PERFORMANCE AUDITING

The Experiences of the United States Government Accountability Office

Why GAO Did This Study

GAO’s mission is to support the U.S. 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. Each year, GAO presents its findings, conclusions, and recommendations in reports and testimony before Congress. In fiscal year 2012, GAO issued more than 650 reports and testified 159 times before various congressional committees. Last fiscal year, financial benefits from GAO’s work totaled $55.8 billion U.S. dollars, a $105 return on every dollar invested in GAO. In addition to financial benefits, GAO also documented 1,440 other benefits that shaped legislation, improved services to the public and strengthened government operations.

GAO and its counterparts, such as the European Court of Auditors, have unprecedented opportunities to help our respective governments plan ahead and address increasingly complex issues in meeting the challenges posed by global interconnections and worldwide fiscal difficulties. The experiences of GAO with respect to performance auditing illustrate how audit organizations can help decision makers address these challenges.

What GAO Found

Performance audits as well as traditional financial and compliance audits are essential tools that national audit offices have to help their respective governments identify and address challenging national and global problems. Performance auditing provides objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Increasingly complex issues, risks and problems that governments around the world confront are expanding the perspective of performance auditing. These issues, risks and problems such as modernizing outdated financial regulatory systems and protecting public safety, cut across geographic boundaries, government programs, levels of government and sectors. As government agencies increasingly rely on collaboration with private and nongovernmental entities and delegate responsibilities for implementing public policy initiatives to these entities, the line between the governmental and the nongovernmental sectors continues to blur.

From GAO’s experience, performance auditing has a vital role in providing decision makers and citizens with the information, analysis, and recommendations they need to respond to this increasingly complex and interconnected environment.

To most effectively contribute to fundamental improvements in the performance of 21st century government, GAO has found that auditors need to be more and more focused on governance, including assessing and recommending how to improve connections across organizations, levels of government, sectors, and policy tools. While many of GAO’s individual engagements examine the challenges a specific agency or program faces, three GAO-wide initiatives—the High Risk program; the annual reports on overlap, duplication, and fragmentation; and the reviews of the implementation of the Government Performance and Results Act Modernization Act of 2010—offer government-wide perspectives on the progress needed to respond effectively to 21st century governance challenges.