



Reports & Testimonies

Bid Protests & Appropriations Law

Key Issues

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GAO & OIG Improving Government Performance and Accountability

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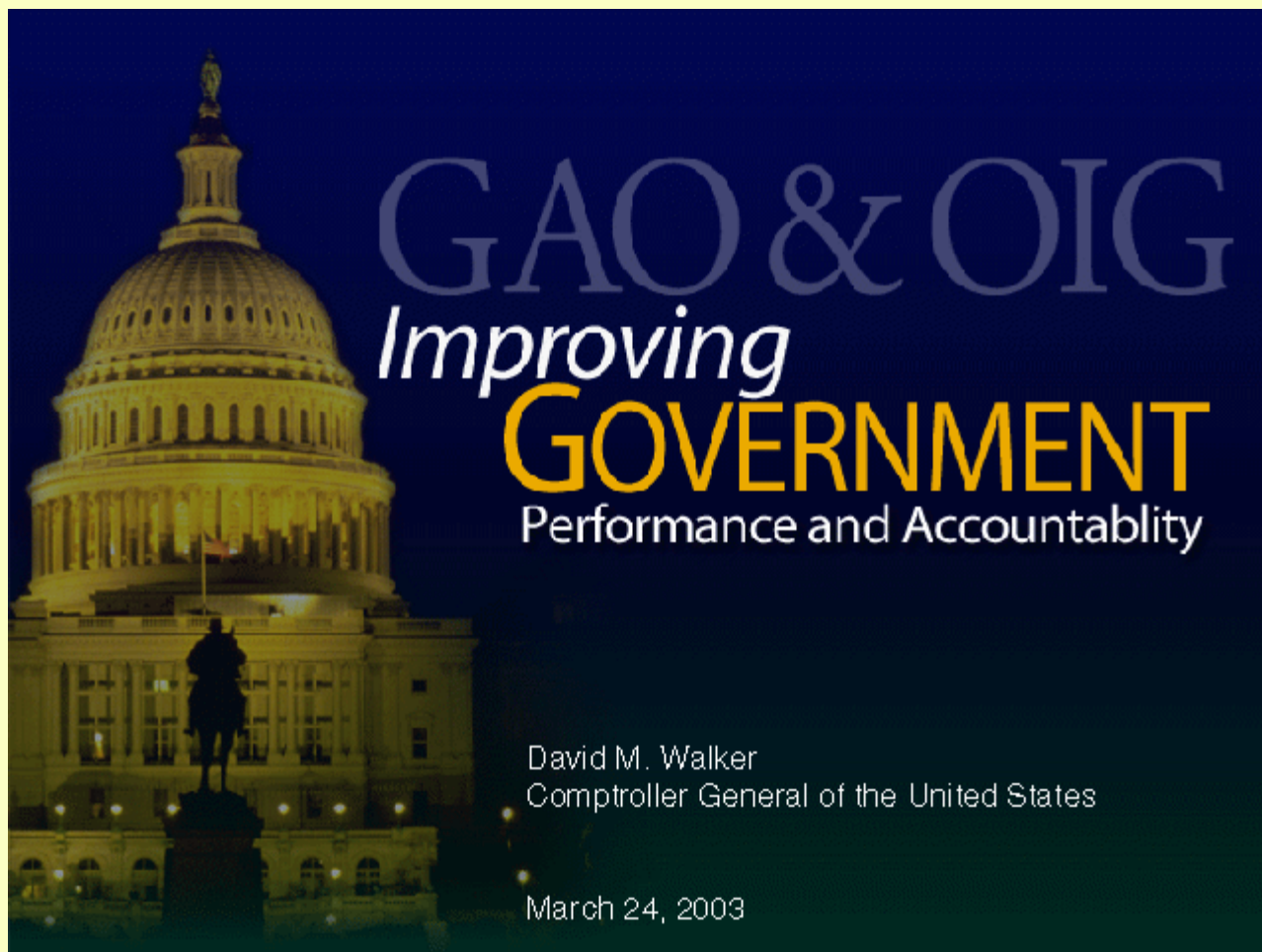
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Notes:



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 ensure the accountability of the federal government for the benefit of the American people.

