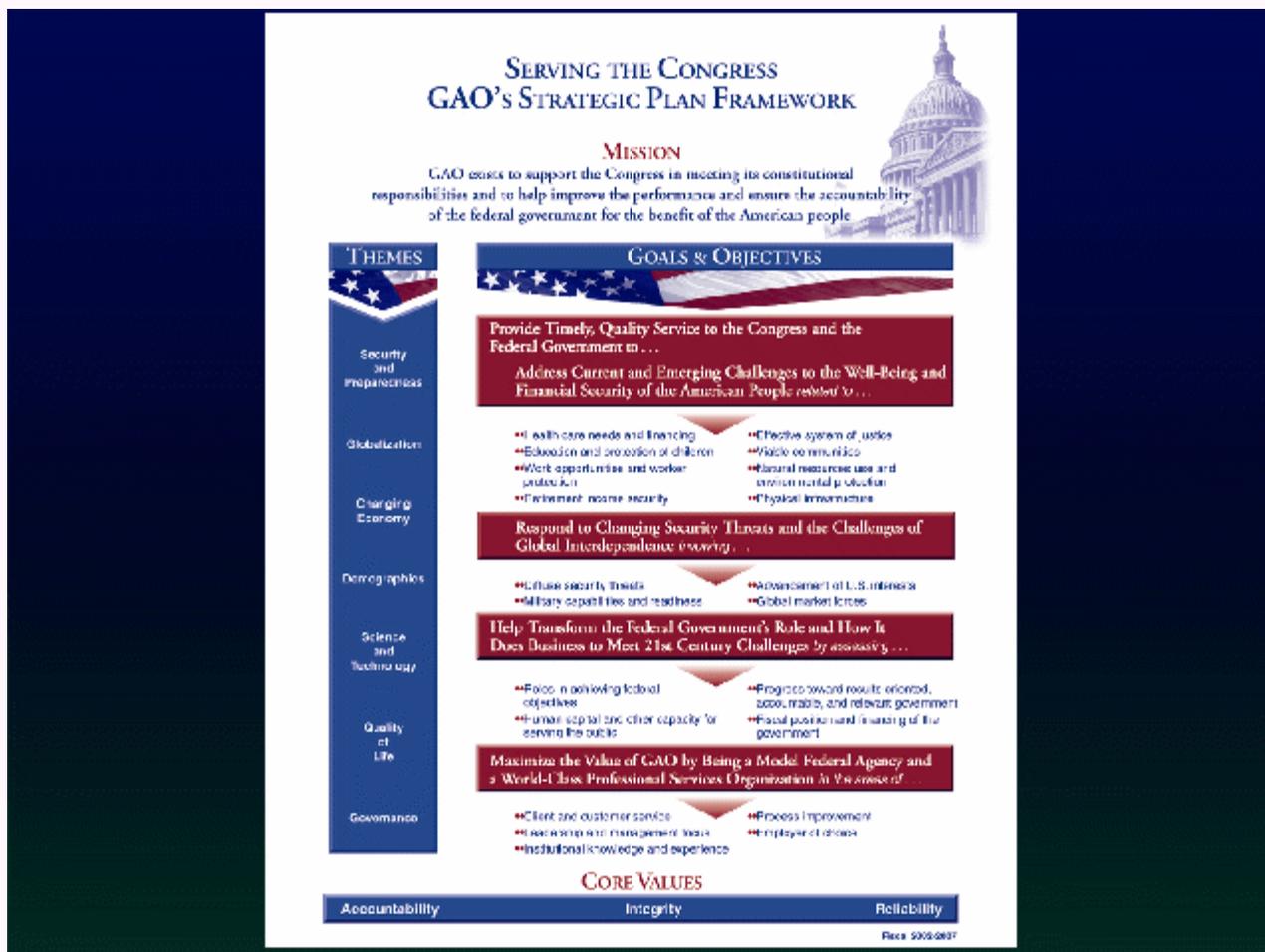


## Quality Begins with Strategic Planning

- Start with the client and end with the client
- Build consensus by involving a variety of internal and external parties
- Focus on strategic results
- Set high expectations
- Think horizontal and longer term but update frequently
- Publish the plan for transparency reasons
- Use the plan as a framework for all other key organizational decisions, with appropriate linkages (e.g. performance measurement, rewards, recruiting and training)
- Be accountable for results through measurement and publication

