

GAO@100 Highlights

Highlights of [GAO-21-119SP](#), a report to congressional committees

Why GAO Did This Study

The federal government is one of the world's largest and most complex entities; about \$6.6 trillion in outlays in fiscal year 2020 funded a broad array of programs and operations. GAO's High-Risk Series identifies government operations with vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation to address economy, efficiency, or effectiveness challenges.

This biennial update describes the status of high-risk areas, outlines actions that are still needed to assure further progress, and identifies any new high-risk areas needing attention by the executive branch and Congress. Solutions to high-risk problems save billions of dollars, improve service to the public, and strengthen government performance and accountability.

GAO uses five criteria to assess progress in addressing high-risk areas: (1) leadership commitment, (2) agency capacity, (3) an action plan, (4) monitoring efforts, and (5) demonstrated progress.

What GAO Recommends

This report describes GAO's views on progress made and what remains to be done to bring about lasting solutions for each high-risk area. Addressing GAO's hundreds of open recommendations across the high-risk areas and continued congressional oversight and action are essential to achieving greater progress.

View [GAO-21-119SP](#). For more information, contact Michelle Sager at (202) 512-6806 or sagem@gao.gov.

March 2021

HIGH-RISK SERIES

Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas

What GAO Found

Overall ratings in 2021 for 20 of GAO's 2019 high-risk areas remain unchanged, and five regressed. Seven areas improved, one to the point of removal from the High-Risk List. Two new areas are being added, bringing our 2021 High-Risk List to 36 areas. Where there has been improvement in high-risk areas, congressional actions, in addition to those by executive agencies, have been critical in spurring progress.

GAO is removing Department of Defense (DOD) Support Infrastructure Management from the High-Risk List. Among other things, DOD has more efficiently utilized military installation space; reduced its infrastructure footprint and use of leases, reportedly saving millions of dollars; and improved its use of installation agreements, reducing base support costs

GAO is narrowing the scope of three high-risk areas by removing segments of the areas due to progress that has been made. The affected areas are: (1) Federal Real Property (Costly Leasing) because the General Services Administration has reduced its reliance on costly leases and improved monitoring efforts; (2) DOD Contract Management (Acquisition Workforce) because DOD has significantly rebuilt its acquisition workforce; and (3) Management of Federal Oil and Gas Resources (Offshore Oil and Gas Oversight) because the Department of the Interior's Bureau of Safety and Environmental Enforcement has implemented reforms improving offshore oil and gas oversight.

National Efforts to Prevent, Respond to, and Recover from Drug Misuse is being added to the High-Risk List. National rates of drug misuse have been increasing, and drug misuse has resulted in significant loss of life and harmful effects to society and the economy. GAO identified several challenges in the federal government's response, such as a need for greater leadership and coordination of the national effort, strategic guidance that fulfills all statutory requirements, and more effective implementation and monitoring.

Emergency Loans for Small Businesses also is being added. The Small Business Administration has provided hundreds of billions of dollars' worth of loans and advances to help small businesses recover from adverse economic impacts created by COVID-19. While loans have greatly aided many small businesses, evidence of fraud and significant program integrity risks need much greater oversight and management attention.

Nine existing high-risk areas also need more focused attention (see table).

2021 High-Risk List Areas Requiring Significant Attention

High-risk areas that regressed since 2019	High-risk areas that need additional attention
USPS Financial Viability	IT Acquisitions and Operations
Decennial Census	Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks
Ensuring the Cybersecurity of the Nation	U.S. Government's Environmental Liability
Strategic Human Capital Management	Improving Federal Oversight of Food Safety
EPA's Process for Assessing and Controlling Toxic Chemicals	

Source: GAO. | [GAO-21-119SP](#)

GAO's 2021 High-Risk List

High-risk area	Change since 2019
Strengthening the Foundation for Efficiency and Effectiveness	
Strategic Human Capital Management	↓
Managing Federal Real Property ^a	↑
Funding the Nation's Surface Transportation System ^{b c}	n/a
Modernizing the U.S. Financial Regulatory System ^b	●
Resolving the Federal Role in Housing Finance ^b	●
USPS Financial Viability ^b	↓
Management of Federal Oil and Gas Resources ^a	●
Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks ^b	●
Improving the Management of IT Acquisitions and Operations	●
Improving Federal Management of Programs That Serve Tribes and Their Members	●
Decennial Census	↓
U.S. Government's Environmental Liability ^b	●
Emergency Loans for Small Businesses (new) ^c	n/a
Transforming DOD Program Management	
DOD Weapon Systems Acquisition	●
DOD Financial Management	↑
DOD Business Systems Modernization	●
DOD Approach to Business Transformation	●
Ensuring Public Safety and Security	
Government-wide Personnel Security Clearance Process ^b	↑
Ensuring the Cybersecurity of the Nation ^b	↓
Strengthening Department of Homeland Security Management Functions	●
Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests	●
Improving Federal Oversight of Food Safety ^b	●
Protecting Public Health through Enhanced Oversight of Medical Products	●
Transforming EPA's Process for Assessing and Controlling Toxic Chemicals	↓
National Efforts to Prevent, Respond to, and Recover from Drug Misuse (new) ^c	n/a
Managing Federal Contracting More Effectively	
VA Acquisition Management ^d	n/a
DOE's Contract and Project Management for the National Nuclear Security Administration and Office of Environmental Management	↑
NASA Acquisition Management	↑
DOD Contract Management ^a	●
Assessing the Efficiency and Effectiveness of Tax Law Administration	
Enforcement of Tax Laws ^b	●
Modernizing and Safeguarding Insurance and Benefit Programs	
Medicare Program & Improper Payments ^e	●
Strengthening Medicaid Program Integrity ^b	●
Improving and Modernizing Federal Disability Programs	●
Pension Benefit Guaranty Corporation Insurance Programs ^{b c}	n/a
National Flood Insurance Program ^b	●
Managing Risks and Improving VA Health Care ^b	↑

(↑ indicates area progressed on one or more criteria since 2019; ↓ indicates area declined on one or more criteria; ● indicates no change; n/a = not applicable)

Source: GAO. | GAO-21-119SP

^aRatings for a segment within this high-risk area improved sufficiently that the segment was removed.

^bLegislation is likely to be necessary in order to effectively address this high-risk area.

^cNot rated, because this high-risk area is newly added or primarily involves congressional action.

^dRated for the first time, because this high-risk area was newly added in 2019.

^eOnly rated on one segment; we did not rate other elements of the Medicare program.