THEMES	GOALS & OBJECTIVES
Security and Preparedness	<p>Provide Timely, Quality Service to the Congress and the Federal Government to ...</p> <p>Address Current and Emerging Challenges to the Well-Being and Financial Security of the American People related to ...</p> <ul style="list-style-type: none"> • Health care needs and financing • Education and protection of children • Work opportunities and worker protection • Retirement income security • Effective system of justice • Weak communities • Natural resources use and environmental protection • Physical infrastructure
Globalization	<p>Respond to Changing Security Threats and the Challenges of Global Interdependence involving ...</p> <ul style="list-style-type: none"> • Diffuse security threats • Military capabilities and readiness • Advancement of U.S. interests • Global market forces
Changing Economy	<p>Help Transform the Federal Government's Role and How It Does Business to Meet 21st Century Challenges by assessing ...</p> <ul style="list-style-type: none"> • Progress in achieving federal objectives • Human capital and other capacity for serving the public • Progress toward results oriented, accountable, and relevant government • Fiscal position and financing of the government
Demographics	<p>Maximize the Value of GAO by Being a Model Federal Agency and a World-Class Professional Services Organization in the areas of ...</p> <ul style="list-style-type: none"> • Client and customer service • Leadership and management focus • Institutional knowledge and experience • Process improvement • Employment of ethics
Science and Technology	
Quality of Life	
Governance	

CORE VALUES

Accountability Integrity Reliability

(Revised 2006-0097)

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%

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Notes:



GAO's 2002 Reports

Selected Topics

Food Safety	Private Pensions
Performance-Based Budgeting	Social Security
Military Transformation	Prescription Drugs
School Vouchers	Aviation Safety
Restructured Energy Markets	Welfare Reform
Securities Regulation	Army Readiness
Election Reform	Water Quality
Information Security	Nuclear Waste
FBI Reorganization	Export Controls
Nursing Homes	Tax Administration
Space Station	Drug Control
Homeland Security	Postal Transformation

Notes:



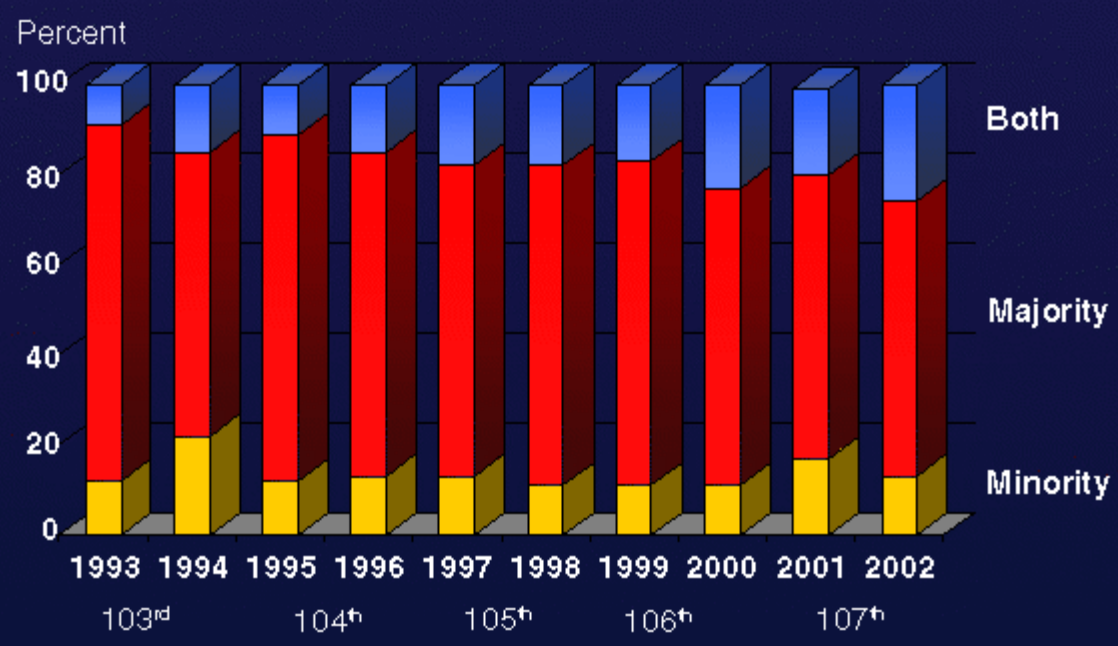
The Nature of GAO's Work



Notes:



Sources of Requested Work During Congressional Sessions

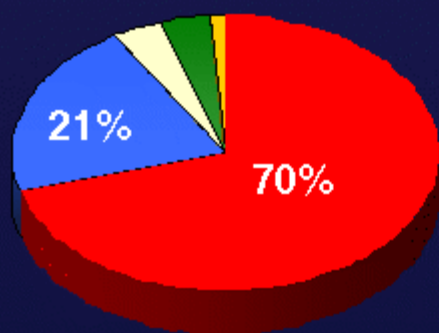


Note: As of 11-18-02

Notes:



Testimonies (91% Favorable Responses)