5

### Notes:



Notes:



### Notes:



## Annual Performance Measures (1998 and 2002)

Performance measure	Actual	
	FY 1998	FY 2002
Financial benefits (billions)	\$19.7	\$37.7
Other benefits	537	906
Past recommendations implemented	69%	79%
Return on investment (ROI)	58:1	88:1
Financial benefits per employee (millions)	\$6.1	\$11.7
Timeliness	93%	96%

8

### Notes:



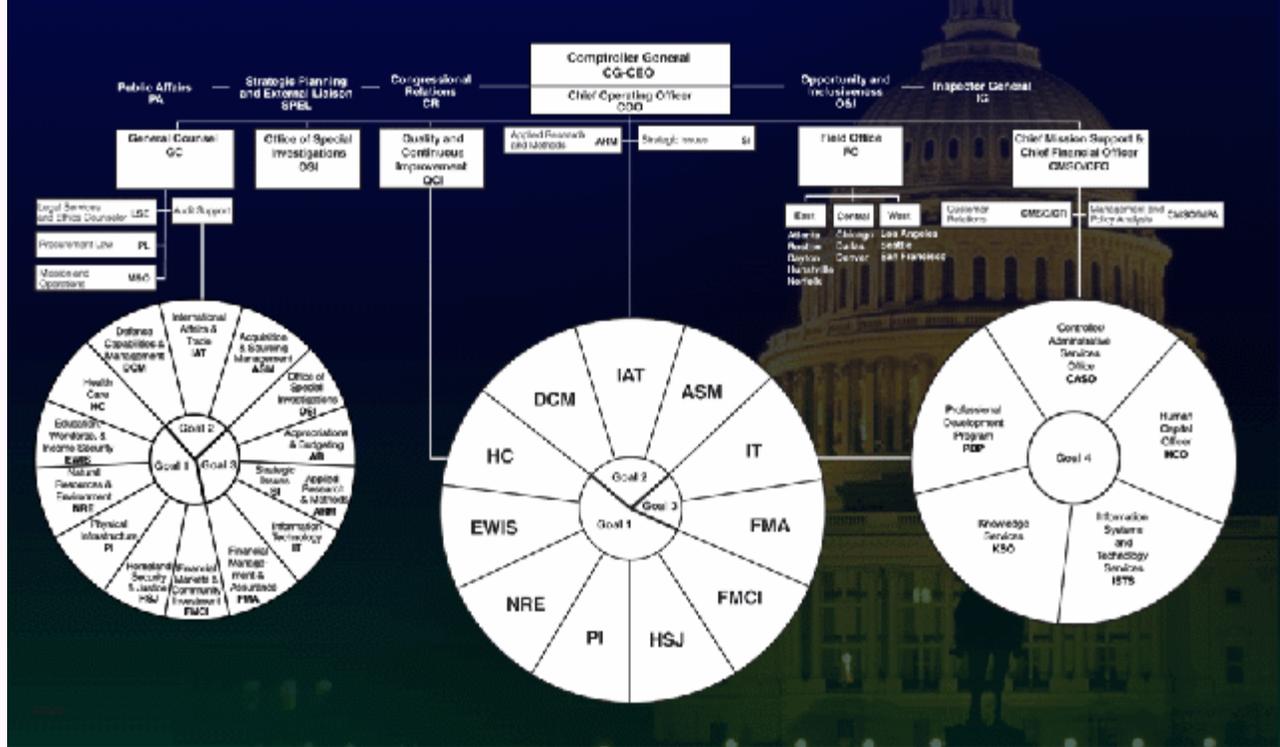
## Realign Resources to Focus on the Plan

- Understand the strategic objectives and align the organization to meet these objectives
- Encourage matrix management
- Enhance efficiency, flexibility, and accountability by reducing layers of management and numbers of organizational units
- Realign as needed, such as for Homeland Security
- Develop workforce plans to support the strategic plan

### Notes:



# GAO's Organization



Notes:



## Define the Dimensions of Quality (Maximizing Value and Managing Risk)

- Accuracy
- Objectivity/fairness
- Contextual sophistication
- Scope/completeness
- Significance/value
- Timeliness
- Clarity

### Notes:



# Risk-based Quality Assurance for Portfolio Management

- Focus management resources on activities with the most value and risk based on
  - Benefits
  - Controversy
  - Costs
  - Complexity
- Assess and designate risk levels for each engagement
  - High
  - Medium
  - Low
- Adjust review and other processes to reflect the level of value and risk

## Notes:



# Institutional Risk Management

- Congressional and agency protocols (policies, procedures, transparency)
  - International accountability and other organizations protocols planned
  - Domestic accountability protocols also being considered
- Client feedback (e.g. surveys)
- Seven step engagement management process
  1. Formally accept engagement
  2. Approve initiation of engagement
  3. Commit to methodology and milestones
  4. Stakeholders agree on message
  5. Approval by senior managers
  6. Receipt of comments by audited agency
  7. Issue and distribute product publicly

13

## Notes:



## Identifying High Risk in Government Programs

### Risk is seriously detrimental to

- Health or safety
- Service delivery
- National security
- National defense
- Economic growth
- Privacy or citizens' rights

### Risk could result in

- Significantly impaired service or program failure
- Significantly reduced effectiveness or reduced efficiency
- Injury or loss of life
- Unreliable decision-making data
- Reduced confidence in government
- Unauthorized disclosure, manipulation or misuse of sensitive information

**Quantitative threshold:** \$1 billion in assets or revenues must be at risk.

### Notes:



# GAO's High Risk List

High Risk Areas	Year Designated High Risk
<b>Addressing Challenges in Broad-based Transformations</b>	
Protecting Information Systems Supporting the Federal Government and The Nation's Critical Infrastructures	1997
Strategic Human Capital Management*	2001
U.S. Postal Service Transformation Efforts and Long-Term Outlook*	2001
Implementing and Transforming the New Department of Homeland Security	2003
Modernizing Federal Disability Programs *	2003
Federal Real Property *	2003
<b>Ensuring Major Technology Investments Improve Services</b>	
FAA Air Traffic Control Modernization	1995
IRS Business Systems Modernization	1995
DOD Systems Modernization	1995
<b>Providing Basic Financial Accountability</b>	
DOD Financial Management	1995
IRS Financial Management	1995
Forest Service Financial Management	1999
FAA Financial Management	1999
<b>Reducing Inordinate Program Management Risks</b>	
Medicare*	1990
Collection of Unpaid Taxes	1990
DOD Inventory Management	1990
Student Financial Aid Programs	1990
HUD Single-Family Mortgage Insurance and Rental Assistance Programs	1994
Earned Income Credit Noncompliance	1995
DOD Support Infrastructure Management	1997
Medicaid Program *	2003
<b>Managing Large Procurement Operations More Efficiently</b>	
DOD Weapon Systems Acquisition	1990
Department of Energy Contract Management	1990
NASA Contract Management	1990
DOD Contract Management	1992

\* Additional authorizing legislation is likely to be required as one element of addressing this high-risk area.

15

## Notes:



## Develop a Skilled Workforce

- developed an overall workforce plan
- intensified recruiting efforts in areas requiring specialized skills and expertise
- implemented succession planning
- created inventory of staff knowledge and skills
- enhanced training programs
- revamped and modernized our performance appraisal system and compensation system and linked it to our Strategic Plan
- Employee Advisory Council
- student loan repayment and other enhanced rewards and incentives to attract and retain high quality staff with specialized skills
- established office of opportunity and inclusiveness to ensure that all staff are treated fairly and their differences respected
- employee preference and feedback surveys

### Notes:



## Provide for Independent Audits and Quality Assessments

- Outside audit committee
- Annual audit of SAI financial statements and selected performance data (e.g. financial benefits)
- GAO Inspector General
- Internal quality review program
- External peer review of all financial audit work
- Preparing to expand peer review agency-wide to include all types of program evaluations, policy analyses, and investigations

17

### Notes:



## In Conclusion

- SAI's work needs to be professional, objective, fact-based, non-partisan, non-ideological, balanced and fair
- The quality of our work is essential to maintaining client respect and public confidence
- Without assurance that our work can withstand public scrutiny, we will lose support
- Quality also depends on
  - Integrity of people
  - Reliability of work
  - Transparency of policies/products
- Assuring the quality of our work is an issue that all SAIs face, and we have much to learn from each other through knowledge sharing, benchmarking and best practices information

### Notes: