The Role of the U.S. Government Accountability Office

House Democracy Assistance Commission
Members of Parliament from Indonesia, Kenya, Macedonia & Ukraine
Washington, D.C.
July 31, 2008

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Acting Comptroller General of the United States

On August 7, 2008, this presentation was reissued due to several slides with corrupted or missing text.
On September 18, 2008, this presentation was revised to identify the event attendees.
Presentation Outline

• Who we are and how we do our work

• Demand for service and impact of work

• The importance of collaboration and capacity building
Who We Are and How We Do Our Work
GAO’s role is to support the Congress in carrying out its constitutional responsibilities and to help improve the performance and assure accountability of government for the benefit of the American people.
Key Approaches

GAO carries out its mission in four fundamental ways:

**Oversight**—preventing and detecting fraud, waste, abuse, and mismanagement

**Insight**—making government more efficient and effective

**Foresight**—identifying emerging issues

**Adjudication**—resolving bid protests and providing legal opinions
Core Values

**Accountability**
Help the Congress oversee federal programs, policies, and operations to ensure accountability to the American people

**Integrity**
Ensure that our work is professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced

**Reliability**
Provide high-quality, timely, accurate, useful, clear, and candid information
SERVING THE CONGRESS AND THE NATION
GAO’s STRATEGIC PLAN FRAMEWORK

MISSION
GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

THEMES

- Changing Security Threats
- Sustainability Concerns
- Economic Growth & Competitiveness
- Global Interdependency
- Societal Change
- Quality of Life
- Science & Technology

GOALS & OBJECTIVES

Provide Timely, Quality Service to the Congress and the Federal Government to...
...Address Current and Emerging Challenges to the Well-being and Financial Security of the American People related to...

- Health care needs
- Lifelong learning
- Work benefits and protections
- Financial security

- Effective system of justice
- Viable communities
- Natural resources use and environmental protection
- Physical infrastructure

...Respond to Changing Security Threats and the Challenges of Global Interdependence involving...

- Homeland security
- Military capabilities and readiness

- Advancement of U.S. interests
- Global market forces

Help Transform the Federal Government’s Role and How It Does Business to Meet 21st Century Challenges by assessing...

- Roles in achieving federal objectives
- Government transformation

- Key management challenges and program risks
- Fiscal position and financing of the government

Maximize the Value of GAO by Being a Model Federal Agency and a World-Class Professional Services Organization in the areas of...

- Client and customer satisfaction
- Strategic leadership
- Institutional knowledge and experience

- Process improvement
- Employer of choice

CORE VALUES

Accountability
Integrity
Reliability
GAO’s Mission Teams

- Acquisitions and Sourcing Management
- Applied Research and Methods
- Defense Capabilities Management
- Education, Workforce, and Income Security
- Financial Management Assurance
- Financial Markets and Community Investments
- Health Care
- Homeland Security and Justice
- Information Technology
- International Affairs and Trade
- Natural Resources and the Environment
- Physical Infrastructure
- Strategic Issues
GAO’s Workforce

- 3,100 FTE—75% in D.C., 25% in field
- Workforce consists primarily of analysts, IT specialists, auditors, attorneys, and economists
- GAO has technical chiefs for accounting, actuarial science, economics, statistics, science, and technology
- 80% of GAO’s resources spent on people
GAO’s Field Offices

Source: GAO.
The Comptroller General (CG) is the head of GAO:

- confirmed through a joint selection/appointment process involving the Congress and the President
- serves a 15 year term of office
- can only be removed by impeachment or joint resolution of Congress for specified reasons

GAO staff at all levels are civil servants, not political appointees
GAO’s Protocols

Congressional Protocols
Govern GAO’s interactions with our client, the Congress

Agency Protocols
Govern GAO’s interactions with executive branch agencies

International Protocols
Govern GAO’s work that has international components or implications
Congressional Protocols

- GAO considers various criteria before accepting requests
- GAO prioritizes its work
- GAO makes certain commitments to congressional requesters
Agency Protocols

- GAO makes certain commitments to agencies
  - notifies them of new work
  - coordinates entrance and exit conferences
  - solicits agency comments on drafts

- GAO expects certain commitments from agencies
  - promptly schedules entrance and exit conferences and makes appropriate officials available
  - complies with GAO’s request for access to records
  - comments on GAO’s draft reports
  - informs GAO of plans to implement report recommendations
International Protocols

International protocols in place for:

- U.S. federal agencies with programs or activities overseas
- International organizations
- Foreign government ministries and departments
- Supreme Audit Institutions
- International and national accountability organizations
- International development organizations
Types of Engagements
GAO Conducts

- Performance audits evaluating federal programs, agency performance, and actions needed
  - program effectiveness and results audits
  - economy and efficiency audits
  - internal control assessments
  - prospective analyses to
    - assess program or policy alternatives
    - advantages or disadvantages of proposals
    - best practices

- Financial audits and attestation engagements
Types of Engagements
GAO Conducts (cont’d)

• Non-audit services include:
  • best practice guides
  • budget justification reviews
  • training, such as on audit standards
  • briefings
  • legal opinions
  • bid protest adjudications
  • technical assistance
  • investigations
GAO’s Engagement Process

Phase One: Acceptance

Phase Two: Planning and Design

Phase Three: Data Gathering and Analysis

Phase Four: Product Development and Distribution

Phase Five: Results
GAO’s Risk Based Engagement Management Process

Requests
Mandates
CGA starts

EAM
Authority
Independence
Risk Level
Cost
Complexity
Controversy
Priority
Internal Controls
Stakeholders

ERM
Design
Commitments to Clients
Draft Reports and Agency Views (all risk levels)
Other issues (i.e., access, independence)
One Quality Assurance System

• While GAO undertakes a wide variety of engagements—using many different approaches and methodologies and a range of specialized skills—we have one quality assurance system.

• GAO’s quality assurance system is composed of a comprehensive set of clearly-defined, well-documented, and transparent standards and control procedures.


• GAO’s Quality Assurance System provides reasonable assurance that GAO’s:
  • work is professional, independent, and objectively designed
  • evidence is complete and reliable
  • conclusions and products are fair and balanced
  • recommendations are sound.
Standards

- Government Auditing Standards

- Other generally accepted practices for:
  - surveys
  - statistical sampling
  - other applicable industry standards, such as those for engineering and actuarial work
Monitoring and Review

- Annual audit by external auditors
- Audit Advisory Committee
- GAO’s Inspector General reviews
- Annual internal assessments of internal controls
- Annual internal inspection program
- External peer review every 3 years
Demand for Services and Impact of Work
Demand High for GAO Assistance

- Over 1,200 requests in 2007
- Over 900 requests received to date in ’08
- Over 160 new mandates for GAO reviews were embedded into law
Increasing Demand for GAO Testimony

- GAO witnesses testifying at record pace
  - 276 testimonies in FY ’07
  - As of July 25, 2008, GAO witnesses have testified at 257 hearings
## Fiscal Year 2007 Performance

<table>
<thead>
<tr>
<th>Measures</th>
<th>FY 07 Target</th>
<th>FY 07 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial benefits (in billions)</td>
<td>$40.0</td>
<td>$45.9</td>
</tr>
<tr>
<td>Other benefits</td>
<td>1,100</td>
<td>1,354</td>
</tr>
<tr>
<td>Testimonies</td>
<td>185</td>
<td>276</td>
</tr>
<tr>
<td>Products with recommendations</td>
<td>60%</td>
<td>66%</td>
</tr>
<tr>
<td>Recommendations implemented</td>
<td>80%</td>
<td>82%</td>
</tr>
<tr>
<td>Timeliness (based on client feedback)</td>
<td>95%</td>
<td>94%</td>
</tr>
</tbody>
</table>
Impact of GAO’s Work

In FY ’07, GAO delivered hundreds of reports and briefings to aid congressional oversight and decision making and there are many examples showing the impact of our work:

Financial Benefits Example

– Increased the collection of delinquent taxes and civil fines

Other Benefits Example

– Helped Congress create a center to better locate children after national disasters
The Importance of Collaboration and Capacity Building
The Importance of Collaboration

To strengthen accountability on a domestic and international basis, GAO coordinates in an ongoing way with:

- The National Intergovernmental Audit Forum
- The Domestic Working Group
- The International Organization of Supreme Audit Institutions
- The Global Working Group
GAO in the International Community

- GAO is a member of the International Organization of Supreme Audit Institutions (INTOSAI)
- GAO’s Comptroller General sits on the INTOSAI Governing Board
- GAO facilitates an international auditor fellowship training program
- GAO participates in international peer reviews
- Partnerships are a key enabler of change and help to leverage available resources
Public expectations of government are changing:

- Zero tolerance for corruption
- Desire for enhanced results and improved responsiveness
- Selected trends and challenges that have no boundaries
  - Debt finance and financial markets
  - Changing security threats
  - Global interdependence
  - Climate change
  - Science and technology
  - Governance
Looking Inward: Building GAO’s Institutional Capacity

GAO, like other audit entities, must strive to recruit and retain employees with the proper skill mix in order to deal effectively with current and emerging challenges. Along these lines, GAO:

- Implemented core leadership training
- Grows faculty from within (“adjuncts”)
- Contracts with the National Academy of Sciences (NAS), when needed
- Hired a Chief Scientist
- Designed a state of the art computer lab
Growing Expectations on the Accountability Profession

To face current and emerging challenges, the accountability profession must:

- Identify problem spots before crises emerge
- Recognize problems often need multiple organizations to work together
- Provide more detailed recommendations
- Add value by providing timely special products
- Cope with constrained resources
Ways to Strengthen the Accountability Profession

- Focusing on strategic planning
- Modernizing professional standards
- Leading the way on fiscal stewardship
- Helping identify needed transformations
- Building audit capacity
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