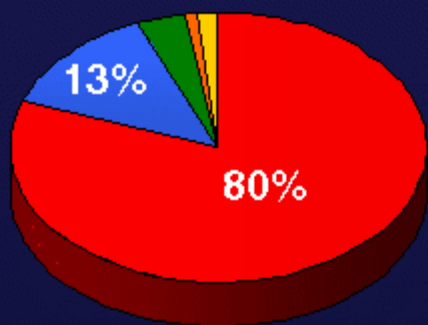
- Strongly Agree 70%
- Generally Agree 21%
- Neither Agree Nor Disagree 4%
- Generally Disagree 4%
- Strongly Disagree 1%

March through November 2002
Surveyed Senate Governmental Affairs and House Government Reform
57 out of 113 Responses (50%)

Notes:



Written Products (93% Favorable)



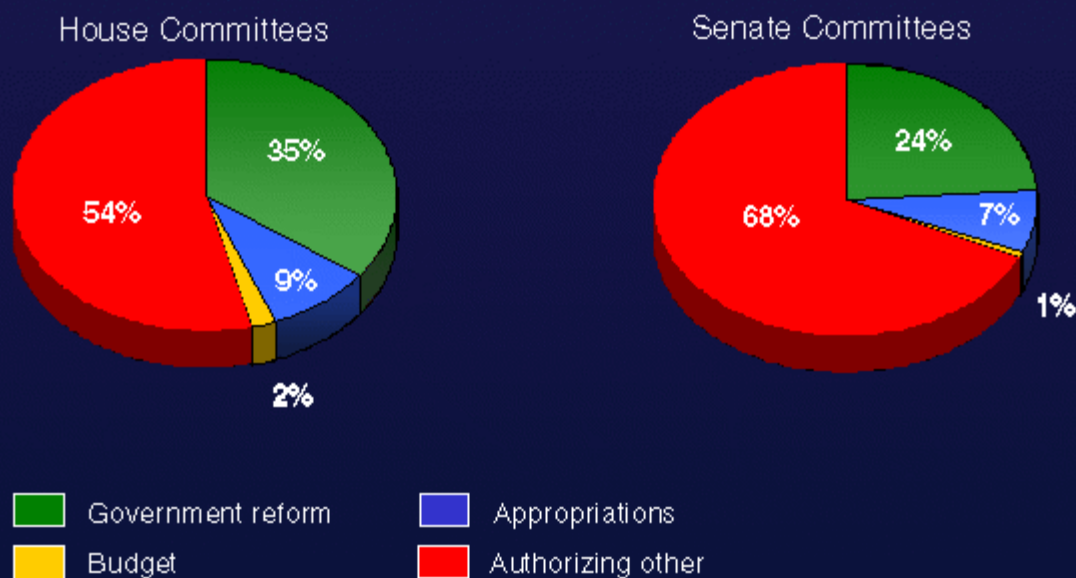
- Strongly Agree 80%
- Generally Agree 13%
- Neither Agree Nor Disagree 4%
- Generally Disagree 1%
- Strongly Disagree 2%

March through November 2002
Surveyed Senate Governmental Affairs and House Government Reform
33 out of 60 Responses (48%)

Notes:



Engagements For Congressional Committees 107th Congress



Notes:



GAO's High Risk List

High Risk Areas Year Designated High Risk

Addressing Challenges in Broad-based Transformations

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

Ensuring Major Technology Investments Improve Services

FAA Air Traffic Control Modernization	1995
IRS Business Systems Modernization	1995
DOD Systems Modernization	1995

Providing Basic Financial Accountability

DOD Financial Management	1995
IRS Financial Management	1995
Forest Service Financial Management	1999
FAA Financial Management	1999

Reducing Inordinate Program Management Risks

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

Managing Large Procurement Operations More Efficiently

DOD Weapon Systems Acquisition	1990
Department of Energy Contract Management	1990
NASA Contract Management	1990
DOD Contract Management	1992

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

Notes:



Comptroller General Forums

- Past Forums
 - Corporate Governance and Accountability
 - Mergers and Transformation
 - Chief Operating Officers
 - National Indicators
- 2. Planned Forums
 1. Commercial Activities Panel Follow-up
 2. Human Capital and Civil Service Reform
 3. High Performing Organizations
 4. Long Range Budget Challenges

Notes:



