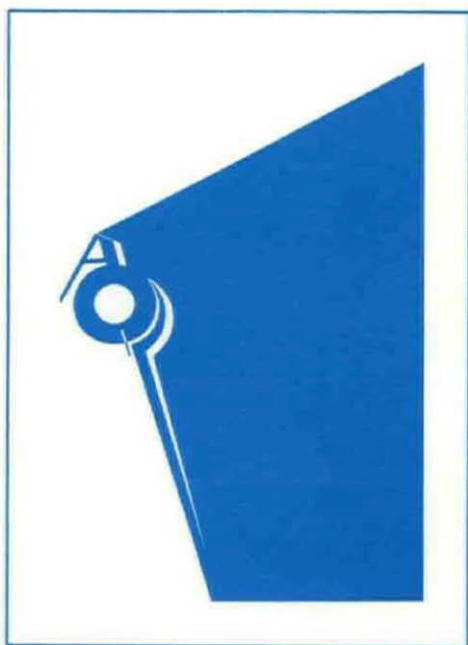


UNITED STATES GENERAL ACCOUNTING OFFICE

ANSWERS TO FREQUENTLY ASKED QUESTIONS





UNITED STATES GENERAL ACCOUNTING OFFICE
ANSWERS TO FREQUENTLY ASKED QUESTIONS



JUNE 1979

Contents

<i>Question</i>		<i>Page</i>
	OBJECTIVES OF THE GENERAL ACCOUNTING OFFICE	1
	QUESTIONS AND ANSWERS	5
	Purposes and responsibilities	
1	GAO's basic purposes and responsibilities	5
	Organization	5
2,3	GAO organization	7
4	Expanding workload	7
5	Significant changes	7
6	Cost Accounting Standards Board	8
	Assistance to the Congress	
7	How GAO assists	8
8	Extent of assistance	9
9,10	Legislative Reorganization Act of 1970 provisions	9
11	Relationship with other congressional support agencies	9
12	Danger of duplication	10
13	Policy on congressional requests	10
14,15,16	Policy on requests by individual Members of Congress	11
17	Significance of individual Member requests	11
18	Coordinating requests from the Congress	12
	Auditing	
19	Meaning of term "audit"	12
20	Differences between audit and review	12
21	Purposes of GAO audits	13
22	Scope of audits	13
23	Terms used to identify work	13
24	Audits of financial operations and accounting systems	14
25	Audits of economy and efficiency	14
26	Audits and evaluations of results of ongoing programs	15
27	Analysis of costs and benefits of alternative approaches	15
28	Special studies	16

<i>Question</i>		<i>Page</i>
29	Deciding what to audit	16
30	Congressional mandates for audit	16
31	Other factors in deciding what to audit	17
32	Techniques used in deciding what to audit	17
33	Major issue areas	18
34	Responsibilities for issue areas	19
35	Audit planning and congressional committees	19
36	Multiagency audits	19
37	Internal audits	20
38	Limits on GAO's jurisdiction	20
39,40	Agency responsibility for pro- gram evaluation	21
41,42	Objectives of program results audits	21
43	Priority of program results audits	22
44	Auditing in absence of quanti- tative measures of costs and benefits	23
45	Accountants and auditors making technical judgments	23
46	Making cost-benefit studies	23
47	Auditing where no problems are known or suspected	23
48	Recommending changes in legis- lation	24
49	Policy recommendations on programs	24
50	Recommendations on levels of funding	25
51	Use of contractors and con- sultants	25
52	Assistance to the Office of Management and Budget	25
53	Methods of Reporting	25
54	Reporting to agency officials	26
55	Reporting of deficiencies	26
56	Discussion of deficiencies with agency officials	27
57	Closing out assignments	27
58	Following up on recommenda- tions	27
59	Obtaining agency views	27

<i>Question</i>		<i>Page</i>
60	Obtaining view of contractors or grantees	28
61	Review of draft reports by other interested parties	28
62	Publicity given GAO reports	28
63	Need for Information Office	29
64	Press conferences	29
65	Naming Federal employees	29
66	Naming third parties	29
67	Measuring GAO effectiveness	30
68	Audit reports as a measure of GAO productivity	30
69	Basis of progress of GAO staff members	31
70	GAO independence and objec- tivity	31
71	Accounting	32
	GAO accounting responsibili- ties	32
	Legal services	32
72	Scope of services	32
	Settling claims	33
73	GAO's authority and respon- sibility	33
74	Settling claims against the Government	33
75	Recovery of debts	33
76	Recovery of erroneous payments of pay and allowances	34
	Other responsibilities	
77	Federal regulatory agencies	34
78,79	Energy-related matters	34
80	Tax collection agencies	35
81	Banking regulatory agencies	35
82	Emphasis on fraud	35
	Congressional Budget and Impoundment Control Act of 1974	
83	Impact on GAO	36
84	Fiscal and budgetary matters	36
85	Cooperation with other agencies	36
86	Strengthening GAO's role	37
87	Selective approach	37
88	Impoundment control	37
	Staffing	
89	Number of employees	38
90	Recruiting	38

Question

Page

91	Employment of individuals not trained in accounting or auditing.....	38
92	Professional development	38
93	Equal employment opportunity	38
94	Upward mobility program	39
95	Applying for a position	39

Objectives of the General Accounting Office

GAO's objectives cannot be separated from the needs of the Congress for information and advice as it carries out its legislative and oversight responsibilities. We are, of course, a part of the legislative branch. Although much of our work is self-initiated (as contrasted to work mandated by statutes or directed by a congressional request), we view all of our work as assisting the Congress in its mission. In developing our work programs, we attempt to ascertain congressional needs so that we can produce timely information that will be useful to the Congress and contribute to better Government.

In addition to providing assistance to the Congress on a request basis, we have under our own broad mandate responsibilities to render legal opinions, prescribe accounting principles and standards, and, most importantly, to review Federal operations on our own initiative, and prepare analyses for the Congress. Again, the overriding factor here is that our work constructively contributes to greater economy, efficiency, and effectiveness of Government programs and operations.

GAO's role will continue to change as the needs of the Congress change in response to the increasing size and complexity of our Nation and its Government. A concern frequently expressed in the Congress is that the executive branch has increased its power in relationship to the legislative branch for the simple reason that the executive branch has most of the experts and information on such complex subjects as major weapons systems, energy, space exploration, health care, and pollution control. In my opinion, this concern has a great deal of validity.

Many of these experts and much of the information from the executive branch are made available to the Congress through hearings and reports, or by less formal means. However, inevitable questions remain.

- Were the proper alternatives to proposed programs fully considered and set forth objectively to the Congress?
- Does the executive branch keep the Congress adequately advised on progress and on problems which develop as programs are carried out?
- Does the information provided facilitate, rather than frustrate, legislative oversight?

It is my objective to strengthen, whenever I can, the processes through which the Congress can obtain reliable information. This means that the work of the General Accounting Office must be more and more relevant to the needs of the Congress.

We have done much in this direction, and there are many indications that Congress will turn increasingly to the GAO in the future. In recent years, the work which we classify for internal planning purposes as being of direct assistance to the Congress has increased almost fivefold to the point where it represents about 37 percent of the total effort of our professional staff of 4,200.

Our program planning process calls for periodic consultation with congressional committees having significant concerns with the issues GAO plans to examine and report on. We attempt to foresee the needs of the Congress and to make our information, conclusions, and recommendations available on a timely basis in order to be relevant and useful to the work of the congressional committees.

As the scope of GAO's overall responsibilities have broadened over the years, the role of program evaluation has become increasingly important. The Legislative Reorganization Act of 1970 and the Congressional Budget and Impoundment Control Act of 1974 underscore the importance of GAO responsibilities for the preparation of program analyses and evaluations and for the provision of timely information needed by the Congress in all phases of its work.

Government has become much more complex since the Congress established GAO almost 60 years ago. The needs of the Congress for help have grown and will continue to grow.

GAO's greatest contribution is to provide answers to questions such as:

- Where are there opportunities to eliminate waste and the inefficient use of public money?
- Are Federal programs, whether administered directly by the Federal Government or through other organizations, such as the United Nations, or through State and local governments, achieving their objectives?
- Are there other ways of accomplishing the objectives of these programs at lower costs?
- Are funds being spent legally? and is the accounting for them adequate?

Our objective is to recommend ways of making both proposed and ongoing Federal programs work better, to assist in the process of program choice, and to make the results of our studies known before decisions are reached. This is especially important when there are strong pressures to move to new and untried approaches or to infuse more money into programs that have not yet demonstrated their worth.

The first and foremost responsibility for providing this type of information to the Congress should continue to rest with the operating agencies themselves.

Especially in view of the independent position which GAO holds, we can advise the Congress of how well we think the agencies have done their jobs of evaluating the effectiveness of their programs. GAO can supplement their efforts and go more deeply into problems which may not have been dealt with adequately by the agencies.

OBJECTIVITY IS ESSENTIAL

GAO's greatest single asset is the competence, dedication, and enthusiasm of its staff. Whenever possible, we emphasize to our staff, at all levels, the great responsibility with which we have been entrusted.

We are employing and developing individuals with varied backgrounds and competence in keeping with the diverse areas which we are called upon to review. Although the competence of our staff is highly important, it is essential that GAO maintain its hard-earned reputation for objectivity, accuracy, and high professional standards. This is particularly important as we increasingly emphasize audits having as their principal objectives the assessment of the results of Government programs and whether these programs are being carried out as the Congress intended.

We cannot avoid the situation where certain of our reports will be considered controversial in the eyes of those who may disagree with our conclusions and recommendations. This simply underscores the importance of developing and presenting our conclusions and recommendations as fairly, objectively, and factually as possible.

We do not lobby for a particular legislative or program decision. Rather, we endeavor to provide the kind of objective analysis of alternatives that can be valuable to the Congress in reaching its own conclusion. In short, GAO must avoid a partisan program role just as it has carefully avoided a partisan political role.

PUBLIC CONFIDENCE IN GOVERNMENT

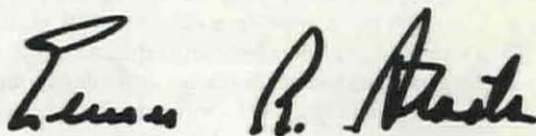
In a broader context, GAO is responsible to the public. GAO reports to the Congress, if not classified for national security reasons, are public reports. Although we have no official ombudsman responsibility, we try at all times to be sensitive to responsible criticisms of Federal programs and to take these criticisms into account in planning our work.

We do not seek publicity for our reports. But we think it quite important that the public have full access to our findings and conclusions. We provide the public with a meaningful demonstration of the openness of our governmental processes.

We recognize that certain information must be classified in the interest of national security. The legal authority to classify information rests with the operating agencies. We have as one of our objectives, however, the questioning of

security classifications which seem unnecessary for the purposes of security legislation and regulations.

Concerns are being voiced increasingly in the Congress and elsewhere about the apparent decreased confidence in the Government, particularly in the Government's ability to make programs work effectively and to serve well those individuals and groups for which public funds are spent. Increased attention is also being focused on the accountability of Government officials to taxpayers. Many of these concerns are valid and it is more important than ever before that the public be aware of the work of GAO as an organization which has as its principal concerns fiscal integrity and the economical and effective management of governmental programs. I believe that GAO can play a part in overcoming these concerns.

A handwritten signature in black ink, reading "Louis B. Atash". The signature is fluid and cursive, with the first name "Louis" and last name "Atash" being more prominent than the middle initial "B.".

Comptroller General
of the United States

Questions and Answers

The General Accounting Office came into existence as an independent, nonpolitical arm of the Congress in 1921 when the Budget and Accounting Act was enacted.

Following are responses to frequently raised questions within and outside the Government about GAO purposes, responsibilities, objectives, policies, and procedures.

PURPOSES AND RESPONSIBILITIES

1. What are GAO's basic purposes and responsibilities?

GAO has these basic purposes.

- To assist the Congress, its committees, and its Members as much as it can to carry out their legislative and oversight responsibilities, consistent with its role as an independent, nonpolitical agency.
- To audit and evaluate the programs, activities, and financial operations of Federal departments and agencies and make recommendations toward more efficient and effective operations.
- To carry out financial control and other functions with respect to Federal Government programs and operations including accounting, legal and claims settlement work.

GAO's primary internal objective is to perform all of its functions as effectively, efficiently, economically, and promptly as possible.

ORGANIZATION

2. How is GAO organized?

Until 1972 GAO's audit organization was primarily on a Federal agency basis. For example, it had a Defense Division responsible for the audit of all activities of the Department of Defense, a Civil Division responsible for the audit of civil agencies, and an International Division responsible for the audit of the international activities of all agencies.

In 1972 the Comptroller General reorganized GAO in a move toward greater program and functional specialization. Further modifications and refinements have been made since that time. The present organization is shown on the chart on page 6.

6



3. What are the reasons for these changes?

There are several reasons.

- To accelerate the growth of program and functional expertise among GAO's senior staff members.
- To make it easier to carry out multiagency and Government-wide reviews by assigning lead responsibility to a particular organizational unit.
- To facilitate the timely completion of GAO's audit work.
- To assist the Comptroller General in dealing with GAO's expanding responsibilities and workload.

4. How is the workload expanding?

GAO's workload continues to grow. For example, during a recent session of Congress almost 400 public laws were enacted. Over two dozen new laws call for GAO to perform special one-time studies or audits. Many others established new programs or expanded governmental authority, thus generating increased pressures on GAO's mandate to assist the Congress by examining essentially all activities of the Federal Government in Washington, D.C., as well as around the world. That is why GAO maintains in addition to its headquarters office and about 60 audit sites in the Washington, D.C., area—15 regional offices, and a branch office (Honolulu) in the United States and foreign branch offices in Bangkok, Frankfurt, and Panama City.

5. Aside from organizational changes, didn't GAO recently make significant changes in some of its policies and practices?

In 1978, GAO adopted new ways of trying to complete its work faster and at a lower cost. To this end, GAO received the benefit of a timely and searching assessment of its services by the House Select Committee on Congressional Operations.

The Comptroller General Task Force on Improving GAO's Effectiveness took a comprehensive look at GAO policies and practices to identify ways to eliminate or reduce barriers to timely completion of work. Based on its findings, the Comptroller General directed a number of actions for improving timeliness and relevance in GAO's work. These actions involved:

- Improving working relationships with the Congress.
- Adopting a project team approach for carrying out assignments.
- Using the most effective and least costly reporting medium in satisfying the needs of intended users.

- Allowing greater flexibility in the quality control process governing GAO reports.
- Developing a more meaningful accountability system.
- Providing for greater recognition of staff contributions.

Of special significance is GAO's revised program planning process which calls for periodic consultation with congressional committees having significant concerns with the issues GAO plans to examine and report on.

6. Is the Cost Accounting Standards Board a part of GAO?

No. The Cost Accounting Standards Board is a separate agency in the legislative branch. It was established by law (Public Law 91-379) in August 1970.

Its job is to develop and promulgate cost accounting standards to be followed by prime contractors and subcontractors in the pricing, administration, and settlement of negotiated defense contracts over \$100,000.

The Board's main relationship to GAO is that the Comptroller General, by law, is the Chairman of the Board and thus is the head of both agencies.

ASSISTANCE TO THE CONGRESS

7. How does GAO assist the Congress?

Although much of GAO's work is self-initiated (as contrasted to work mandated by specific statute or directed by a congressional request), GAO views *all* of its work as assisting the Congress in carrying out its legislative and oversight functions. In developing its work programs, GAO attempts to ascertain congressional needs so that it can produce timely information that will be useful to the Congress and contribute to better government.

For internal planning purposes, GAO classifies some of its work as *direct* assistance to the Congress. This includes:

- Doing specific studies directed by law.
- Making special surveys, audits and reviews requested by congressional committees and individual Members of Congress or recommended in committee reports.
- Providing information and legal services relating to Government operations and policies to congressional committees and Members of Congress through formal testimony, informal conferences, reports on proposed legislation, and interpretation of statutes.
- Providing advisory assistance in developing and drafting legislative proposals.

- Assigning staff members to directly assist congressional committees.

8. How much of GAO's work falls in this direct assistance category?

In fiscal year 1978 about 37 percent of the work of the professional staff fell in the category of direct assistance to the Congress.

9. How did the Legislative Reorganization Act of 1970 provide for additional GAO assistance to the Congress?

As originally passed, this act provided, for example, that GAO assist the Congress by:

- Reviewing and analyzing the results of Government programs and activities on its own initiative, when directed to do so by either House of Congress, or when requested to do so by committees having jurisdiction over such programs and activities.
- Having GAO experts assist congressional committees in analyzing and conducting cost-benefit studies.
- Representing the Congress in cooperating with the Secretary of the Treasury and the Director of the Office of Management and Budget in developing and maintaining a standardized information and data processing system for budgetary and fiscal data, including standard classifications of Federal programs, activities, receipts, and expenditures.
- Providing the Congress with monthly and annual lists of reports issued by GAO.

10. Wasn't this law later amended?

Yes. The Congressional Budget and Impoundment Control Act of 1974 amended the 1970 act to change some of the provisions relating to GAO assistance to the Congress and added many new duties.

The act also established a system of congressional control over the impoundment of funds by the President and assigned specific responsibilities to GAO to assist the Congress in this process. Answers to questions 83 through 88 set forth more detailed information on GAO's expanded responsibilities under this act.

11. What is GAO's relationship with the other congressional support agencies—the Congressional Budget Office, the Congressional Research Service and the Office of Technology Assessment?

Each of the four support agencies are independent organizations serving the same basic purpose—to further the ability of the Congress to effectively perform its legislative and oversight roles. Each also has statutory responsibility for providing more or less definitely prescribed forms of information.

There are, however, substantial differences between the agencies both in terms of the resources they use and the methods they employ. There are also substantial differences in the types of products which each produces and the internal management processes by which they are developed and their quality assured.

GAO's objective in its relationship with the other support agencies is to establish an atmosphere of mutual respect and support. GAO emphasizes the need to consider opportunities for cooperation and coordination with one or more of these agencies in the planning and performance of virtually all of its work. Doing this not only helps avoid duplication but gives GAO the opportunity to learn about additional sources of information and obtain useful advice.

12. Is there a danger that GAO and the other congressional support agencies may duplicate each others work?

Yes, there is always this possibility. In fact, however, strenuous efforts are made by all four agencies to avoid unnecessary duplication and overlap. Sometimes duplication is not only unavoidable but perhaps desirable so that congressional committees and Members may have the benefit of differing perspectives provided by the various agencies. However, to avoid unnecessary duplication, the Congressional Research Service operates a computerized research notification system which permits staff of each agency to consult a centralized listing of all ongoing and recently completed work in each of the four agencies. This assures that an individual will be aware of existing work in another agency and avoid unnecessary and unjustified duplication. In addition, there are frequent informal contacts of staff members plus a regular group of representatives from each of the four agencies which meet periodically to discuss matters of mutual concern.

13. What is GAO's policy regarding congressional requests for specific work?

The 1921 act requires GAO to make investigations and furnish information and assistance to the Congress and congressional committees having jurisdiction over revenue, appropriations, or expenditures. In addition, the Legislative Reorganization Act of 1970 directs GAO to review the results of Government programs and activities at the request of any committee having jurisdiction over such programs and activities.

Nearly every congressional committee and subcommittee has requested GAO to furnish information and assistance. To the extent practicable, GAO complies with the request of all committees, subcommittees, and individual Members of Congress on a priority basis. Some requests are answered readily, while others require substantial work. In addition to the formal written reports issued to committees and Members, GAO satisfies many requests through briefings, correspondence not classified as reports, or by furnishing informally information which meets their needs.

14. What is GAO's policy in responding to requests by individual Members of Congress for information or audits?

GAO's basic policy is to be as helpful as possible to all Members of Congress within the confines of staff resources and other work requirements and still preserve GAO's status as an independent, nonpolitical agency.

GAO does respond to requests from individual Members of Congress. This practice is in keeping with GAO's nonpolitical, nonpartisan character since it avoids the implication that GAO limits its assistance to a particular political party in the Congress by responding only to requests made by committee chairmen.

15. What other factors are considered in responding to requests from individual Members of Congress?

Sometimes the issue raised by a Member has broader implications than the concern of a particular State, congressional district, or constituent. GAO judges each request from this standpoint, and sometimes more comprehensive studies of management problems or procedures are made that come to GAO's attention through a limited request.

In some cases GAO receives requests on the same or similar subjects from several Members at about the same time. When this happens, a consolidated response is usually prepared. In some instances the results of GAO's work on these requests are included in a report to the Congress as a whole.

16. Doesn't the handling of requests from individual Members of Congress interfere with the conduct of other audit work?

This sometimes happens since most congressional request work is given priority. GAO's objective is to provide service and to help Members of Congress obtain needed information as speedily and efficiently as possible. However, every effort is made to do this without adversely affecting other work under way or planned on programs or activities which in GAO's judgement warrant priority attention or which can be expected to result in major economies or improvements.

In determining what GAO will do in any given case, the availability of the requested information in the agency concerned or the possibility that a response might better be made by the agency is considered and discussed with the requesting Member of Congress. Also, in some cases, a requester's needs may be satisfied by providing copies of reports on relevant GAO-initiated assignments.

17. Don't some of the requests from individual Members involve rather minor matters?

Obtaining information to respond to some requests does require GAO to review agency transactions or activities which are not large. In many cases, this does involve performing audit work that GAO would not do on its own initiative simply because of the basic policy of using its audit staffs on major programs,

activities, and problems as much as possible. Such matters are important, however, to the individual Member or the Member's constituent and in many instances, this work has led to identifying needed improvements in Government operations and programs.

If the information cannot readily be obtained directly from the agency or if the questions raised are of such a nature that an agency response would not be satisfactory or appropriate, GAO's policy is to do the necessary review work as expeditiously as possible to make an adequate response.

18. Does GAO have a central point for coordinating the various requests from the Congress?

Yes. GAO's Office of Congressional Relations is the central coordination point for providing the Congress with prompt and effective assistance. This Office maintains continuous contact with the congressional committees and Members of Congress to serve as a communications and coordination link between the Congress and GAO.

AUDITING

19. To many people, the term "audit" means checking and verifying accounts, transactions, and financial statements. What does GAO mean by the term?

The term means much more in GAO operations. It includes examining accounting records and financial transactions and statements, but the full scope of a GAO audit also includes:

- Checking for compliance with applicable laws and regulations.
- Examining the efficiency and economy of operations.
- Reviewing the results of operations to evaluate whether desired results, including legislatively prescribed objectives, have been effectively achieved.

20. What is the difference between an audit and a review?

Both are general terms often used to describe the process of checking or evaluating an operation or an activity. In GAO an audit embraces these basic phases.

Survey—Obtaining working information and analyzing it to identify matters deserving of detailed examination or analysis.

Review—Detailed examination or analysis work.

Report—Communicating results of examination or analysis work, including recommendations.

21. What are the purposes of GAO audits of Federal agencies?

The primary purposes of GAO audits are to:

- Evaluate the efficiency, economy, legality, and effectiveness with which Federal agencies carry out their financial, management, and program responsibilities.
- Provide the Congress and Federal agency officials with significant and objective information, conclusions, and recommendations that will aid them in carrying out their responsibilities.

22. More specifically, what does GAO check or evaluate when it makes one of these audits?

GAO seeks to find out whether:

- The agency is carrying out only those programs and activities the Congress authorized.
- The agency's programs and activities are achieving the objectives the Congress intended and at the lowest cost.
- The agency is conducting its programs and activities effectively, efficiently, and economically and is meeting legal requirements in doing so.
- The agency is managing and using its resources (including funds, property, and personnel) effectively, efficiently, and economically.
- The agency's organization and management system is adequately monitoring and measuring how effectively its programs and activities are conducted.
- The agency is collecting and accounting properly for all revenues and receipts from its programs and activities.
- The agency's accounting system is adequate for accounting for its resources and its programs and activities according to (1) statutory requirements and (2) the accounting and auditing principles, standards, and related requirements prescribed by the Comptroller General.
- Agency reports to the Congress and to central control agencies fulfill their purposes adequately.

A GAO audit may cover one, or any combination, of the above objectives.

23. What terms does GAO use to identify different kinds of audit and evaluation work?

GAO uses five basic categories to describe all of its audit and evaluation work.

- Audits of Financial Operations and Accounting Systems Work
- Audits of Economy and Efficiency
- Audits and Evaluations of Results of Ongoing Programs
- Analyses of Costs and Benefits of Alternative Approaches
- Special Studies

Except for special studies, each category is described in terms of objectives; in other words, general specifications for each category are developed to describe what the audit seeks to accomplish.

24. What is an example of such description?

Financial operations and accounting systems work, for example, includes audits of financial transactions, accounts, and reports and of compliance with applicable laws and regulations. It includes enough work to determine whether:

- The agency controls and accounts effectively for its funds, property, and other assets; its liabilities; and its revenues and expenditures.
- The agency keeps adequate accounting records according to the principles, standards, and related requirements prescribed by the Comptroller General.
- The agency's financial reports show fully and fairly its financial condition, the results of its operations, and changes in its financial condition and provide adequate financial information for use by managers.
- The agency's accounting system provides:
 1. A basis for settling accountable officers' accounts.
 2. Reliable information for use in preparing budget requests, controlling the budget, and furnishing financial information to the Office of Management and Budget.
 3. Information required for the Government's central accounting system in the Treasury Department.
- The agency is complying with the laws and regulations governing the receipt, disbursement, and application of public funds.

25. What about audits of economy and efficiency?

Many GAO audits are concerned with economy and efficiency in the use of public resources. Policies, procedures, and transactions are examined (1) to

evaluate the economy, efficiency, and legality with which an agency carries out its programs and activities and uses financial, property, and personnel resources and (2) to develop recommendations for improvements.

Specifically, these audits inquire into such matters as the:

- Need for goods or services provided or procured.
- Reasonableness of costs incurred or expenditures made.
- Adequacy of safeguards over and care of resources acquired.
- Proper use of resources.
- Adequacy of revenues received for goods or services sold.

Such matters are pursued primarily from the standpoint of improvements needed—usually by identifying avoidable costs or waste, possibilities for increased revenues, and alternative procedures for producing similar results at lower costs or better results at the same or lower costs.

26. How would audits and evaluations of results of ongoing programs be described?

Such work would be concerned with inquiring into whether desired results or benefits are being achieved and whether the objectives established by the Congress are being met. Other factors often considered are whether:

- Management weaknesses adversely affect the achievement of desired results.
- Alternative approaches might achieve program objectives more effectively or at a lower cost.
- Benefits or detriments are resulting that were not contemplated when the program was established.
- The Congress should reconsider the program objectives in the light of experience.

27. What about analysis of costs and benefits of alternative approaches?

GAO work in this category has a "futuristic" orientation. Its main thrust is on the cost/benefits and probable impact and implications of alternative approaches to significant problems (usually national in scope). The emphasis is on alternative actions needed to deal with an important issue or problem at the national level, whether or not any Federal programs or legislation are in place to deal with the problem.

For example, GAO may undertake a study to identify what future actions by the Government can significantly reduce energy consumption levels by the year 1985 (or 2000). Or GAO may try to assess the probable impact of a natural gas shortage next year and make suggestions to the Congress on what can be done to alleviate the impact.

A study under this category would generally start with the assumption (or recognition) that a significant problem exists and—rather than try to demonstrate that it does exist—address alternatives to solving it.

28. What's included in the special studies category?

This category is reserved for an assortment of assignments and studies that simply don't fit elsewhere. It may include broad surveys where audit objectives are very general or are strictly for internal planning purposes. It could also include "research" efforts such as those directed to developing evaluation methodology and innovative techniques.

29. Federal agency programs and operations are so large that GAO cannot possibly audit everything. What factors does GAO consider in deciding what to audit?

GAO primarily considers those programs, activities, or operations which are known to be, or may be, of direct interest to the Congress or are of such importance that they should be audited by GAO as an independent arm of Congress.

GAO's policy, except as otherwise required by statute or congressional request, is to apply its resources where it believes the effort will do the most good in promoting improvements in Government operations and in keeping the Congress informed about such operations. GAO is continuously in contact with congressional committees to remain abreast of their interests and activities.

30. Does the Congress specify what GAO shall audit?

The laws enacted usually assign audit authority and responsibility to GAO in rather general terms. However, some laws require GAO to make specific audits. For example, the Emergency Loan Guarantee Act requires GAO to audit the accounts, books, records, and transactions of borrowers under the act. The Government Corporation Control Act requires GAO to audit Government corporations periodically.

Some laws are even more specific. For example:

- The Department of Energy Act of 1978 required GAO to audit recipients of financial assistance within 6 months after the enactment date and at 6-month intervals thereafter.
- The Medicare-Medicaid Anti-Fraud and Abuse Amendments required GAO to conduct a comprehensive study of the administrative structure

established for the processing of certain claims and report to the Congress not later than July 1, 1979.

- The Nuclear Non-Proliferation Act of 1978 required GAO to study and report to the Congress 3 years after enactment on the implementation and impact of the nuclear non-proliferation policies, purposes, and objectives of the act.

31. What are some of the other factors GAO considers in deciding what to audit?

The important factors GAO considers in deciding what audit are:

- Expressions of congressional interest, e.g., views stated in committee reports.
- The importance of programs and activities judged by such means as public impact, amount of expenditures, investment in assets, and amount of revenues.
- The newness of programs and activities.
- Public criticism indicating the need for corrective action.
- The extent and recency of prior work by GAO or by agency internal review groups.
- The opportunities to make constructive contributions to legislative or oversight operations of the Congress or to improve operations of Federal agencies.

The weight GAO gives to these factors varies from agency to agency and from program to program. Its decision in each case represents a composite judgment of all pertinent factors. The overriding factor is whether the work will *constructively contribute* to greater economy, efficiency, and effectiveness of Government programs and operations.

32. Are any special techniques used in making decisions on what to audit?

The Comptroller General chairs a Program Planning Committee of top-level GAO officials. The Committee is assisted by the Office of Program Planning.

The Committee meets from time to time with operating division directors and their planning assistants and reviews audit plans in relation to major Federal programs or problem areas that have been approved to receive emphasis in carrying out GAO audit work.

At the present time, the Committee has approved 36 such areas which are commonly called issue areas.

33. What are these areas?

They are as follows:

- Accounting and Financial Reporting
- Adequacy of Implementation of Military Preparedness Plans Including Mobilization Planning
- Administration of Nondiscrimination and Equal Opportunity Programs
- Alternative Approaches or Methods to Achieve Federal Program Objectives
- Automatic Data Processing
- Communications
- Consumer and Worker Protection
- Data Collected from Non-Federal Sources—Statistical and Paperwork Implications
- Domestic Housing and Community Development
- Energy
- Evaluation Guidelines, Techniques and Methodology
- Environmental Protection Programs
- Facilities Acquisition and Management
- Federal Information—Creation, Protection, Access, Disclosure and Management
- Federal Personnel Management and Compensation
- Federal Procurement of Goods and Services
- Federally Sponsored or Assisted Education Programs
- Federally Sponsored or Assisted Employment and Training Programs
- Federally Sponsored or Assisted Health Programs
- Federally Sponsored or Assisted Income Security Programs
- Food
- Intergovernmental Policies and Fiscal Relations
- Internal Auditing Systems for Federal and Federally Assisted Programs
- International Affairs .
- Land Use Planning and Control
- Law Enforcement and Crime Prevention
- Logistical Supply, Distribution and Maintenance Management
- Materials

- National and Regional Economic Problems
- National Productivity
- Program and Budget Information for Congressional Use
- Science Policies
- Tax Administration
- Tax Policy
- Transportation Systems and Policies
- Water and Water Related Programs

34. Since issue areas involve more than one operating division in GAO, how are responsibilities assigned to plan and carry out audit work related to them?

Overall responsibility for each one of these areas is specifically assigned to one of GAO's operating divisions or offices. These "lead" divisions are responsible for providing leadership and guidance in the planning, programming, performance, and reporting of audit work undertaken in the designated issue area.

35. To what extent does GAO attempt to involve congressional committees in identifying programs, activities, or management problems for auditing?

GAO's audit planning is based largely on its own judgment of congressional interest. Congressional interest is determined through discussions with members of congressional committees, committee staffs, and individual Members of Congress. GAO also considers hearings, congressional debates, committee reports, and statements of individual Members of Congress and whether programs are coming up for renewal.

GAO's program planning process calls for periodic consultation with congressional committees having significant concerns with the issues GAO plans to examine and report on. Committee staffs are briefed on GAO work plans and audits in process and reactions are obtained as to their interest in the work. GAO's Office of Congressional Relations maintains contact with congressional committees and many individual Members of Congress as to their activities and interests and these contacts are also useful in audit planning.

GAO staff members are expected to be familiar at all times with the interests and operations of the congressional committees involved with the agencies and programs on which GAO is working. This familiarity provides GAO with a basis for making appropriate changes in operating plans so that its work will be of the most benefit to the Congress.

36. Is it a GAO objective to stress multiagency audits?

Not necessarily, although GAO's Government-wide scope of interest and responsibility make it important that GAO consider problems from an inter-agency and Government-wide standpoint.

After considering several factors, GAO determines whether the audit should be done in all agencies simultaneously or in one agency at one time. Factors that are considered include the:

- Availability of staff.
- Complexity of the problem area.
- Importance of the problem in more than one agency.
- Need to review more than one agency to establish a case for improvement.

In some cases it is feasible and appropriate to analyze a problem common to more than one agency and to develop findings that provide evidence of a need for improvement more convincing than if only one agency were reviewed. In other cases an audit in a single agency will be sufficient for recommending improvements or corrective actions in other agencies.

37. Is it GAO's policy to consider agency internal audits in deciding what it will examine?

Yes. This policy is grounded not only on common sense in determining the best use of audit staff resources but also in law. The Budget and Accounting Procedures Act of 1950 specifically directs GAO, in determining audit work to be done, to consider "the effectiveness of accounting organizations and systems, internal audit and control, and related administrative practices" of Federal agencies.

One of GAO's objectives is to strengthen Government agency management controls and systems where possible. As these controls and systems have improved, GAO has been able to rely more on agency internal audits and management reviews. GAO must find out, of course, whether the work of internal audit and other evaluation staffs is adequate and can be relied upon. GAO's objective is to avoid, when practicable, duplication of agency internal audits and reviews.

38. What limits are imposed on GAO's jurisdiction?

By law, GAO is authorized and directed to investigate all matters relating to the receipt, disbursement, and application of public funds.

Because of specific provisions of certain laws, however, some Government activities are excluded from GAO's jurisdiction. A complete list of such restrictions is published by GAO's Office of General Counsel in "Legislation Relating to the Functions and Jurisdiction of the General Accounting Office."

39. Aren't performing agencies primarily responsible for evaluating their efforts in achieving the goals or objectives of the programs they are responsible for carrying out?

Yes, very definitely. This principle was emphasized in a letter sent by the Comptroller General to the chairmen of congressional committees in August 1972 and in March 1973 testimony before the Senate Committee on Agriculture and Forestry. Program evaluation is a fundamental part of effective program administration and the responsibility for doing it should rest initially in the agencies responsible for carrying out the programs.

40. Do the laws setting up Federal programs assign evaluation responsibility to the performing departments or agencies?

It is not always specifically spelled out in the authorizing laws, but GAO believes a tremendous payoff could be achieved by including specific requirements for evaluation in the authorizing legislation or in the reports accompanying the legislation.

Both the Comptroller General's August 1972 letter and his March 1973 testimony urged the Congress, in enacting legislation authorizing new programs or reauthorizing existing programs, to include specific requirements for evaluation by the department or agency involved. In a letter to committee chairmen in April 1979 the Comptroller General reiterated this statement and updated it in line with a recent GAO report "Finding Out How Programs Are Working: Suggestions For Congressional Oversight." That report outlined an approach for arriving at a reasonable agreement between the Congress and the Executive, both on expectations and objectives for programs and on the best ways to find out what Congress needs to know about how well the programs are achieving those objectives. Such an approach seems to GAO to be essential both as a basis for effective evaluation in the agencies and as a basis for obtaining information which is useful in oversight by the Congress.

In commenting on specific proposed legislation, GAO suggests language for including evaluation requirements, or works with the committees or their staffs in developing suitable language. In recent years, the Congress has made agency evaluations a requirement of many policies and programs enacted into law.

41. In examining program results, what questions about objectives does GAO seek to answer?

GAO seeks to answer such questions as:

- How successful is the program in accomplishing the intended results spelled out in legislative objectives or in directives of the agency?
- Is the program succeeding within the costs anticipated when the legislation was enacted or amended?
- What are the costs? and what are the benefits?

- Is the program being carried out and are expenditures being made in compliance with applicable laws and regulations?
- Have alternative programs or approaches been examined, or should they be examined, to see whether objectives can be achieved more economically?
- Were all studies, such as cost-benefit studies, adequate for analyzing costs and benefits of alternative approaches?
- Are there program benefits or detriments which were not contemplated by the Congress when it authorized the program?
- Is the information furnished to the Congress by the agency sufficiently adequate and accurate to permit the Congress to effectively monitor program results?

42. In examining program results are any other questions inquired into?

Other questions that are pursued include:

- Has agency management clearly defined and promulgated the objectives and goals of the program or activity?
- Have performance or output standards and goals been developed?
- Does top management have the essential and reliable information necessary for exercising supervision and control and for ascertaining directions or trends?
- Does management have internal review or audit facilities adequate for monitoring program operations? identifying program and management problems and weaknesses? and insuring fiscal integrity?
- Are there overlappings of jurisdiction and duplications of effort?
- Is the program coordinated with other programs that have similar objectives?

43. Is it GAO's policy to give audits of program results preference over all other types of audits?

No. In planning and programming its audit work, GAO considers all of its responsibilities and the various factors listed in the comment on questions 29 and 31 and then decides the nature, scope, and timing of the audit work.

Examining and evaluating the results or accomplishments of Government programs is a logical extension of the independent auditor's work and one in which there is increasing interest by congressional committees.

For this reason, and also because of the specific provision of the Legislative Reorganization Act of 1970, as amended, directing GAO to review and evaluate the results of Government programs, GAO is emphasizing audits of program results more than in the past.

44. Does GAO audit program results when it is not possible to measure costs and benefits quantitatively?

Yes. The measurement of costs and benefits, however, is primarily a management responsibility, and thus the first step is to find out what information has been developed by or for management officials.

For some programs, however, the absence of historical data and of "control groups" and the difficulty of measuring benefits rule out meaningful quantitative studies. In these areas GAO must examine evidence as to program impact or benefits achieved and must obtain and evaluate the judgments of management officials and of program recipients as to whether, and to what extent, programs are effective.

45. How can GAO accountants and auditors make technical judgments on the performance of weapons systems or other kinds of technologically complex systems?

GAO does not make such judgments. It has a diversified staff, however, that includes engineers, and it has access to outside experts and consultants in many fields. In this way, GAO is able to understand technical judgments made by experts in a Government agency and can call attention to factors or issues that may have been overlooked in making those judgments.

46. With its increasingly diversified staff including systems analysts, does GAO make its own cost-benefit studies and trade-off analyses of weapons or other systems?

GAO seldom makes cost-benefit studies on its own on the basis of independently gathering all the basic data needed. More commonly it reviews and evaluates the studies, including the data used, made by or for the agencies.

Cost-benefit studies of weapons or other systems are based on many assumptions which have to be made with respect to such things as hardware performance, cost, and enemy capabilities. GAO studies usually test the effect that variations in key assumptions would have on the results obtained in agency studies.

47. Does GAO audit programs or activities even if no particular problems are known or suspected?

Yes. There may be other reasons for doing so. For example, the program may be new and unevaluated. It may be a rapidly growing program or affect an area of significant congressional or public interest. Or the program may involve a matter requiring future congressional action.

In any case GAO makes surveys to obtain information and an understanding about a program or activity as a basis for further decisions on the nature, extent, and objectives of more detailed review work.

48. Under what circumstances does GAO recommend changes in legislation?

GAO recommends changes in legislation when it concludes that changes are necessary if Government programs and activities are to be carried out more efficiently, economically, or effectively.

49. Does GAO make audits for the express purpose of developing policy recommendations on programs pending before the Congress?

Not for that specific purpose. GAO's main concern is with the management and results of ongoing programs. However, GAO's basic legislation requires it to make recommendations leading to greater efficiency and economy in Government operations. Subsequent legislation has also directed GAO to review particular programs and activities and to make recommendations to the Congress. GAO therefore frequently makes recommendations for legislative or administrative action based on its findings and conclusions.

GAO is not a policymaking body but rather provides input to the policy-making process which occurs within the Congress itself. In this regard, GAO can and often does contribute to this legislative process by:

- Providing information on the effectiveness of existing programs for use by congressional committees in considering the merits of executive agency proposals which are extensions of, or variations from, existing programs, and
- Advising congressional committees of the accuracy, completeness, or other aspects of program proposals by the executive branch.

Furthermore, GAO can render additional assistance such as:

- Helping to develop questions for the committee to ask the executive branch.
- Analyzing the advantages and disadvantages of the program and possible alternatives.
- Analyzing the validity of cost estimates.
- Reviewing the management, organization, and other aspects of the program.

50. Does GAO ever recommend levels of funding of Government programs or activities?

GAO is not responsible for recommending specific funding levels. However, in its audit work it does sometimes find that the funds or other resources available to an agency are not adequate for it to do an effective job.

In such a case, GAO makes recommendations which could require an increase in funding if such an increase would enable the agency to carry out its programs and activities more efficiently and effectively. However, such a recommendation is not stated in terms of a specific level or amount of funding.

51. Does GAO use contractors and individual consultants?

Yes. Research firms or individual experts and consultants having expertise in technical and specialized fields are engaged whenever GAO feels it lacks all the necessary skills to carry out an audit or study or when GAO considers it desirable to bolster its talents and resources with outside assistance.

52. Is GAO usurping the role of the Office of Management and Budget by seeking to become a major management improvement force in the Federal Government?

No. The two agencies have different roles. The Office of Management and Budget's principal job is to serve the President; GAO's principal job is to serve the Congress.

It is true that GAO identifies many management improvement opportunities; this is one of its major purposes. Thus, GAO, rather than being a competing agency, is an additional source of information for the Office of Management and Budget in carrying out its management improvement work.

Some management improvement projects are carried out jointly and cooperatively with the Office of Management and Budget, as well as with Treasury and the Office of Personnel Management under the Joint Financial Management Improvement Program.

53. How does GAO report on the result of its work?

In a variety of ways, including:

- Submitting individual reports to the Congress as a whole; that is, to the Speaker of the House of Representatives and to the President of the Senate.
- Submitting reports to specific committees, subcommittees, or Members of Congress.
- Sending to interested committees and Members of Congress reports addressed to agency officials.

- Testifying before congressional committees.
- Making oral presentations to, and discussing audit findings with, committees and Members of Congress and their staffs and agency officials.
- Providing staff studies to congressional committees and Members of Congress containing factual information, analyses of pros and cons of alternative courses of action, and questions on subjects of particular interest to them.
- Preparing and distributing the annual report of the Comptroller General on the work of GAO—a requirement of the Budget and Accounting Act, 1921.
- Distributing copies of periodic publications containing summary information on GAO activities; e.g., the *MONTHLY LIST OF GAO REPORTS*—a requirement of the Legislative Reorganization Act of 1970.

GAO sends copies of reports addressed to agency heads to the House and Senate Committees on Appropriations, the House Government Operations Committee, and the Senate Committee on Governmental Affairs, as required by the Legislative Reorganization Act of 1970, *if the reports include recommendations to the heads of Federal agencies*. Such agencies must submit written statements of the action taken on the recommendations to the four committees.

54. If GAO is an arm of the Congress, why does it address some reports to agency officials? Isn't it responsible to the Congress for all of its work?

GAO is responsible to the Congress for all of its work. However, not all of its reports need to be formally transmitted to the Congress. This is particularly true when congressional action is not called for and when agency officials are taking or have agreed to take, appropriate corrective action.

GAO sends reports to agency officials and sends copies to any congressional committee interested in or concerned with the subject matter. Sending reports to an agency head or other officials is just as important to GAO operations as is sending reports to the Congress when its work contributes to improving Government operations, which, as stated earlier, is a primary GAO objective.

The Congress as a whole is informed about the reports to agency heads through the *MONTHLY LIST OF GAO REPORTS* which is prepared and distributed to all Members of Congress. The annual report of the Comptroller General lists all reports.

55. Is it necessary to identify and develop a deficiency to justify a report?

No; however, descriptions of deficiencies, evaluations of their significance, and analyses of their causes are highly important in identifying the need for corrective actions and in supporting recommendations for such actions.

When its audits disclose no major adverse findings or problem areas warranting closer examination, GAO recognizes this fact and also reports favorable findings and examples of successful operation.

From time to time GAO prepares reports which summarize, but do not evaluate, information about specific Government programs and activities. These reports do not contain conclusions or recommendations but are useful to the Congress. Also, GAO conclusions and recommendations may not be needed or appropriate in reports responding to certain congressional requests.

56. Why does GAO wait until it can write a report before it advises agency officials about a problem or a deficiency it has identified?

This is not GAO's operating policy, although occasionally it happens. GAO's policy is to discuss with agency officials the existence of or the possibility of deficiencies *before* they are fully analyzed so that the agency can take, or at least consider prompt corrective action.

If the agency takes effective action at that point, GAO may not need to devote its resources to examining the problems as extensively as it otherwise would. This practice can be just as effective in promoting improvements in Government operations as can writing reports and sometimes more so.

57. Why does GAO write a report or letter after the agency has taken or agreed to take corrective action on a problem?

Even when the agency has taken or agreed to take action to correct a particular problem, it is GAO's policy to close out each assignment with a written report or letter. This provides official recognition of completion of the assignment in addition to highlighting in writing the results of the review. This can be beneficial to officials of the affected agencies and to committees and Members of Congress who may be interested in the results of the review as well as to GAO officials as a source of information concerning work previously done.

58. What is GAO's policy with respect to following up on its recommendations?

GAO's policy is to follow up on its recommendations until either appropriate action is taken or it is convinced that the recommendations were considered but not adopted for good and sufficient reasons.

Followup reviews are often made when agencies have agreed to make changes or to make further studies relating to recommendations GAO has made.

59. What is GAO's policy for obtaining agency views on proposed reports?

GAO's longstanding policy is to obtain agency views, to consider them carefully in reaching its final conclusions and recommendations, to discuss them in its reports, and to include in full in its reports agency positions which differ from those of GAO.

This procedure helps to insure that GAO's reports are fair, complete, and objective. It also makes it possible for GAO to present its findings, recommendations, and agency views to the Congress in one package.

Every effort is made to obtain agency views promptly. Agencies are normally given 30 days or less to provide their official written comments, and increasing emphasis is being placed on obtaining oral comments to further expedite GAO's reporting. At GAO's request, Office of Management and Budget Circular A-50 was revised to reflect GAO's desired time frames.

60. What about obtaining comments of a contractor or grantee whose activities are discussed in the proposed report?

Where contractors, grantees, or other persons and organizations outside the Federal Government are involved, GAO normally obtains and considers their comments on the information in the report draft applicable to their operations. It is seldom necessary, however, to request them to provide comments on an entire report.

61. Does GAO make its report drafts available to trade, industry, or professional associations or other interested parties for advance review and comment?

This is done only with the approval of the Comptroller General, Deputy Comptroller General, or Assistant to the Comptroller General.

Some GAO audit work leads to recommendations which could result in important changes in Government policies or standards affecting the interests of Federal employees or numerous private organizations or persons. During the audit work, GAO auditors are expected to obtain background information, points of views, copies of studies, and other pertinent information from many sources, including professional organizations, trade associations, consumer organizations, or Federal employee representative groups having direct concern with the subject.

This kind of information is part of the evidence obtained in support of GAO findings. Except in unusual cases, it is not GAO policy to obtain the views of such organizations by having them review report drafts.

62. What publicity does GAO give to its reports? Are they available to the public?

GAO's practice is to see that the Congress, its interested committees and Members, and the Federal agencies and third parties directly concerned are provided with copies of reports to the Congress. Committee staffs are briefed when they are especially interested in the subject matter of a report.

Shortly after reports are released to the Congress, GAO makes them available to other Federal agencies, contractors, grantees, interested organizations, and the media. If the report deals with a subject classified for national security reasons its distribution is limited accordingly.

One method of making known the existence of GAO reports is the *MONTHLY LIST OF GAO REPORTS* required by the Legislative Reorganization Act of 1970. These lists, which summarize each report, are distributed to Members of Congress. They are also printed in the *Congressional Record* and are available to anyone.

63. Why does the GAO need an Information Office?

When newspapers or radio or television stations have questions about a Government agency, they usually direct them to the head of that agency. GAO's Information Office assists the Comptroller General and the Deputy Comptroller General in answering such questions.

In addition, the Information Office answers most of the telephone inquiries the Comptroller General and the GAO receive from the public.

The Information Office prepares the *MONTHLY LIST OF GAO REPORTS* and assists the Comptroller General in many ways in GAO communications with the media, and the public.

64. Does GAO hold press conferences on its reports?

As a general practice, GAO does not issue press releases or hold press briefings on its reports. Occasionally, GAO conducts a press briefing when it believes this will serve a useful purpose in explaining a complex or important report.

After a report has been made public, GAO makes available to the press or other inquirers whatever additional explanations may be necessary so that the report is understood correctly. Usually these explanations are provided by auditors at the request of GAO's Information Office.

65. What is GAO's policy on naming in its reports the Federal employees who are directly involved in its audit findings?

The primary reasons for reporting adverse conditions in a Federal agency are to get management to make improvements and to prevent future waste, rather than to fix blame or to recommend penalties against lesser officials and employees for deficient performances.

If, for any reason, GAO considers it desirable to name the persons directly involved in the findings, it does so in discussions with appropriate top management officials or in the letter sending the report to the head of the agency, rather than in the published reports. On request, or when deemed desirable, GAO reveals such names to congressional committees.

66. What are GAO's practices on disclosing the names of third parties?

The names of governmental bodies, such as world organizations or State, local, or foreign government entities, will be disclosed if their audited activities are financed in some part with Federal funds. Also, GAO will usually identify

non-Government third parties, such as contractors and grantees, when a report concerns work at a relatively few third party locations or discloses serious violations of Federal laws, regulations, requirements, or agreements.

Under certain circumstances, GAO will not include the names of third parties in reports. For example, reports will not identify third parties in instances where GAO and the Federal agency being audited have no legal right to information and it is obtained on the understanding that identities will not be disclosed. Also, third parties will not be identified if information was obtained from another source and had not been verified or updated with the third party.

67. Does GAO measure its effectiveness by the amount of cash savings it can make each year?

Only in part. It is not possible to determine the full effect of GAO activities in terms of financial savings, improvements in Government operations, and increased effectiveness of Government programs and activities. However, GAO attempts to record actions attributable to its work which result in dollar savings or other benefits to the Federal Government, contractors, grantees, and the public. These actions may be taken directly by GAO, as in the case of claims collections. Usually, however, they are taken by the Congress, Federal agencies, and others, in response to GAO suggestions and recommendations.

Many accomplishments cannot be stated in precise dollar terms. Savings resulting from management improvements many times cannot be measured accurately, nor can improvements which make programs work better but not cheaper. Such improvements are often more important than actual financial savings.

68. Does GAO top management consider that the number of audit reports it issues is the most important measure of GAO productivity?

No. Reports are an important medium for communicating the results of GAO's audit work, and they often lead to needed corrective actions or operating improvements. However, by themselves, they do not provide a measure of GAO productivity.

More important measures for this purpose are the extent to which GAO's work, including preparation of reports, results in such accomplishments as:

- Assistance to congressional committees and Members of Congress in carrying out their legislative and oversight responsibilities.
- More effective Government operations through better management systems and increased efficiency.
- Better congressional understanding of Government operations and of whether and to what extent Government programs and operations meet congressional objectives.

- Savings of public funds.
- Better compliance with requirements of law and regulations.

69. Is the progress of GAO staff members directly related to the number of reports they work on or complete?

Definitely not. GAO does not play the "numbers game" in measuring the productivity and ability of individual staff members.

As stated in answer to the previous question, the test of accomplishment in GAO is not the number of reports issued but the disclosure of information needed by or useful to the Congress in carrying out its responsibilities and the improvements in Government operations which result from GAO's work.

The progress of an individual staff member in GAO is determined by many factors, including his or her contribution to assignments which lead to accomplishments of this nature. Other factors include skill and effectiveness in carrying out and completing assignments in accordance with GAO policies; innovating when necessary; communicating orally and in writing; working with congressional committees and with agency personnel; and supervising subordinates, including assisting them and encouraging them in their continuing professional development.

70. How does GAO insure that its standards of independence and objectivity are followed in its widespread audit work?

In several ways. For example:

- Through training programs where these important characteristics of GAO's work are explained and emphasized.
- Through day-to-day supervision of the work of all staff members.
- By avoiding the assignment of staff members to audit work where conflicts of interest *may* exist.
- Through careful review of written reports and other work products.
- By requiring, as a matter of policy, the consideration of all pertinent, significant information relating to audit findings, conclusions, and recommendations.
- By obtaining and systematically considering comments of Federal agency officials (or contractors, grantees, or other third parties who may be involved) on findings, conclusions, and recommendations.

ACCOUNTING

71. What are GAO's accounting responsibilities?

In its earlier years, GAO kept thousands of ledger accounts as part of its effort to centrally audit and settle the accounts of the accountable officers of the Federal agencies. This was changed in 1950 when the Congress passed the Budget and Accounting Procedures Act. The law made agency heads responsible for properly accounting for their resources and operations and gave the Comptroller General the following overall accounting responsibilities.

- To prescribe the accounting principles, standards, and related requirements for the executive agencies of the Federal Government.
- To cooperate with the executive agencies in developing their accounting systems.
- To approve executive agency accounting systems when they are deemed adequate and meet prescribed principles and standards.
- To conduct, jointly with the Office of Management and Budget and the Treasury Department, a continuous program to improve accounting and financial reporting in the Federal Government. The scope of this program was later broadened to include all financial management practices and the Office of Personnel Management was added to the group of central agencies responsible for providing leadership for the program.

The 1950 law also directed GAO to review from time to time the executive agency accounting systems and to report the results of such reviews to the agency heads concerned; the Secretary of the Treasury; the Director, Office of Management and Budget; and the Congress, if appropriate.

LEGAL SERVICES

72. What is the scope of GAO's legal services?

The Comptroller General, as the head of GAO, renders legal decisions and advice to:

- Heads of Federal agencies and to disbursing and certifying officers on questions of authority granted to the agencies by the Congress and the circumstances under which they may spend public funds.
- Officers or employees with delegated authority to request relief on behalf of accountable and certifying officers.
- Debtors and creditors of the Government who are dissatisfied with the handling of their affairs by other Government agencies.

- Government contracting and procurement officers and individuals and firms doing business, or seeking to do business, with the Government on legal questions about the award of Government contracts or the award of contracts under Federal grants.
- Members of Congress, congressional committees, the Attorney General, and the Office of Management and Budget, as requested.

GAO decisions on the legality of expenditures are binding on the executive branch and on GAO, but they are not binding on the Congress or on the courts.

SETTLING CLAIMS

73. What is GAO's authority and responsibility to settle claims?

The basic Federal law on claims provides that GAO settle all claims and demands by or against the Government. This authority has been modified by the Federal Claims Collection Act of 1966 and various other laws which provide that certain types or classes of claims may be settled by the administrative agencies or, in other cases, may be paid only after settlement by GAO.

74. How does GAO discharge its responsibilities for settling claims against the Government?

In several ways:

- By prescribing rules and procedures applicable to the claims settlement activities of the administrative agencies.
- By reviewing and passing on the claims before payments are made or denied.
- By reviewing agency denials of claims.
- By audits of transactions after payments and by settlements of accounts of accountable officers.

75. How does it discharge its responsibilities for the recovery of debts owed to the United States?

Federal agencies are responsible for collecting their debts but may compromise, terminate, or suspend action on them under the Federal Claims Collection Act of 1966. To the extent they do so, GAO superintends the recovery of such claims by:

- Prescribing Federal Claims Collection Standards, issued jointly by the Comptroller General and the Attorney General.
- Reviewing agency regulations, procedures, and collection operations.

Claims which appear to warrant legal action are referred directly to the Department of Justice by the administrative agencies that have authority to do so. Agencies that lack this direct referral authority refer such claims to GAO for further collection action and possible subsequent referral to Justice.

76. Does GAO have any responsibility for waiving the recovery of erroneous payments of pay and allowances?

Yes. This responsibility is carried out by:

- Considering and acting on requests for waiver when the amount involved is over \$500 and waiver is recommended by the administrative agency, when an agency's decision is appealed to GAO for review, and when the request is referred to GAO by an agency because of doubt as to whether the debt should be waived.
- Reviewing agency regulations, procedures, and operations for waiving recovery of such payments to promote as much as possible Government-wide uniformity in carrying out the laws providing for waivers.

OTHER RESPONSIBILITIES

77. Doesn't GAO have some special responsibilities under the Federal Reports Act?

Yes. In 1973, the Congress amended the Federal Reports Act to require GAO to review how the independent Federal regulatory agencies collect information. The general purpose of such reviews is to assure that the information requested is obtained with a minimum burden on business enterprises and others required to furnish information. Another purpose is to eliminate duplication in the collection of information that may be already available in other Federal agencies.

Thirteen agencies with regulatory functions are subject to GAO's review. The information-collecting work of all other agencies that are subject to the Federal Reports Act is subject to review by the Office of Management and Budget.

78. How did the Energy Policy and Conservation Act of 1975 affect GAO?

Provisions of this act represent a substantial expansion of GAO audit authority with respect to energy-related information in the private sector. In general, the act authorizes the Comptroller General to make verification examinations of the books and records of: (1) any person required to submit energy information to the Department of Energy, the Department of the Interior, or the Federal Energy Regulatory Commission, (2) any person engaged in producing, processing, refining, transporting by pipeline, or distributing an energy resource, and (3) vertically integrated oil companies.

The Comptroller General is required to perform such verification examinations if requested to do so by a committee of either House having legislative or oversight responsibilities with respect to energy matters.

79. Did the act provide GAO with additional authority in making these examinations?

Yes. The Comptroller General can sign and issue subpoenas, administer oaths, require written answers to interrogatories, and enter business premises to inventory and sample energy resources and examine and copy books and records. Any person who violates an order of the Comptroller General will be subject to a civil penalty of up to \$10,000, with each day of noncompliance constituting a separate violation.

80. Has there been some change regarding GAO's review of tax collection agencies?

Yes, an important change. In 1977, Congress amended the Accounting and Auditing Act of 1950 to grant GAO specific access to tax records of the Internal Revenue Service and the Bureau of Alcohol, Tobacco, and Firearms of the Department of the Treasury. The amendment spells out stringent provisions for guarding the confidentiality of tax return information. This law resolved the long debate over the extent of GAO's authority to review the activities of the tax collection agencies.

81. What about Federal banking regulatory agencies?

Another important change. The Federal Banking Agency Audit Act, enacted in 1978, directs GAO to conduct audits of the Federal Reserve Board, Federal Reserve Banks and their branches and facilities, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. GAO is provided access to necessary records under the conditions described in the act and is required to maintain the confidentiality of the documents and material. GAO is required, as frequently as may be practicable, to report to the Congress on the results of its work.

82. GAO has been placing special emphasis in the areas of fraud and abuse in Federal programs. Why?

Watching for instances of fraud and for areas where there seems to be a potential for fraud in Government programs is part of GAO's normal audit work. However, because of the rising interest being shown by Congress, GAO believed that a special emphasis on this subject would be worthwhile. For that reason, GAO decided to dedicate a special group, full-time to an in-depth analysis of this problem. Consequently, in late 1978, GAO established a Special Task Force for the Prevention of Fraud and Abuse.

In addition to operating a nationwide hotline which permits any taxpayer in the continental U.S. to call GAO auditors directly with information concerning misuse of Federal funds, the Task Force will also:

- Determine the vulnerability of Federal programs to fraud and abuse and report to Congress.
- Inform agencies of weaknesses in internal controls or programs.
- Suggest ways to improve the training received by auditors and investigators so that they may better detect and prevent fraud.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

83. What was the impact of this legislation on GAO?

This act amended certain sections of the Legislative Reorganization Act of 1970 and in so doing expanded GAO's authority and responsibility to assist the Congress and its committees. The act requires additional assistance by GAO in matters of fiscal, budget, and program-related information and controls, including making program reviews and evaluations.

84. What kind of assistance does GAO give relating to fiscal and budgetary matters?

GAO's responsibilities set forth in Title VII of the act are directed at improving fiscal and budgetary information available to the Congress. Three priority efforts have been identified. These are:

- Standardizing information to improve accessibility, facilitate comparative analysis, and decrease the chances of misinterpretation. Development of improved program classifications represents a significant aspect of this work.
- Identifying, specifying, and monitoring information needs to improve the form and substance of information as well as its timing, presentation, and level of detail.
- Obtaining and providing available Federal fiscal, budgetary, and program-related information; establishing central data files to support congressional needs; and assisting in utilizing the information. GAO develops and maintains inventories and directories of Federal program evaluations, information systems, and recurring reports to the Congress.

85. Didn't the act require various cooperative efforts with other agencies?

Yes. The act provides that:

- GAO take the lead, in cooperation with the Treasury, the Office of Management and Budget and the Congressional Budget Office, in developing standard terminology, definitions, classifications, and codes and an up-to-date inventory of sources and information systems for fiscal, budgetary, and program-related information.

- The Treasury and the Office of Management and Budget in cooperation with GAO, develop standardized data processing and information systems for fiscal, budgetary and program-related information.

86. Did the 1974 act change GAO's role in reviewing the results of Government programs and activities?

The act strengthened GAO's role. Not only is GAO required to review and evaluate results of Government programs and activities but it is also required to:

- Assist congressional committees in developing statements of legislative objectives and goals and methods for assessing and reporting actual program performance.
- Assist such committees in analyzing and assessing Federal agency program reviews and evaluation studies.
- Develop and recommend methods for review and evaluation of Government programs.

87. How can GAO do all of this program evaluation work?

Since program evaluation is a fundamental part of effective program administration, the responsibility for evaluating programs rests initially upon the responsible executive agencies. GAO's limited resources require that it evaluate selectively from among the Federal Government's vast operations, and do all that it can to improve knowledge of Federal program performance by:

- Encouraging Federal agencies to improve their evaluations.
- Furthering the state-of-the-art for making quality and useful evaluations.
- Contributing to the solution of problems with program evaluation.

88. What about the impoundment control part of the 1974 act?

The act established a system of congressional impoundment control which requires the President to report to the Congress all actions and inactions that result in a reserve or deferral of budget authority. GAO is involved in all proposed rescissions or deferrals of budget authority by reviewing and reporting to the Congress the facts surrounding each proposal of the President. If reserves or deferrals are not reported by the President, GAO is to report on the matter to the Congress. GAO is also empowered to sue in court to require the freeing of budget authority not made available as required.

STAFFING

89. How big is GAO—how many employees?

At the beginning of fiscal year 1979, GAO had 5,598 employees of which 4,200 were members of GAO's professional staff. About 55 percent of the professional staff members live and work in the Washington, D.C., metropolitan area. The remaining 45 percent are assigned to either regional offices located in major cities throughout the country or to one of GAO's four overseas offices.

90. How does GAO get the people it needs?

Most of GAO's professional staff needs are met through a recruiting program at U.S. colleges and universities and by selection of high quality candidates from Office of Personnel Management registers.

To support its operations, GAO also hires capable secretarial, technical and clerical talent.

91. What are GAO's policies for employing persons other than those trained or experienced in the field of accounting or auditing?

In recent years, GAO has employed many persons trained or experienced in other fields, to strengthen its audit staff and enable it to better carry out increasingly complex audit assignments. Of a total of 4,200 professional staff members, over 30 percent are persons whose major fields of study or experience have not been in accounting or auditing.

GAO's staff thus includes engineers, economists, mathematicians, statisticians, actuaries, computer specialists, and persons with academic backgrounds or experience in business and public administration. The increased diversity in GAO's staff has been highly beneficial and has enabled it to make more comprehensive and penetrating audits.

92. Does GAO encourage professional development?

Yes. GAO encourages its staff members to become members of, and to be active in, professional organizations whose activities are related to GAO work. These activities are considered to be additional ways for staff members to keep abreast of developments in their profession and to further their growth.

GAO also provides financial assistance to employees participating in off-duty college courses. Each year a number of employees are selected to attend executive development courses at major universities.

93. How does GAO stress equal employment opportunity?

GAO stresses equal employment opportunity by developing long-range programs through effective affirmative planning and by practicing the concept that equity cannot be obtained without applying aggressive measures. Priority

attention is given to improving the employment profile of minorities and women, who currently comprise almost 40 percent of GAO's work force.

94. Does GAO have an upward mobility program?

GAO has an upward mobility program designed to provide career development opportunities for GAO employees in a non-professional series in pay grades GS-3 through GS-9 or wage grade equivalent. Employees with demonstrated potential are competitively selected for the program. These employees are assigned to training positions that will prepare them—through on-the-job training and selected college courses—to enter as a Management Analyst, Personnel Specialist, Computer Technician, Budget Analyst, or as an Editor. Twenty-six employees are currently enrolled in the program and about 26 more will be selected to enter the program during fiscal year 1979.

95. How does one apply for a position with GAO?

By submitting an Office of Personnel Management Standard Form 171 *Personal Qualifications Statement* to:

Personnel
U.S. General Accounting Office
Room 7826
441 G Street, N.W.
Washington, D.C. 20548

College transcripts and notices of rating from the Office of Personnel Management should also be submitted if available.



UNITED STATES GENERAL ACCOUNTING OFFICE