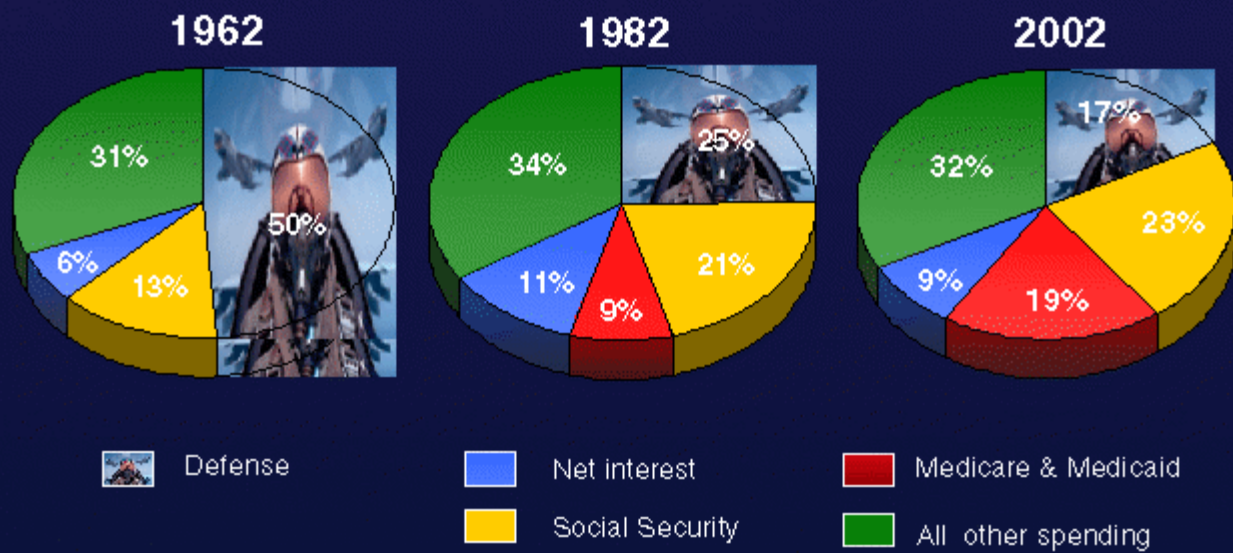
Access to Information

- Outcome of Walker vs. Cheney
 - Decision to sue
 - District Court decision
 - Decision not to appeal
 - Reviewing current policies and practices

Notes:



Composition of Federal Spending By Budget Function



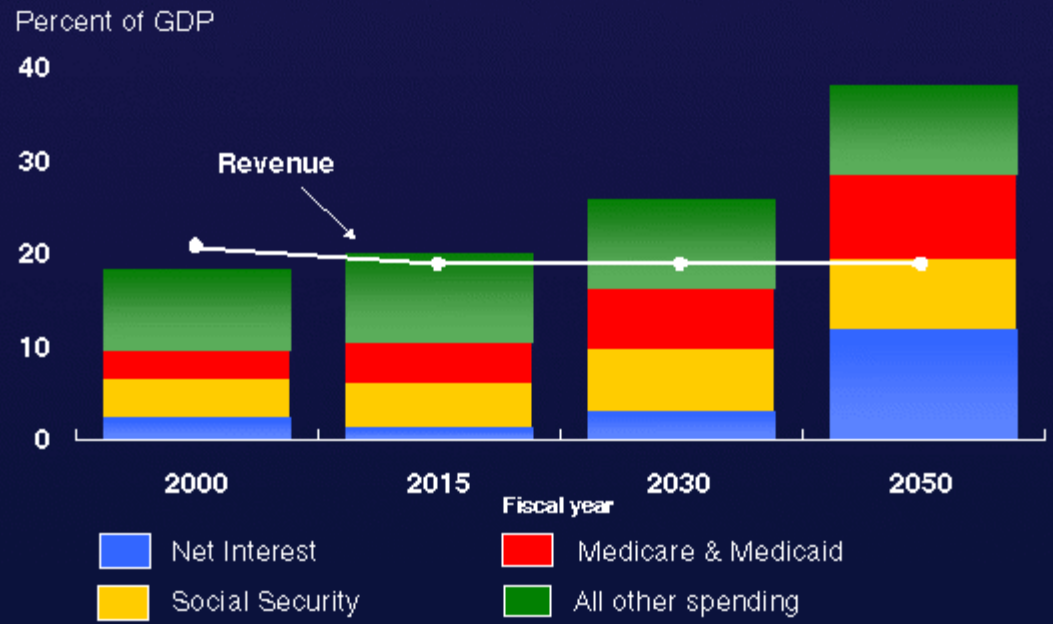
Source: Budget of the United States Government, FY 2003, Office of Management and Budget, and Final Monthly Treasury Statement for FY 2002, Department of Treasury.

Notes:



Composition of Spending as a Share of GDP

Assuming Discretionary Spending Grows with GDP and the Tax Cuts Do Not Sunset



Source: GAO's August 2002 Analysis

Notes:



Composition of Spending as a Share of GDP

Assuming Discretionary Spending Grows with GDP, the Tax Cuts Do Not Sunset, and Payable Social Security Benefits after 2041

Percent of GDP

40

30

20

10

0

2000

2015

2030

2050

Revenue

Net Interest

Social Security

Fiscal year

Medicare & Medicaid

All other spending

Source: GAO's August 2002 Analysis

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Notes:



Changes in the Audit Environment

- “Crisis in confidence”
- GAO and OIGs Set The “Gold Standard”
 - Auditor independence
 - Audit committees
 - Audit reporting on internal controls
 - CEO and CFO reporting
 - Accounting standards
 - Public Company Accounting Oversight Board

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Notes:



Strategic Perspectives of GAO and OIGs

We both maximize government performance and ensure accountability

GAO

- Government-wide scope
- Horizontal and longer range issues
- Proportionately more audits, evaluations, policy analyses
- Renders opinion on consolidated financial statements
- Performance/Accountability and High Risk List

OIGs

- Agency scope
- Vertical and immediate issues
- Proportionately more investigations
- Audit agency financial statements
- Management challenges lists

Notes:



Other Progress in Financial Management

- The definition of success in financial management has been raised
- FASAB has been strengthened
- Federal audit committees are being pursued
- Financial reporting duties are being condensed

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Notes:



CFO Agencies—Audit Opinions and Contractors

24 CFO Act Agencies	Opinion	Contractors
Agency for International Development	Mixed	Williams Addley
Agriculture	■	KPMG Peat Marwick, LLP
Commerce	■	KPMG Peat Marwick, LLP
Department of Defense	Disclaimer	Debitte & Touche
Education	■	Ernst and Young
Energy	■	KPMG Peat Marwick, LLP
Environmental Protection Agency	■	IG
Federal Emergency Management Agency	■	KPMG Peat Marwick, LLP
General Services Administration	■	Price Waterhouse Coopers
Health and Human Services	■	Ernst and Young
Housing and Urban Development	■	KPMG Peat Marwick, LLP
Interior	■	KPMG Peat Marwick, LLP
Justice	■	Price Waterhouse Coopers
Labor	■	Harper, Navarro and Associates
National Aeronautics and Space Admin.	■	Price Waterhouse Coopers
National Science Foundation	■	KPMG Peat Marwick, LLP
Nuclear Regulatory Commission	■	Navarro and Associates
Office of Personnel Management	■	KPMG Peat Marwick, LLP
Small Business Administration	Disclaimer	Cotton and Company
Social Security Administration	■	Price Waterhouse Coopers
State	■	Leonard G. Birnbaum & Co.
Transportation	■	KPMG Peat Marwick, LLP
Treasury	■	GAO, KPMG, Clifton Gunders
Veterans Affairs	■	Debitte & Touche

■ Unqualified

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Notes:



President's Management Agenda: Improved Financial Performance

Accurate, timely and useful information for decision-making

2. Redefine financial management success
 - Beyond an unqualified opinion
 - No material weaknesses in internal controls
 - No material noncompliance
 - Compliance with FFMIA requirements
 - Integrated financial and performance management systems

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Notes:



Audit Issues Post-Audit Reviews

- Auditing liabilities
- Use of statistical sampling
- Audit documentation
- Auditing Fund Balance with Treasury
- Audit testing
- Applying analytical procedures

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Notes:



New Approach

- **Updating the respective roles of GAO and the OIGs to produce an audit opinion on the consolidated financial statements**
 1. Going from a disclaimer to an opinion on the consolidated financial statements
 2. Early involvement of GAO with OIGs on agency financial statement audits
 3. CFO Act provides GAO with the authority to conduct agency financial statement audits
 4. Assurance to GAO that agency financial statement audits comply with standards PRIOR to issuing an audit opinion
 5. Current tight timeframes will be even tighter
 6. GAO is ultimately responsible and accountable for the opinion on the consolidated audit

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Notes:



GAO and OIG Coordination

- Shared risks and challenges...
 - Rapidly escalating deficits
 - Resource constraints are real and likely to increase over time

- ...prompt us to
 - Capitalize on respective core competencies and relative competitive advantages
 - Maximize federal audit capabilities by eliminating duplicative efforts

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Notes:

A dark blue background with a faint, textured image of a stack of coins on the left and a document with a pen on the right.

25th Anniversary of IG Act

- Reporting lines for OIGs
- Scope of authorities
- Areas of emphasis
- Possible consolidation of OIGs
- GAO/OIGs' coordination
- Information to the Congress
- Performance measures

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Notes: