

SERVING CONGRESS AND THE NATION



# Performance and Accountability Report

## Fiscal Year 2025

# SERVING THE CONGRESS

## 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.

## GAO Core Values



## Scope of Work

GAO performs a range of oversight-, insight-, and foresight-related engagements, a vast majority of which are conducted in response to congressional mandates or requests. GAO's engagements include evaluations of federal programs and performance, financial and management audits, policy analyses, legal opinions, bid protest adjudications, and investigations.





Source: Olivier Le Moal/stock.adobe.com; GAO-26-900644

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# How to Use This Report

This report describes for the Congress and American taxpayer the United States (U.S.) Government Accountability Office's (GAO) performance measures, results, and accountability practices for fiscal year (FY) 2025 (October 1, 2024 through September 30, 2025). In assessing our performance, we compared actual results against targets and goals set in our [annual performance plan](#) and [performance budget](#), which were developed to carry out our [strategic plan](#). Our complete set of strategic planning and performance and accountability reports is available on our website at <https://www.gao.gov/about/what-gao-does/performance>.

This report includes a snapshot of our FY 2025 performance, a letter from the Acting Comptroller General, and five parts, as follows:



## Part I: Management's Discussion and Analysis

This section includes a statement attesting to the completeness and reliability of the performance and financial data in this report and the effectiveness of our internal control over financial reporting.

It includes a summary of our mission, organizational structure, strategies we use to achieve our goals, and processes for measuring our performance. In addition, it discusses our agency-wide performance results and use of resources in FY 2025. It also includes information on management challenges, external factors that affect our performance, and future challenges and priorities.



## Part II: Performance Information

This section includes details on our performance results by strategic goal in FY 2025 and our targets for FY 2026.



## Part III: Financial Information

This section includes details on our finances in FY 2025, including a letter from our Chief Financial Officer (CFO), audited financial statements and notes, and the reports from our external auditor and Audit Advisory Committee. This section also includes an explanation of the information each of our financial statements conveys.



## Part IV: Inspector General's (IG) View of GAO's Management Challenges

This section includes our IG's perspective of our agency's management challenges.



## Part V: Appendixes

This section provides the report's abbreviations and describes how we ensure the completeness and reliability of the data for each of our performance measures.

# Awards

*The Association of Government Accountants (AGA) awarded GAO its 24th Certificate of Excellence in Accountability Reporting (CEAR) in recognition of its outstanding effort in preparing last year's FY 2024 Performance and Accountability Report (PAR). We also received a special "Best-in-Class" award for a clear and concise financial and performance highlights section.*





# A FY 2025 Performance and Financial Snapshot for the American Taxpayer



## Government Accountability Office

**Who We Are:** Created in 1921, GAO is an independent, nonpartisan professional services agency in the legislative branch of the federal government.

**What We Do:** Commonly known as the investigative arm of the Congress or the “congressional watchdog,” we examine how taxpayer dollars are spent. We develop nonpartisan, objective, and reliable information to advise lawmakers and agency heads on ways to make government work better.

**Our Results:** Since 2002, GAO’s work has resulted in about \$1.51 trillion in financial benefits and almost 30,800 program and operational benefits that helped change laws, improve public safety and other services, and promote better management throughout the government. Dollars invested in GAO since 2002 equal \$14.3 billion. Looking back over the last 10 years, we have had an average annual return on investment (ROI) of \$116 for every dollar invested in GAO. Additionally, we estimate that implementation of open GAO recommendations to Congress, which we refer to as matters for congressional consideration, and recommendations to executive branch agencies could result in hundreds of billions of additional future financial benefits.

### By the Numbers: GAO's Fiscal Year 2025 Accomplishments



**\$62.7 billion**  
in financial benefits



**1,833**  
new  
recommendations



**1,295**  
improvements in federal  
government operations



**671**  
total products



conducted work for **90%**  
of the full committees  
of the Congress



**46**  
testimonies



**1,688**  
bid protests  
handled

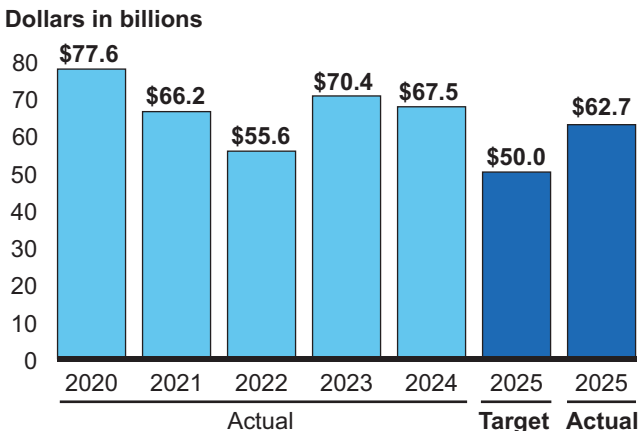


**over 450**  
legal decisions and  
opinions issued

Source: GAO. | GAO-26-900644

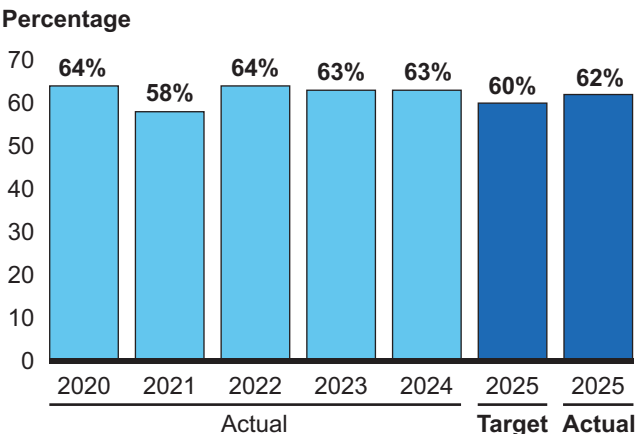
# Accountability ★ Integrity ★ Reliability

Figure 1: Financial Benefits GAO Recorded



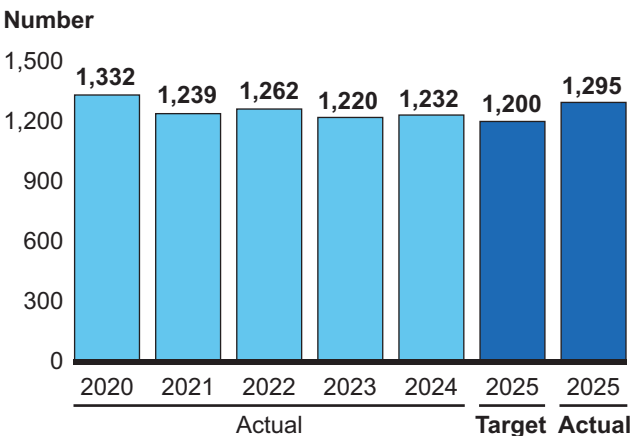
Source: GAO. | GAO-26-900644

Figure 4: Percentage of New Products with Recommendations



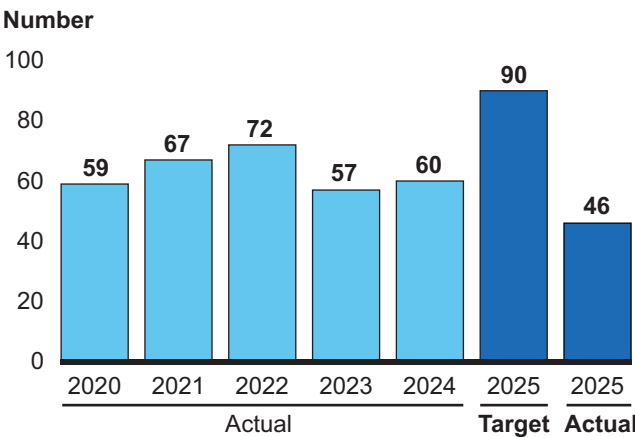
Source: GAO. | GAO-26-900644

Figure 2: Other Benefits



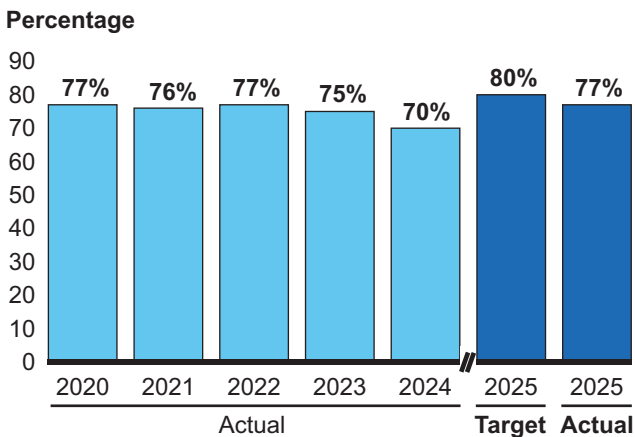
Source: GAO. | GAO-26-900644

Figure 5: Testimonies



Source: GAO. | GAO-26-900644

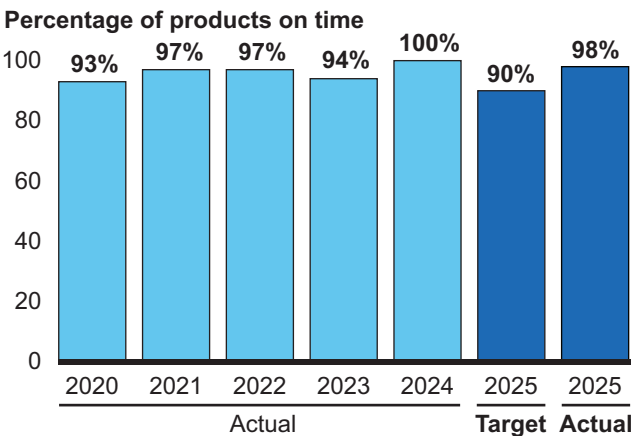
Figure 3: Percentage of Past Recommendations Implemented



Source: GAO. | GAO-26-900644

Note: Starting in FY 2025, GAO used a 5-year implementation rate to calculate the percentage of past recommendations implemented.

Figure 6: Timeliness



Source: GAO. | GAO-26-900644



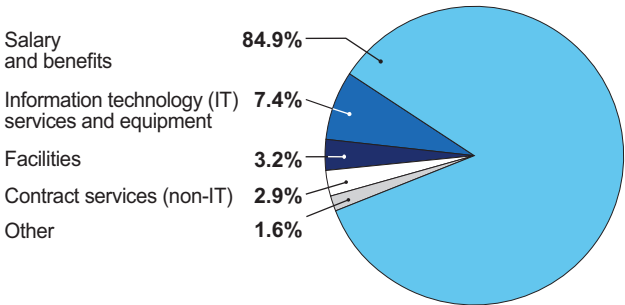
Table 1: GAO Reporting Summary

	FY 2025	FY 2024
Clean opinion on financial statements	Yes	Yes
Clean opinion on internal control over financial reporting	Yes	Yes
Timely and accurate Treasury reporting	Yes	Yes
Material weaknesses in internal control	None	None
Significant internal control deficiencies	None	None

Source: GAO. | GAO-26-900644

Figure 7: Use of FY 2025 Funds by Category

Percentage of total costs



Source: GAO. | GAO-26-900644

Table 2: GAO’s Financial Summary (Dollars in Millions)

	FY 2025	FY 2024
Total Assets	\$290.1	\$334.8
Total Liabilities	\$107.7	\$107.1
Total Net Position	\$182.4	\$227.7
Net Cost of Operations by Goal		
Goal 1: Well-being/Financial Security of American People	\$374.9	\$327.0
Goal 2: Changing Security Threats/Challenges of Global Interdependence	212.3	275.7
Goal 3: Help Transform the Federal Government to Address National Challenges	284.5	226.8
Goal 4: Maximize the Value of GAO	13.4	21.4
Other Costs in Support of the Congress	67.2	71.3
Costs Not Assigned to Programs	3.1	-
Reimbursable services not attributable to above cost categories	(15.8)	(16.4)
Total Net Cost of Operations	\$939.6	\$905.8
Actual Full-time Equivalents (FTE)	3,556	3,576

Source: GAO. | GAO-26-900644

More information on GAO’s performance is included in [Part I](#) and [Part II](#) of this report. Detailed information on GAO’s financials is included in [Part III](#). [Part IV](#) includes information on the IG’s view of GAO’s management challenges. [Part V](#) describes how we set and calculate our performance measures.



Future Challenges and Priorities

The Nation's Unsustainable Fiscal Future

The federal government faces an unsustainable long-term fiscal future. Projections from the administration, the Congressional Budget Office (CBO), and GAO all show that current fiscal policy is unsustainable over the long term. In February 2025, we reported that debt held by the public was about 98 percent of gross domestic product (GDP) at the end of FY 2024.

GAO projects that debt held by the public will reach a historical high of 106 percent of GDP by 2027. GAO has previously recommended that the Congress develop a strategy to address the government's fiscal outlook and promote fiscal sustainability. A sustainable fiscal policy would lead to debt held by the public growing at the same—or slower—rate than the economy. To achieve this, spending and revenue policies need to be aligned to address persistent deficits and reduce the nation's borrowing needs.

Impacts of Evolving Science and Technology

Since its establishment in 2019, GAO's Science, Technology Assessment, and Analytics (STAA) team has served as a crucial resource for the Congress in understanding both the promise and the risks of a range of emerging innovations. Its growing portfolio of work includes: (1) technology assessments on the benefits and challenges of cities using smart technologies—such as license plate readers—and housing construction innovations; (2) performance audits on the U.S. patent system, federal research, and semiconductor manufacturing programs; and (3) 2-page Science & Tech Spotlights explaining the latest trends, including the medical use of psychedelics and wildfire detection technologies. Additionally, we launched a series of science and technology trend papers that look a decade into the future to explore developments that may become impactful to society.

Cybersecurity of Systems, Critical Infrastructure, and Sensitive Data

Escalating threats, including new and more destructive attacks from around the globe, highlight the critical and persistent need for effective cybersecurity.

Our work will continue to assess multiple priorities, including federal agencies' efforts to help enhance the security of information systems owned by entities in both the public and private sectors.

Persistent Challenges in Addressing Fraud, Waste, and Abuse in Federal Programs

Fraud, waste, and abuse remain persistent challenges across the federal government. GAO identifies government operations with serious vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation. GAO has estimated that the federal government loses between \$233 billion and \$521 billion annually to fraud, based on data from fiscal years 2018 through 2022. Additionally, GAO has identified opportunities to reduce fraud, waste, and abuse through its work on fragmentation, overlap, and duplication in federal programs. Our work will continue to examine fraud, waste, and abuse in federal programs; and help Congress identify vulnerabilities and strengthen its oversight of government programs.

Challenges Maintaining Readiness and Improving Other Defense Functions

The Department of Defense's (DOD) mission to deter war and ensure the nation's security is supported by almost half of the federal government's discretionary spending. The department faces key challenges in certain areas, such as maintaining readiness, improving its healthcare system, and reforming business operations. Our work will continue to assess DOD's business systems, financial management, and operational efficiency.

The Nation's Health Care Challenges

Health care spending now accounts for around 27 percent of the federal budget and is one of the fastest-growing federal expenditures. Our work will continue to examine the sustainability of Medicare and Medicaid, and assess health care delivery through other federal programs.

See Future Challenges and Priorities for more information.





Source: Anita/stock.adobe.com | GAO-26-900644

## From the Acting Comptroller General

January 29, 2026

I am pleased to present GAO's FY 2025 PAR, reflecting the significant contributions of our dedicated staff. GAO's mission is 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. In FY 2025, GAO continued to produce high-quality, nonpartisan, independent, objective, professional, and impactful work for the Congress and the American people.

We continued to prioritize congressional needs by providing numerous [services](#) to Members of Congress. In FY 2025, we received 538 requests for work from 90 percent of the full committees of the Congress—supporting a broad range of congressional interests and our commitment to conduct [nonpartisan work](#). We issued 671 total products and made 1,833 new recommendations. We testified 46 times before 31 separate committees or subcommittees on various topics. These include addressing veterans' health care challenges, modernizing the air traffic control (ATC) system, and improving military readiness and financial management of the DOD.

GAO's work spans the full scope and breadth of the federal government's responsibilities. The Congress relies on our work to help inform congressional deliberations and oversight of the executive branch. This report is a comprehensive accounting of the resources entrusted to us and how they were used to support our mission and achieve results for the Congress and the American people.

Legislative Impacts. In FY 2025, the Congress used GAO's work to inform key legislative decisions. For example:

[Public Law 119-21 - commonly known as the One Big Beautiful Bill Act](#). GAO's work contributed to a number of provisions in the act. For example, the act:

- Establishes new statutory limits on states' use of taxes on health care providers to finance their nonfederal share of Medicaid expenditures. These new limits would save an estimated \$191 billion in the next decade, according to CBO.
- Directs the Department of Health and Human Services (HHS) to establish a system for states to submit Medicaid and Children's Health Insurance Program enrollees' Social Security numbers to help prevent individuals from being enrolled in multiple state programs. This would save an estimated \$17 billion over 10 years by preventing improper payments and ensuring program integrity, according to CBO.
- Directs the Centers for Medicare and Medicaid Services' Chief Actuary to certify budget neutrality for Medicaid demonstration projects before they are approved, which could save approximately \$3 billion over the next decade, according to CBO.
- Directs the Office of Personnel Management (OPM) to implement a process to verify Federal Employees Health Benefit Program (FEHBP) records and confirm eligibility of family members, conduct a comprehensive audit of existing family members, and develop a process to disenroll ineligible family members, which could save approximately \$2 billion over the next decade, according to CBO.
- Provides funding to the Federal Aviation Administration (FAA) to modernize the ATC system, including for acquisition, construction, and sustainment of systems and facilities. The act also requires FAA to provide quarterly reports to Congress describing its progress in using this funding, enhancing transparency and accountability of the use of these funds.
- Provides dedicated funding for additional activities to improve the U.S. stockpile of critical minerals through the National Defense Stockpile Transaction Fund, which will help DOD address shortfalls and mitigate some of the risks of relying on foreign or a single domestic source of supply.
- Requires that updates to the Thrifty Food Plan—the basis for maximum Supplemental Nutrition Assistance Program (SNAP) benefits—be cost-neutral and that future reevaluations of the Plan generally do not increase costs beyond inflation.
- Extends the Pandemic Response Accountability Committee's Pandemic Analytics Center of Excellence, which we have recommended be made permanent, for 9 additional years.

[Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025](#). The act includes several directives consistent with GAO's findings and recommendations, including requiring:

- DOD to enhance the cybersecurity of background investigation systems to ensure they comply with current standards for cybersecurity and privacy; take steps to ensure the quality and nutrition of food available to military service members; take certain actions to improve implementation of financial relief for civilians treated in military medical treatment facilities; and implement a program to improve pre-and post-natal mental health services for military health care beneficiaries.
- The Department of the Navy to assess and report on cost targets for its Ford-Class ships and use commercial industry leading practices to help the agency deliver new ships that meet its needs faster.



**The Financial Management Risk Reduction Act.** The act directs the Office of Management and Budget (OMB) and General Services Administration (GSA) to take actions based on GAO's recommendations, which will improve oversight of trillions of dollars. For example, the act directs:

- OMB to periodically initiate government-wide quality reviews of audits required for non-federal entities that expend \$1 million or more in federal awards annually.
- GSA to develop analytic tools and a strategy to use audit data to identify risks to federal award funding across the government.

GAO's recommendations also assisted Congress in the development of proposed legislation on various topics. For example, GAO recommended that Congress amend the Social Security Act to allow the Social Security Administration (SSA) to share its full death data (known as the Death Master File) with Treasury. In December 2020, Congress enacted legislation for SSA to share this data with Treasury for a 3-year period. In April 2025, Treasury determined this led to \$109 million in payment errors identified, prevented, or recovered in 2024, the first year of the 3-year period. As of January 23, 2026, the Ending Improper Payments to Deceased People Act had passed both chambers of Congress and was sent to the President for signature. This law will make the requirement that SSA share its database of deceased individuals with Treasury permanent and could result in millions of savings annually.

Additionally, GAO's work on Federal Bureau of Investigation's (FBI) whistleblower protection regulations informed the development of the FBI Whistleblower Protection Enhancement Act of 2025, which would clarify the role of the Merit Systems Protection Board regarding whistleblower protections for FBI employees.

**Financial Benefits.** In FY 2025, we produced \$62.7 billion in financial benefits for the government, a return of about \$68 for every dollar invested in us. Our performance in delivering financial benefits has been consistent over the past five years, and the level produced in FY 2025 is consistent with that 5-year average (\$64.5 billion).

Examples of our FY 2025 financial benefits, as a result of our recommendations, include: (1) the Small Business Administration (SBA) implemented additional controls to prevent and detect fraud in its COVID-19 Economic Injury Disaster Loan program, which saved \$16.6 billion; (2) the Department of Energy (DOE) accelerated radioactive waste cleanup at its Savannah River Site in South Carolina, which saved \$5 billion; and (3) DOD took steps to address cost and schedule risks in response to our assessment of a classified program, which saved \$4 billion. Additionally, since 2002, we have recommended that HHS better ensure that states use valid methods to demonstrate Medicaid budget neutrality. In 2022, HHS implemented a policy change that better aligned states' estimates with recent costs. In 2025, we calculated that this saved \$15.7 billion in the previous fiscal year.

Further, we estimate that implementation of open matters for congressional consideration and recommendations to executive branch agencies could result in hundreds of billions of measurable future financial benefits. For example, as of October 2025, we estimated that implementation of open GAO matters for congressional consideration and recommendations could result in \$132 billion to \$251 billion in measurable future financial benefits. These open matters for congressional consideration and recommendations span the federal government and include several different areas.

Other Benefits. Many other benefits resulting from our work cannot be measured in dollars but lead to operational and program improvements across the government. In FY 2025, we recorded 1,295 of these other benefits.

For example, our work on **public safety and security**:

- Led FAA to improve project oversight and investment guidance related to its ATC systems modernization efforts.
- Prompted the National Highway Traffic Safety Administration (NHTSA) to establish pedestrian safety tests for new cars and continue to improve the data from crash test dummies by advancing development and use of an improved female crash test dummy.

Additionally, our work related to **vulnerable populations**:

- Led the Department of State to strengthen U.S. efforts to combat child trafficking by establishing annual performance indicators with partner countries and obtaining information on their ability to contribute to and sustain efforts to combat child trafficking.
- Prompted the Veterans Health Administration (VHA) to issue Drug Enforcement Administration (DEA) waiver policies for employing individuals with controlled substance felony convictions, helping VHA comply with regulatory requirements and ensure veterans are prescribed controlled substances appropriately and lawfully.

Furthermore, our work on **agency operations**:

- Contributed to HHS's finalization of a rule that focuses audits on Medicare Advantage contracts that are at the highest risk of improper payments, resulting in the recovery of an estimated \$350.85 million in improper Medicare payments in FY 2025.
- Prompted the Department of Labor (DOL) to identify and assess the likelihood of inherent fraud risks, determine a fraud risk tolerance, and examine existing antifraud controls to better manage fraud risks in its unemployment insurance (UI) programs—as we have previously estimated fraud in UI programs during the pandemic was likely between \$100 billion and \$135 billion.

Building Bodies of Work. We continued to build bodies of work related to congressional priority areas. For example, to support the Congress, we issued an updated [High-Risk List](#) and identified opportunities to reduce fragmentation, overlap, and duplication in the federal government.

**High-Risk.** We issued our updated High-Risk List in February 2025, which highlights 38 areas across the federal government that are seriously vulnerable to fraud, waste, abuse, and mismanagement, or need transformation. This year, we added one new area, *Improving the Delivery of Federal Disaster Assistance*. The frequency and severity of disasters demonstrate the need for federal agencies to deliver assistance as efficiently and effectively as possible and reduce the fiscal exposure to disasters.

Our High-Risk List makes an impact. For example, recent legislative proposals in the House and Senate, including the Federal Emergency Management Agency (FEMA) Act of 2025 (H.R. 4669) and Disaster Assistance Simplification Act (S. 861), include our



recommendation for the government to adopt a single application process for disaster assistance. Additionally, since the previous High-Risk List update in 2023, our work has yielded \$84 billion in financial benefits. Federal financial benefits due to progress in addressing high-risk areas during the past 20 years (FYs 2006-2025) totaled about \$811 billion.

**Fragmentation, Overlap, and Duplication.** We issued our [15th annual report](#) on the federal government's opportunities to reduce fragmentation, overlap, and duplication, as well as reduce costs and increase revenue. This report identifies 148 new matters for congressional consideration and recommendations across 43 topic areas for the Congress and federal agencies to further improve government efficiency and effectiveness. As of March 2025, the Congress and federal agencies had fully addressed 1,460 and partially addressed 130 of the 2,049 matters for congressional consideration and recommendations we have made in this body of work, yielding about \$725 billion in financial benefits.

**National Security.** In FY 2025, our national security body of work included a range of areas, such as military readiness, defense acquisition processes, space and cyber operations, the U.S. nuclear complex, and service member health and safety. For example, we testified before Congress on DOD's progress in addressing over 100 recommendations we have made since 2020 to improve military readiness and address persistent challenges across air, sea, ground, and space domains. Further, our work has highlighted the need for extensive change in DOD's acquisition processes. For example, the Navy has invested billions of dollars to support the shipbuilding industrial base, but cost and schedule delays persist. We have made 90 recommendations since 2015 to the Navy to significantly improve its shipbuilding acquisition practices by, among other things, incorporating leading practices. Since 2002, we have closed over 8,300 recommendations to DOD. As of May 2025, there were over 1,300 open GAO recommendations that we continue to work with DOD to address.

**Fraud and Improper Payments.** We continued our work to examine [fraud and improper payments](#) in federal programs. In March 2025, we [testified](#) that reducing fraud and improper payments is critical to safeguarding federal funds and could help achieve cost savings and improve the government's fiscal position. We have made numerous recommendations to the Congress and agencies to help reduce fraud and improper payments. For example, we recommended that SBA develop and implement a comprehensive oversight plan to prevent and detect fraud in its COVID-19 Economic Injury Disaster Loan program. SBA implemented additional controls for the program, and this enhanced oversight saved the government \$16.6 billion. Additionally, in April 2025, we testified on how artificial intelligence (AI) presents both opportunities and challenges for combatting fraud and improper payments in the federal government.

**Science and Technology.** We continued our work on [science and technology](#) issues to provide policymakers reliable and timely information, which is important since rapid developments in science and technology have wide-ranging effects on the economy and national security. We issued a [report](#) that details our substantial and growing science and technology capacity and our plans to continually improve our support for the Congress, among other things. Additionally, we issued our [first science and technology trends paper](#)—which provided foresight into developing technologies that could have significant impacts on the American people. This first paper explored gene editing, manufacturing in space, and biodegradable plastics. We plan to periodically issue these trend papers on other developing technologies.

Additionally, we issued eight Technology Assessments—which describe current and emerging technologies and offer policy options for enhancing their benefits or mitigating challenges they may present. For example, we issued a Technology Assessment on the potential environmental and human effects of generative AI technologies and policy options to enhance the benefits or mitigate the challenges of these technologies. We also issued eight Science & Tech Spotlights—which distill complex issues into 2-page summaries. For example, we issued a Spotlight on extracting critical minerals from seawater—such as magnesium and lithium—and questions policymakers face regarding which minerals to extract, among other considerations.

**Cybersecurity and Critical Infrastructure.** Federal agencies and our nation’s critical infrastructure—such as energy, transportation systems, communications, and financial services—depend on information technology (IT) systems to carry out operations and process essential data. However, risks to IT systems are increasing, highlighting the importance of our cybersecurity work. In FY 2025, we reported on agencies’ efforts to improve monitoring of their networks, assessed the U.S. national quantum computing cybersecurity strategy, and reported on how AI can impact our nation’s critical infrastructure. Since 2010, we have made over 4,000 recommendations to federal agencies to address cybersecurity issues. As of August 2025, federal agencies had implemented about 84 percent of these recommendations. We will continue to work with agencies to address the remaining open recommendations.

**Children and Students.** We reported on efforts federal agencies, such as DOD and HHS, could take to improve the efficiency and effectiveness of programs providing services to children and students. Specifically, in FY 2025, we made recommendations aimed at (1) improving special education services required by students’ individualized education programs for children in DOD schools overseas; and (2) better monitoring Head Start programs under interim management to assure that they meet child safety and enrollment standards (when a community loses its Head Start provider, HHS deploys an interim manager to temporarily operate the program). Additionally, in FY 2025, we testified on the Bureau of Indian Education’s (BIE) progress in addressing challenges in its schools, including safety hazards in schools and weak oversight of spending. We testified that the BIE had addressed 28 of our 38 recommendations, but additional action was needed to resolve underlying issues to effectively serve its students.

**Veterans Assistance.** We continued our oversight work of the Department of Veterans Affairs (VA) on its services, benefits, and health care for [veterans](#). For example, in FY 2025 we made recommendations aimed at: (1) strengthening the accreditation program that helps ensure veterans can get quality assistance when applying for VA benefits and (2) improving oversight of behavioral health medical records and provider training, because veterans seeking health care are increasingly referred to community providers outside VA. Additionally, we testified and made recommendations to improve the Veterans Crisis Line. For example, we recommended that VA ensure that the crisis line more comprehensively assesses risks of adverse effects for its customers with complex needs. As of the end of FY 2025, VA had implemented 88 percent of our recommendations and there were 207 open GAO recommendations that we continue to work with VA to address.

**COVID-19 Response and Recovery.** We issued our [final comprehensive COVID-19 report](#) in July 2025. We provided updates on our work regarding the impact of the pandemic on public health, the economy, and federal spending. Since 2020, our work on the COVID-19 pandemic produced over 200 products and 484 recommendations to the Congress and federal agencies.

This body of work has yielded at least \$43.9 billion in financial benefits to the government, among other improvements. Of the 484 recommendations, over half have been implemented as of March 2025. If implemented, the remaining open recommendations would help the government better prepare for and respond to future emergencies.

Serving Our Clients. We continued to provide a number of [services](#) to Members of Congress. For example, in FY 2025, we provided over 640 instances of technical assistance at the request of Members of Congress, which includes briefings on prior work by GAO experts, data analysis, white papers, or comments on legislative bills. Additionally, we continued to hold events for congressional staff in our dedicated space at the Longworth House Office Building. We offered information sessions each week on appropriations law and science and technology. GAO also hosted 14 events covering various topics, including data privacy in AI and quantum technology.

Also, in May 2025, [we reported](#) on our matters for congressional consideration. Since 2000, we have made more than 1,100 matters for congressional consideration. Nearly 80 percent of them have closed. As of March 2025, 272 of these recommendations remained open. Bills introduced in the 118th or 119th Congress would partially or fully address about one-third of the open recommendations to Congress. Action to address certain open recommendations could produce tens of billions of dollars in future financial savings.

GAO conducts work to support the Congress’s constitutional and oversight powers, including its exercise of the constitutional power of the purse. This work includes issuing decisions on appropriations law issues. In FY 2025, our Office of the General Counsel (OGC) published over 450 legal decisions and opinions. Among other things, OGC handled 1,688 bid protests, and issued 380 decisions on the merits.

Focusing On Our People. We exceeded our targets for all seven people measures— new hire rate, retention rate with retirements, retention rate without retirements, staff development, staff utilization, experience with supervisors, and organizational climate. In March 2025, the Partnership for Public Service ranked GAO as first among mid-size federal agencies, as a “best place to work” for the fifth consecutive year.

Managing Our Internal Operations. In FY 2025, we continued efforts to support our fourth strategic goal—to maximize GAO’s value by enabling quality, timely service to the Congress. We also worked to address our three internal management challenges regarding: (1) managing change, (2) meeting our IT needs, and (3) managing our real property. Among other things, we launched several major agency-wide IT initiatives, including a new enterprise content management system, a new operating system, and Personal Identity Verification (PIV) cards for staff. These initiatives further enhance IT security by replacing legacy systems with modern cloud-based solutions and improve staff’s ability to efficiently and effectively do their work. Furthermore, we optimized the use of our Washington, D.C. headquarters building by negotiating leasing additional space to federal tenants and continued our efforts to reduce the amount of leased space in our field locations.

Additionally, GAO’s WatchBlog won the Center for Plain Language’s 2025 ClearMark Award for Emails, Newsletters, and Blog Posts. GAO also won several Communicator Awards for video, social media, and podcast products. Further, in May 2025, GAO’s Center for Library Science received an award from the Library of Congress that recognized the center for producing high-quality research, innovating new methodologies to respond to congressional inquiries, and developing efficient and economical tools and techniques for GAO researching needs.



We also provided significant assistance for the management of federal agencies and nonfederal entities, such as state and local governments and nonprofit organizations. We issue *Standards for Internal Control in the Federal Government*, also known as the Green Book, which sets the standards and provides the overall framework for designing, implementing, and operating an effective internal control system for federal agencies; and can be used by nonfederal entities as a framework for an internal control system. In May 2025, we issued revisions to the [Green Book](#) that provided additional information on controls to address risks related to improper payments, fraud, and information security. Effectively implementing controls to address these risks has the potential to generate significant financial benefits.

GAO remains dedicated to prudent financial management and ensuring reliability of financial reports. We again received an unmodified or “clean” opinion on our financial statements for FY 2025 from independent auditors. There was no reportable noncompliance for FY 2025 with internal control over financial reporting or provisions of applicable laws, regulations, contracts, and grant agreements tested. We have demonstrated that the detailed performance and financial information in this report is complete and reliable and meets our high standards for accuracy and transparency.

In 2025, we began the process to update our Strategic Plan. We will issue our FYs 2026-2031 Strategic Plan in 2026. This will enable us to continue to focus on congressional priorities.

As we move forward into 2026 and beyond, GAO will continue to fulfill its mission, serving the Congress and the public and improving the performance of the federal government on issues affecting the lives of all Americans.

A handwritten signature in black ink that reads "Orice Williams Brown". The signature is written in a cursive, flowing style.

Orice Williams Brown  
Acting Comptroller General  
of the United States

The background of the slide features a close-up of the American flag, with its stars and stripes, draped over a classical building facade. The building has tall, fluted columns and a pediment. The lighting is warm, suggesting an interior or a sunny day. A red rectangular frame is overlaid on the image, with the text "SERVING CONGRESS AND THE NATION" at the top.

SERVING CONGRESS AND THE NATION

# PART I

## **Management's Discussion and Analysis**



## Management Assurance Statements

January 29, 2026

### Assurance Statement on Internal Control over Operations, Reporting, and Compliance

GAO management is responsible for managing risks and maintaining effective internal control to meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). These are objectives that we set for ourselves even though, as part of the legislative branch of the federal government, GAO is not subject to FMFIA. GAO conducted its assessment of risk and internal control consistent with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of the assessment, GAO can provide reasonable assurance that internal control over operations, reporting, and compliance as of September 30, 2025, was operating effectively and that no material weaknesses were found in the design or operation of internal control.

### Assurance Statement on Internal Control over Financial Reporting

GAO's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that transactions are (1) properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) executed in accordance with provisions of applicable laws (including laws governing the use of budget authority); regulations; contracts; and grant agreements, noncompliance with which could have a material effect on the financial statements.



GAO management is responsible for designing, implementing, and maintaining effective internal control over financial reporting. GAO conducted its assessment of the effectiveness of internal control over financial reporting according to the criteria established under FMFIA and OMB Circular No. A-123. Based on the results of the assessment, GAO can provide reasonable assurance that its internal control over financial reporting as of September 30, 2025, was operating effectively and that no material weaknesses were found in the design or operation of internal control over financial reporting.

### Assurance Statement on Financial Management Systems

GAO conducted reviews of its financial management systems consistent with Appendix D of OMB Circular No. A-123, *Management of Financial Management Systems - Risk and Compliance*, which contains guidance for determining compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA). We conduct these reviews even though, as part of the legislative branch of the federal government, GAO is not subject to FFMIA. Based on the results of these reviews, GAO can provide reasonable assurance that it has implemented and maintained financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Government Standard General Ledger at the transaction level, consistent with the requirements of FFMIA.

//SIGNED//

Orice Williams Brown  
Acting Comptroller General  
of the United States

//SIGNED//

William White  
Chief Administrative and Financial Officer

//SIGNED//

A. Nicole Clowers  
Acting Chief Operating Officer

//SIGNED//

Kimberly Bassett-Nelson  
Acting Controller

//SIGNED//

Edda Emmanuelli Perez  
General Counsel



Source: GAO. | GAO-26-900644

## About GAO

GAO is an independent, nonpartisan agency in the legislative branch of the federal government. Commonly known as the investigative arm of the Congress or the “congressional watchdog,” we examine how taxpayer dollars are spent and advise policymakers and agency heads on ways to make government work more efficiently. GAO also manages [FraudNet](#), which is our online system created for the public to report to GAO allegations of fraud, waste, abuse, or mismanagement of federal funds.

As a legislative branch agency, we are exempt from many laws that apply to

executive branch agencies. However, we generally hold ourselves to the spirit of many such laws, including FMFIA; the Government Performance and Results Act (GPRA), GPRA Modernization Act of 2010 (GPRAMA); and the Federal Information Security Modernization Act of 2014 (FISMA).<sup>1</sup> Accordingly, the FY 2025 PAR provides information on GAO’s work, which we consider comparable to that reported by executive branch agencies that choose to prepare annual PARs in lieu of separate Agency Financial Reports.

<sup>1</sup>FMFIA requires executive branch agencies to establish systems of internal accounting and administrative controls consistent with standards for internal control in the federal government issued by the Comptroller General and to evaluate such systems annually. Pub. L. No. 97-255 (1982), *codified at* 31 U.S.C. § 3512(c)-(d). GPRAMA, Pub. L. No. 111-352 (2011) updated GPRA, Pub. L. No. 103-62 (1993), and requires executive branch agencies to prepare strategic plans, annual performance plans, and annual performance reports, among other things. FISMA, Pub. L. No. 113-283 (2014), *codified at* 44 U.S.C. §§ 3551-3558, largely superseded the very similar Federal Information Security Management Act of 2002, Pub. L. No. 107-347, title III (2002), setting requirements for federal agencies to implement policies and procedures to cost-effectively reduce IT risks.

## GAO Past and Present



**The Pension Building.**  
Source: National Building Museum.

### GAO's Start and Early Years

GAO was established in 1921, when the [Budget and Accounting Act](#) transferred auditing responsibilities, accounting, and claims functions from the Treasury to this new agency. GAO was created because federal financial management was in disarray after World War I. Wartime spending had driven up the national debt, and the Congress saw that it needed more information and better control over expenditures. The act made GAO independent of the executive branch and gave it a broad mandate to investigate how federal dollars were spent. In response to the needs of the Congress and the nation, GAO has evolved over the years in how it does its work. Until the end of World War II, GAO primarily checked the legality and adequacy of government expenditures. The work was done centrally, which meant that government agencies sent their fiscal records to GAO, which from 1926 to 1951 had its headquarters (HQ) in the Pension Building.

### After World War II



**Dedication of the new GAO building.**  
Source: GAO Archives.

After the war, GAO recognized that it could best serve the Congress and the nation by conducting broader, more comprehensive audits that examined the economy and efficiency of government operations. Instead of scrutinizing every government fiscal transaction, GAO began to review federal agencies' financial controls and management.

Beginning in the late 1940s, GAO also worked with the Treasury and the Bureau of the Budget (now OMB) to help executive branch agencies improve their accounting systems and controls over spending. With the move to comprehensive auditing, GAO began to hire accountants.



**GAO headquarters building.**  
Source: GAO Archives.

GAO moved into its new HQ building across the street from the Pension Building. The 1950s saw a rise in government spending because of the Cold War and the build-up of U.S. military forces in Europe and Asia. GAO's work increasingly focused on defense spending and contract reviews. Various national crises affected GAO's work in the 1960s and 1970s. During the Vietnam War, for example, GAO opened an office in Saigon to monitor military expenditures and foreign aid.



## A Broader GAO Role



In 1974, the Congress broadened GAO's role and gave it greater responsibility in the budget process. The agency's staff, mostly accountants, began changing to fit the work. In the 1970s, GAO started to recruit scientists, actuaries, and experts in fields such as health care, public policy, and IT. In 1986, GAO assembled a team of professional investigators, many with law enforcement backgrounds, to investigate allegations of possible criminal and civil misconduct. In the 1990s, GAO worked with executive branch agencies to strengthen financial management, urging federal agencies to modernize outdated financial systems, prepare yearly financial statements, and submit them for audit.

Additionally, GAO has continued to build on domestic and international partnerships with federal inspectors general, state and local audit organizations, and other countries' national audit offices to enhance its ability to perform audits, allow it to shape professional audit standards, and serve as a leader within the accountability community. The agency reported on the savings and loan industry, and it has repeatedly warned about government spending and the nation's fiscal health.

In 2004, GAO's name was [changed by law](#) from the General Accounting Office to the Government Accountability Office to better reflect the [mission and services](#) it provides. In conducting its work, GAO has remained committed to its mission to serve the Congress and American people.

## High-Risk, Duplication and Cost Savings, and Pandemic and Post-Pandemic Work

In 1990, GAO also began reporting the [High-Risk List](#), which has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. In 2011, GAO began reporting on [fragmentation, overlap, and duplication and cost savings](#) and revenue enhancement in the government. Throughout the 2000s, GAO increased its attention on disaster preparedness, recovery, and resilience; [cybersecurity](#) threats; and the evolving impacts of [science and technology](#). Beginning with FY 2019, the Congress directed GAO to take steps to address its evolving science and technology needs and, in response, GAO established a STAA team.

During the pandemic, GAO issued over 200 reports on [COVID-19 oversight](#) and related expenditures. Since 2022, GAO has continued [Ukraine oversight](#) work. Most recently, GAO continued work on reducing [fraud and improper payments](#) in the federal government. In 2023, GAO issued a framework for managing improper payments in emergency assistance programs. In 2024, GAO issued a government-wide estimate of spending fraud. Since 2023, GAO has issued over 20 reports and testified before Congress several times about improper payments and fraud risks.

## Former Comptroller General Gene Dodaro

March 2008 – December 2025



In a career spanning over 50 years at GAO, Gene L. Dodaro served the Congress and the American people with vision and dedication. He became the eighth Comptroller General of the United States and head of GAO on December 30, 2010, when he was confirmed by the U.S. Senate. He had been serving as Acting Comptroller General since March 2008. Prior to that, Mr. Dodaro served as GAO's Chief Operating Officer for 9 years.

As Comptroller General, Mr. Dodaro ensured that GAO continued to produce high-quality, nonpartisan, independent, professional, objective, and impactful work for the Congress. Under Mr. Dodaro's leadership, GAO continued to improve government efficiency, bring attention to current and emerging issues, and identify ways for the government to safeguard taxpayer dollars.

Since FY 2008, GAO has issued over 14,200 products to various committees and individual members of Congress, which contained almost 30,000 recommendations to improve government programs. Since 2008, GAO's work has also resulted in almost \$1.3 trillion in financial benefits. Further, GAO has recorded over 23,500 in other benefits resulting from its work, which led to operational and program improvements across the government.

In 2025, Mr. Dodaro was inducted into the Government Hall of Fame, joining a cohort of esteemed individuals honored for their unwavering dedication and excellence in public service. In addition to being inducted to the Government Hall of Fame, Mr. Dodaro has earned numerous honors throughout his career.

## GAO's Next Comptroller General



Source: GAO.

The Congress established the current procedure for nominating a Comptroller General when it passed the General Accounting Office Act of 1980. Under the act, the Comptroller General is appointed by the President with the advice and consent of the Senate. When a vacancy occurs in the office of the Comptroller General, a congressional commission is established to recommend individuals to the President.

The commission must recommend at least three individuals to the President. The President may request that the commission recommend additional individuals. The President has selected individuals from those recommended to nominate as the new Comptroller General. The President's nomination must be confirmed by the Senate. The Comptroller General is appointed for one nonrenewable 15-year term.

The commission process has thus been followed three times, leading to the President's nomination, and the Senate's confirmation, of the sixth Comptroller General, Charles A. Bowsher in 1981; the seventh Comptroller General, David M. Walker, in 1998; and the eighth Comptroller General, Gene Dodaro, in 2010.

Upon Mr. Dodaro's departure on December 29, 2025, Orice Williams Brown began serving as GAO's Acting Comptroller General.

## Mission, Core Values, Strategic Goals, and Organizational Structure

### Mission

Our mission is to support the Congress in meeting its constitutional responsibilities, and help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

### Core Values

Our three mission core values—accountability, integrity, and reliability—form the basis for all of our work, regardless of its origin. These core mission values work in concert with our three core people values—that our staff are valued, respected, and treated fairly—to create a synergy that is essential for us to achieve our mission. (See the [inside front cover](#) of this report for more detail, along with our scope of work.)

### Strategic Goals

GAO has three externally focused goals (goals 1, 2, and 3) and one internally focused goal (goal 4), which were updated in 2022. For additional information, see [Part II](#) of this report and [GAO's Strategic Plan](#).



- Goal 1: Address Current and Emerging Challenges to the Well-being and Financial Security of the American People



- Goal 2: Help the Congress Respond to Changing Security Threats and the Challenges of Global Interdependence



- Goal 3: Help Transform the Federal Government to Address National Challenges



- Goal 4: Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and by Being a Leading Practice Federal Agency

Source: GAO. | GAO-26-900644

### Organizational Structure

Gene L. Dodaro became the eighth Comptroller General of the United States and head of the GAO on December 30, 2010. He served his 15-year term as Comptroller General until his term ended on December 29, 2025. At that time, then Chief Operating Officer Orice Williams Brown became Acting Comptroller General. Three other executives join the Acting Comptroller General to form our Executive Committee: Acting Chief Operating Officer A. Nicole Clowers, Chief Administrative and Financial Officer William White, and General Counsel Edda Emmanuelli Perez. See GAO's [website](#) for the organization chart.



We have 15 mission teams of analysts, financial auditors, and specialists to support our three external strategic goals—with several of the teams supporting more than one strategic goal. For example, our Forensic Audits and Investigative Service team (FAIS), in addition to its own engagements, coordinates and collaborates with other teams when its special services are required for (1) specific fraud allegations, or (2) assistance in evaluating security matters. This matrixed structure increases our effectiveness, flexibility, and efficiency in using our expertise and resources to meet congressional needs on complex issues.

Senior executives in the mission teams manage a portfolio of engagements to ensure that we quickly meet the Congress's need for independent and unbiased information on emerging issues and continue longer-term work that flows from our strategic plan. To serve the Congress effectively with a finite set of resources, senior managers consult with our congressional clients and determine the timing and priority of engagements for which they are responsible.

We have several staff and administrative offices that work to support the agency's mission teams and Executive Committee, the Congress, and the American people. For example, OGC provides legal counsel to the entire agency, supporting our four strategic goals. OGC provides dedicated attorneys to each mission team who advise staff during the audit and reporting processes. OGC also: (1) provides legal opinions and decisions to the Congress and federal agencies on the use of and accountability for public funds; (2) issues decisions on Congressional Review Act (CRA) and Federal Vacancies Reform Act matters; and (3) adjudicates bid protests—companies' challenges to federal agencies' contracting decisions.

Staff in our Chief Administrative Office (CAO) provide leadership for goal 4, including GAO's human capital, IT, and infrastructure operations. CAO also includes several of the agency's management functions, such as workforce planning, labor relations, business analytics, internal communications, and insider threat prevention. Some staff in CAO also directly support GAO's Executive Committee, work with managing directors to shape their staffing plans, and analyze and leverage data to inform agency-wide decision-making.

Staff in other offices, such as Strategic Planning and External Liaison (SPEL), Congressional Relations, Audit Policy and Quality Assurance (APQA), and the Office of Public Affairs (OPA), support the efforts of the mission teams.

The Government Accountability Office Act of 2008 established GAO's Office of Inspector General (OIG) as a statutory office within the agency. The IG is appointed by, and reports to, the Comptroller General. The IG is responsible for conducting audits and investigations relating to GAO programs and operations and makes recommendations to promote its economy, efficiency, and effectiveness.

The IG also keeps the Comptroller General and the Congress fully informed through [semiannual reports](#) that summarize the OIG's activities. In addition, the OIG investigates allegations concerning activities within GAO that may constitute the violation of any law, order, policy, or regulation; mismanagement; a gross waste of funds; or other wrongdoing.

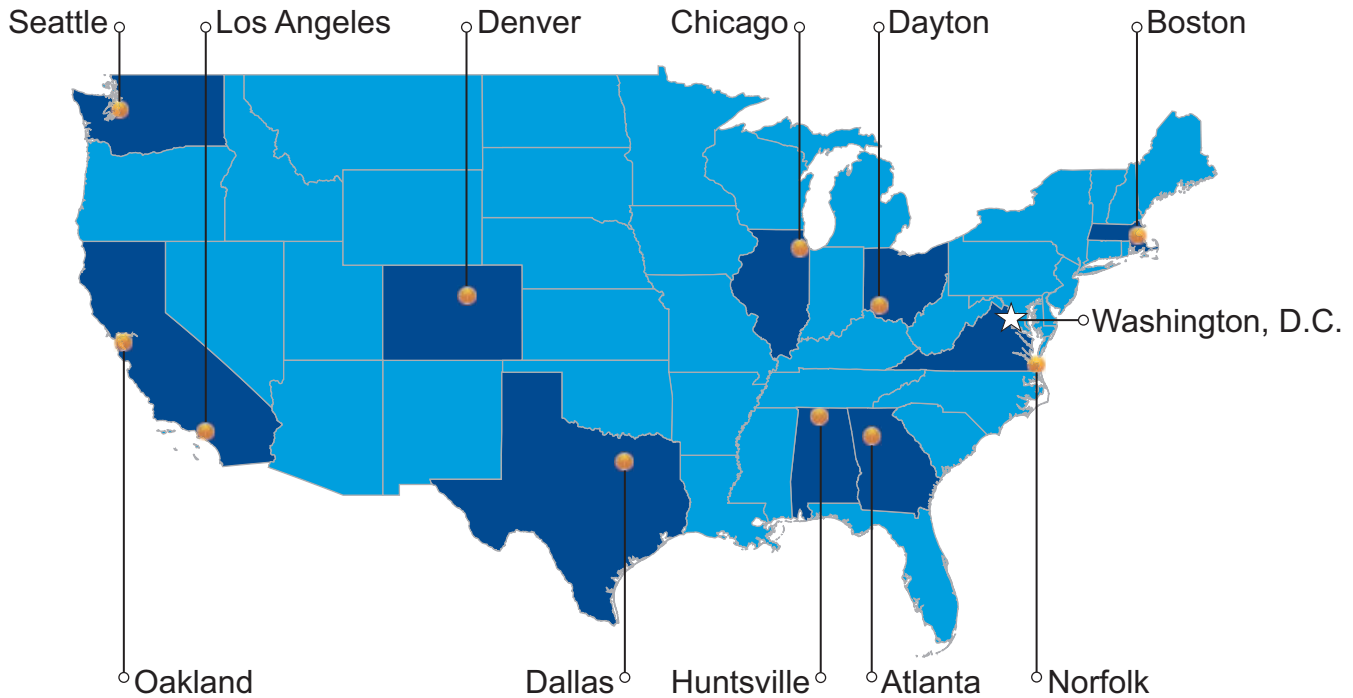
For more information on our organization and teams, see [About Our Teams](#).

## GAO Workforce and Locations

As of the end of fiscal year 2025, we maintained a workforce of 3,556 FTEs. GAO's offices are located in Washington, D.C. and 11 locations across the country (see [fig. 8](#)). These offices are located throughout the country to help carry

out GAO's mission coast-to-coast. GAO employees have expertise in many disciplines, including accounting, law, engineering, public and business administration, economics, physical and social sciences, and data and IT.

**Figure 8: GAO's Office Locations**



Source: Map Resources (map). | GAO-26-900644

## Strategic Planning and Foresight

We publish a [strategic plan](#) to guide our work as we help policymakers oversee federal operations and address the most important national issues. In 2025, we began the process to update our strategic plan. We will issue the updated strategic plan, covering FYs 2026-2031, in 2026.

Our strategic plan describes our goals and strategies for supporting the Congress and the nation. This plan reflects the full scope of the federal government's operations, and emerging and future trends that may affect government and society.

The plan outlines the areas in which we expect to conduct audits, analyses, investigations, and evaluations to meet our clients' needs and allocate resources. Our work is aligned under our four strategic goals. Specifically, our audit and investigative work is conducted primarily under the first three strategic goals in our plan. Our fourth strategic goal is focused on our internal operations.

We regularly assess priorities in consultation with the Congress and consistent with our [Congressional Protocols](#). This process helps to inform updates to our strategic planning efforts, as appropriate.

As part of our strategic planning process, we emphasize foresight, continuous environmental scanning, and trend analysis. These are essential to helping inform our decision-making and long-term planning. For example, with insights from GAO's Center for Strategic Foresight, we identify major emerging issues and challenges that pose risks and provide opportunities for the federal government.

Any revisions to our strategic plan or resource allocations are disclosed in our [annual performance plan](#).



## Strategies for Achieving Our Goals

The GPRA of 1993, as amended, directs agencies to articulate goals and strategies to achieve them. GAO's strategic plan emphasizes achieving our goals by: (1) providing the Congress and the public information from our work; and (2) continuing to strengthen our human capital and internal operations.

Additionally, we emphasize the importance of working with other organizations on cross-cutting issues, effectively addressing the challenges to achieving our agency's goals, and recognizing the internal and external factors that could impair our performance. With this approach, we plan to achieve the level of performance needed to meet our performance measures, and we have a mechanism in place to monitor progress toward meeting our goals.

Attaining our three externally focused strategic goals and their related objectives rests on providing the Congress objective, fact-based, nonpartisan, and balanced information it needs to execute its constitutional responsibilities. We do so in a number of ways, including:

- Evaluations of federal policies, programs, and activities, and the performance of agencies;
- Oversight of government operations through financial and other management audits to determine whether public funds are spent efficiently, effectively, and in accordance with applicable laws;
- Investigations to assess whether illegal or improper activities are occurring;
- Analyses of the financing for government activities;
- Legal opinions that determine whether agencies are in compliance with applicable laws and regulations;

- Policy analyses to assess needed actions and the implications of proposed actions; and
- Additional assistance to the Congress in support of its oversight and decision-making responsibilities.

We conduct specific engagements as a result of requests from congressional committees, individual Members, and mandates written into legislation, resolutions, and committee reports. In FY 2025, we devoted 96 percent of our engagement resources to work requested or mandated by the Congress. We devoted the remaining 4 percent of engagement resources to work initiated under the Comptroller General's authority. Much of the work conducted under the Comptroller General's authority addressed various challenges that are of broad-based interest to the Congress. We also provide frequent technical assistance to congressional staff and committees.

Our reviews of government programs and operations have identified programs that are at high risk for fraud, waste, abuse, and mismanagement. These reviews help support our biennial [High-Risk Report](#), which we updated in 2025. By making recommendations to improve the accountability, operations, and services of government agencies, we contribute to increasing the effectiveness of federal spending and enhancing the taxpayers' trust and confidence in their government.

Our staff are responsible for following high standards for gathering, documenting, and supporting the information we collect and analyze. *Government Auditing Standards*, developed under the direction of the Comptroller General, together with the GAO policies that we apply in conducting our audits, are consistent with the auditing principles of the International Standards of Supreme Audit Institutions.

Our work is usually presented in products that are publicly available. In some cases, we develop products that contain classified or sensitive information that cannot be made publicly available. In FY 2025, we issued 671 total products (including classified or sensitive products). Over the past 5 years, we have issued, on average, 679 products annually. Additionally, we published more than 400 legal decisions and opinions in FY 2025, the vast majority of which are bid-protest decisions. Our products include:

- Reports and written correspondence, including Science & Tech Spotlights and Snapshots, which are short and concise products tailored for busy readers to share fact-based knowledge on important current issues facing the Congress and the nation;
- [Financial audits](#) of the federal government's consolidated financial statements (since 1997), as well as several agency financial statements;
- Testimonies and statements for the record, where the former are delivered orally by one or more of our senior executives at a congressional hearing and the latter are provided for inclusion in the congressional record;
- Briefings, which are usually given directly to members of Congress or their staff; and
- Legal decisions and opinions resolving bid protests and addressing issues of appropriations law.

We also produce special publications, such as our reports on [America's fiscal future](#) and [bid protests](#).<sup>2</sup> Our publication, [Principles of Federal Appropriations Law](#), is viewed both within and outside of the government as the primary resource on federal law related to the availability, use, and control

of federal funds.<sup>3</sup> Additionally, we maintain the government's repository of [reports on Antideficiency Act violations](#) and publish information extracted from those reports on our website. These publications are valuable because they highlight important decisions and management issues facing policymakers.

We also achieve our goals by examining the impact of our past work and using that information to shape future work. Consequently, we evaluate actions taken by federal agencies and the Congress in response to our past recommendations. The results are reported in terms of financial benefits and other benefits. We establish priority recommendations and actively monitor the status of open recommendations—those that remain valid but have not yet been fully implemented—and post our findings to our [recommendations database](#).

To attain our fourth strategic goal—an internal goal—and its three related objectives, we engage in activities to address the key efforts of our [strategic plan](#). Additionally, we obtain feedback from our congressional clients and internal customers on our products, processes, and services—to identify ways to improve them. We also perform internal management studies and evaluations.

Achieving our strategic goals and objectives also requires coordination with other organizations with similar or complementary missions. To this end, we use advisory panels and other bodies to inform our strategic and annual work planning and coordinate, as appropriate, with other legislative branch agencies.

<sup>2</sup>GAO, Bid Protest Annual Report to Congress for Fiscal Year 2024, [GAO-25-900611](#) (Washington, D.C.: Nov. 14, 2024).

<sup>3</sup>Principles of Federal Appropriations Law, also known as the Red Book, is a multi-volume treatise concerning federal fiscal law. [GAO-17-797SP](#) (Washington, D.C.: Sept. 14, 2017), [GAO-16-463SP](#) (Washington, D.C.: Mar. 10, 2016), [GAO-16-464SP](#) (Washington, D.C.: Mar. 10, 2016), [GAO-15-303SP](#) (Washington, D.C.: Mar. 12, 2015), [GAO-08-978SP](#) (Washington, D.C.: Sept. 1, 2008), [GAO-06-382SP](#) (Washington, D.C.: Feb. 1, 2006), [GAO-04-261SP](#) (Washington, D.C.: Jan. 1, 2004).

We also maintain collaborative working relationships with national and international government accountability and professional organizations, including the federal inspectors general, state and local audit organizations, and the national audit offices of other countries.

These relationships allow us to expand our institutional knowledge and experience and leverage our resources. SPEL leads our strategic initiatives for the work with external partner organizations. Our mission teams lead work on various issues and engage with external organizations as they conduct that work.

## Measuring Our Performance

To help us determine how well we are meeting the needs of the Congress and maximizing our value as a leading practices federal agency, we assess our performance annually using a balanced set of quantitative and qualitative performance measures that focus on four key areas—results, client, people, and internal operations.

- **Results.** To assess our results, we measure financial benefits, other benefits, the percentage of past recommendations implemented, and the percentage of new products with recommendations.

Financial benefits (generally an estimated cost reduction, cost avoidance, or increase in revenue) and other benefits (such as better services to the public that cannot be estimated in dollar terms and efficiency gains) typically occur when a recommendation is implemented by a congressional or agency action. We report our financial benefits as net benefits, or estimates of benefits less costs associated with taking the action. (Note, financial benefits are not related to GAO's financial information as reported in Part III.) We generally limit the number of years for which we can claim a financial benefit to 5 fiscal years.

To claim a financial benefit or other benefit, we prepare an accomplishment report. This documents, among other things: (1) a cause-and-effect relationship between the benefits reported and our work; and (2) that the action taken by the

Congress or agency has been substantially completed. Estimates of financial benefits are based on information generally obtained from non-GAO sources. Staff can prepare accomplishment reports within 2 fiscal years of the action(s) being taken by the Congress or agency. As a result of these policies, benefits can be reported years after recommendations are made.

As an illustrative example, we made a recommendation to improve an agency's operations in 2021. The agency agreed with the recommendation and took actions to implement the recommendation. We obtained documentary evidence to review the steps the agency took and determined that the agency changed a business practice in FY 2025. We also determined that the change was permanent and caused a net reduction in program costs beginning in FY 2025. As a result, we can claim net financial benefits for up to 5 consecutive years, from FY 2025-2029.

We generally follow up with federal agencies and update the status of our recommendations at least once yearly. In FY 2025, to provide a more accurate picture of the extent to which our recommendations are implemented, we modified our measure for percentage of past recommendations implemented to include an additional year to reflect the time needed for implementation in the current environment (5-year implementation rate).



The percentage of new products with recommendations includes reports and correspondences issued within a fiscal year that included at least one recommendation. This measure recognizes that our products do not always include recommendations.

- **Client.** To measure how well we are serving our client, we capture our timeliness in delivering products to the Congress and the number of times our senior executives were asked to present expert testimony at congressional hearings.<sup>4</sup> We use a client feedback survey to collect quantitative and qualitative data and information on the services we provide to our congressional clients.
- **People.** As our most important asset, our people define our character and capacity to perform our work. A variety of data sources, including an internal survey, provide information to help us measure how well we are attracting and retaining highly qualified staff and how well we are developing, supporting, utilizing, and leading staff.
- **Internal operations.** GAO's ability to execute its mission and retain a skilled and talented workforce is supported by our administrative services (e.g., IT, infrastructure operations, human capital, and financial management). Through an internal Customer Satisfaction Survey, we gather information on three areas: (1) how well our internal operations help employees do their work; (2) how our internal operations improve employees' work-life balance; and (3) how satisfied employees are with our IT tools.

<sup>4</sup>For purposes of this measure, we define senior executives as those above the General Schedule 15 or equivalent level.

## Setting Performance Targets

To establish targets for all of our measures, we consider our past performance, including recent patterns and 4-year rolling averages. We use 4-year rolling averages to help us examine trends over time because this calculation minimizes the effect of an atypical result in any given year. We also consider other factors, such as known upcoming events and external factors that influence our work (see [Mitigating External Factors](#)). Some external factors are beyond our control, such as the pace at which agencies implement our recommendations and the number of hearings at which we are asked to testify (see [Other Measures of Our Results](#) and [Focusing on Our Client](#)).

Based on this information, the teams and offices directly engaged in the work discuss their views with our senior executives about what we planned to accomplish in the [strategic plan](#) and what they believe they can accomplish in the upcoming fiscal year. Our Executive Committee then establishes targets for the performance measures.

Once approved by the Comptroller General, the targets become final and are presented in our [annual performance plan](#) and [budget](#). We may adjust these targets after they are initially published, when our expected future work or level of funding warrants doing so. We include any revised targets and the rationale for the changes in later documents, such as in a PAR.

Regarding specific measures, we set targets agency-wide and some by goal. For financial benefits and other benefits, we first set targets for the agency as a whole, and then we set targets for Goals 1-3. Financial benefits and other benefits for Goals 1-3 do not add up to the total agency-wide target, as we have left a portion of the targets unassigned. Based on our experience, we believe that we can meet the agency-wide target but we cannot always accurately predict under which goals. We anticipate fluctuation by

goal in these measures due to factors such as variation in audited agency, priority issues, and congressional interest.

We use several factors to set our agency-wide testimony target—the number of times we anticipate our senior executives will be asked to testify at congressional hearings. These factors include the cyclical nature of the congressional calendar, our 4-year rolling averages, and our past performance. We set this target at the agency-wide level and then assign a portion of these testimonies as a target for each of our external goals based on that goal's expected contribution to the agency-wide total.

For these measures (financial benefits, other benefits, and testimonies), we also track our performance by strategic goal to understand why we met or did not meet the agency-wide target. We also use this information to provide feedback to our teams on the extent to which they are contributing to the overall target and to help them identify areas for improvement.

For past recommendations implemented, percentage of products with recommendations, and timeliness, we set targets and report performance for the agency as a whole because we want to maintain consistent performance across goals.

We set agency-wide targets for our people and internal operations measures to promote consistency across the organization.

On the pages that follow, we assess our performance for FY 2025 against our previously established performance targets.

For detailed information on all of our measures, see [Appendix II](#).





## Overall Performance Toward Our Goals

In FY 2025, we had 538 congressional requests and new mandates. The results of our work reflect our positive performance in FY 2025 (see [table 3](#)).

### Results

We exceeded our target of \$50.0 billion in financial benefits by \$12.7 billion—reaching \$62.7 billion. This represents about a \$68 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 95 benefits, accomplishing 1,295 other benefits. (See [Financial Benefits](#) and [Other Benefits](#).)

We fell short of our target of 80 percent for past recommendations implemented by 3 percentage points, at 77 percent. We used 5 years (instead of 4 years) to calculate the percentage of recommendations implemented. In recent years, the problems facing government have become increasingly complex and often involve multiple agencies, which results in increased time for agencies to implement our recommendations. We have redoubled our efforts to help agencies reduce their implementation time, for example by meeting with agency officials

to identify causes for delayed action on recommendations. We will continue these efforts in FY 2026.

Additionally, we have continued to identify priority recommendations and send annual letters to most agencies. Priority recommendations are the GAO recommendations that have not been implemented and warrant attention from heads of key departments or agencies because their implementation could save large amounts of money; improve congressional or executive branch decision-making on major issues; eliminate mismanagement, fraud, and abuse; or ensure that programs comply with laws and funds are legally spent, among other benefits. In FY 2025, we sent [31 letters](#) to heads of federal departments and agencies. In FY 2025, for the first time, we also sent letters to the CFOs and Chief Information Officers (CIO) at selected agencies. (See [Past Recommendations Implemented](#).)

We exceeded our target of 60 percent for new products with recommendations by 2 percentage points, at 62 percent. (See [New Products Containing Recommendations](#).)



## Client

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Based on our congressional client survey, we exceeded our target of 90 percent for delivering products and testimonies in a timely manner by 8 percentage points—reaching 98 percent on-time delivery for FY 2025.

Our senior executives were asked to testify 46 times, falling 44 testimonies short of our FY 2025 target of 90. This was due, in part to committees generally holding fewer hearings in recent years. In FY 2025, we were asked to testify before 31 separate committees or subcommittees. Additionally, GAO's work was cited by members of the Congress and witnesses in over 185 hearings beyond those at which we testified. (See [Focusing on Our Client.](#))

## People

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We exceeded the targets for all seven people measures. For our new hire rate, we exceeded our target of 80 percent by 9 percentage points, at 89 percent. For retention rate with retirements, we exceeded our target of 92 percent by 4 percentage points, at 96 percent. We exceeded our target rate of 96 percent for retention rate without retirements, by 2 percentage points, at 98 percent.

For staff development, we exceeded our target of 80 percent by 4 percentage points, at 84 percent. For staff utilization, we exceeded our target of 80 percent by 7 percentage points, at 87 percent. For experience with supervisors, we exceeded our target of 82 percent by 8 percentage points, at 90 percent. For organizational climate, we exceeded our target of 80 percent by 8 percentage points, at 88 percent. (See [Focusing on Our People](#) and [Appendix II.](#))

## Internal Operations

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We assess staff satisfaction with our internal operations each year through our internal Customer Satisfaction Survey. We administer this survey in January to gauge the customer experience for the prior, most recent calendar year. For this year, the survey administered in January 2025 gauged customer experience for calendar year 2024.

For services that help employees get their jobs done, we were below our target of 80 percent by 1 percentage point, at 79 percent. For the services that support employees' quality of work life, we were below our target of 80 percent by 2 percentage points, at 78 percent. For the IT tools that support our work, we were below our target of 80 percent by 8 percentage points, at 72 percent. (See [Managing Our Internal Operations.](#))

**Table 3: Agency-Wide Summary of Annual Measures and Targets**

Performance measure	2020 actual	2021 actual	2022 actual	2023 actual	2024 actual	2025 target	2025 actual	Met/ not met	2026 target
<b>Results</b>									
Financial benefits (dollars in billions)	\$77.6	\$66.2	\$55.6	\$70.4	\$67.5	\$50	\$62.7	✓	\$50
Other benefits	1,332	1,239	1,262	1,220	1,232	1,200	1,295	✓	1,200
Past recommendations implemented <sup>a</sup>	77%	76%	77%	75%	70%	80%	77%	✗	80%
New products with recommendations	64%	58%	64%	63%	63%	60%	62%	✓	60%
<b>Client</b>									
Testimonies	59	67	72	57	60	90	46	✗	90
Timeliness	93%	97%	97%	94%	100%	90%	98%	✓	90%
<b>People</b>									
New hire rate	76%	80%	76%	81%	83%	80%	89%	✓	80%
Retention rate									
With retirements	95%	96%	93%	95%	95%	92%	96%	✓	92%
Without retirements	97%	98%	97%	96%	97%	96%	98%	✓	96%
Staff development	81%	82%	82%	79%	81%	80%	84%	✓	80%
Staff utilization	85%	85%	84%	86%	85%	80%	87%	✓	80%
Experience with supervisors	90%	91%	90%	90%	91%	82%	90%	✓	82%
Organizational climate	86%	87%	86%	86%	86%	80%	88%	✓	80%
<b>Internal operations</b>									
Help get job done	N/A <sup>b</sup>	N/A <sup>b</sup>	78%	78%	79%	80% <sup>c</sup>	N/A <sup>c</sup>	✗ <sup>d</sup>	N/A <sup>c</sup>
Quality of work life	N/A <sup>b</sup>	N/A <sup>b</sup>	81%	81%	78%	80% <sup>c</sup>	N/A <sup>c</sup>	✗ <sup>d</sup>	N/A <sup>c</sup>
IT tools	N/A <sup>b</sup>	N/A <sup>b</sup>	61%	65%	72%	80% <sup>c</sup>	N/A <sup>c</sup>	✗ <sup>d</sup>	N/A <sup>c</sup>

Source: GAO. | GAO-26-900644

Note: Information explaining all of the measures included in this table appears in the [Appendix II](#).<sup>a</sup>Starting in FY 2025, we used a 5-year implementation rate to calculate the percentage of past recommendations implemented.<sup>b</sup>Not Applicable. In 2022, we administered a new survey instrument to better gauge the quality of our internal customer services; the new survey instrument established a new trend baseline for these measures.<sup>c</sup>Not available. We administer our annual customer survey in January to gauge the customer experience for the prior calendar year and report the results in the next fiscal-year PAR. Calendar year 2025 data will be provided in the FY 2026 PAR.<sup>d</sup>Our “Met/not met” status is based on calendar year 2024 data.

In addition to our agency-wide annual performance measures, we calculate our ROI—the ratio between financial benefits and dollars invested. For the past several years, we have produced financial benefits

that exceed the amount that has been invested in our agency to perform our work, as shown in [table 4](#). Looking back over 10 years, we have had an average annual ROI of \$116 for every dollar invested in GAO.

Table 4: Return on Investment Data

	2021	2022	2023	2024	2025
Financial benefits (dollars in billions)	\$66.2	\$55.6	\$70.40	\$67.5	\$62.7
Dollars invested (dollars in billions) <sup>a</sup>	\$0.71	\$0.75	\$0.84	\$0.89	\$0.93
Return on investment (per dollar invested)	<b>\$93</b>	<b>\$74</b>	<b>\$84</b>	<b>\$76</b>	<b>\$68</b>

Source: GAO. | GAO-26-900644

Note: In FY 2021, we redefined the dollars invested in the denominator of the ROI calculation to be new obligations incurred instead of budget authority. This was done because we have recently begun receiving multi-year appropriations, which are obligated over several years. The change more accurately reflects funding usage.

<sup>a</sup>Dollars invested is defined as total new obligations against GAO’s unexpired accounts for the fiscal year as reported in Treasury and OMB systems.

Our FY 2025 targets for our performance measures are the same as the targets we reported in our FY 2026 performance plan.

We use 4-year rolling averages for key performance measures to help us examine trends over time, including financial benefits, other benefits, new products with

recommendations, and testimonies. We use 4-year rolling averages for these measures because this calculation minimizes the effect of an atypical result in any given year. We consider this calculation, along with other factors, when we set our performance targets. See [Table 5](#).

Table 5: Four-Year Rolling Averages for Selected GAO Measures

Performance measure	2020	2021	2022	2023	2024	2025
<b>Results</b>						
Financial benefits (dollars in billions)	\$110.3	\$108.4	\$103.5	\$67.5	\$64.9	\$64
Other benefits	1,331	1,321	1,313	1,263	1,238	1,252
New products with recommendations	64%	62%	62%	62%	62%	63%
<b>Client</b>						
Testimonies	88	80	74	64	64	59

Source: GAO. | GAO-26-900644





## Financial Benefits

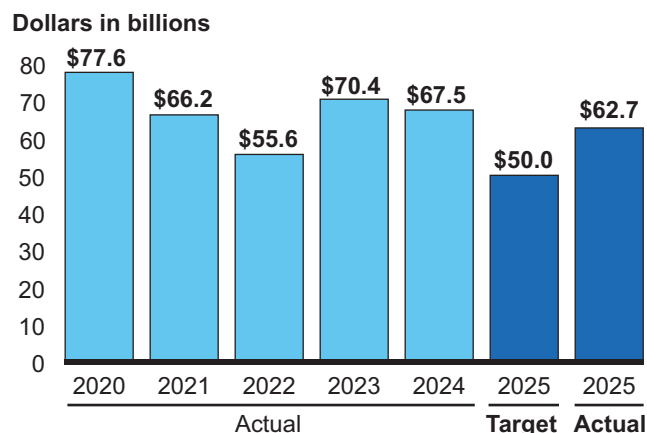
Our findings and recommendations produce measurable financial benefits for the federal government after the Congress or agencies act on them and government expenditures are reduced or funds are reallocated to other areas. For example, a financial benefit can be the result of changes in business operations and activities; the restructuring of federal programs; or modifications to entitlements, taxes, or user fees.

In FY 2025, our work generated about \$62.7 billion in financial benefits (see [fig. 9](#)). We exceeded our target of \$50 billion by about \$12.7 billion. Our performance in delivering financial benefits has been consistent over the past five years, and the level produced in FY 2025 is consistent with the 5-year average (\$64.5 billion).

In light of our (1) performance in FY 2025, (2) expected future financial benefits based on our past, ongoing, and expected work; and (3) uncertainty about the exact amount of financial benefits our recommendations will yield in 2026, we have set our 2026 target for financial benefits at \$50 billion.

For more information on how we set our targets, see [Setting Performance Targets](#).

**Figure 9: Financial Benefits GAO Recorded**



Source: GAO. | GAO-26-900644

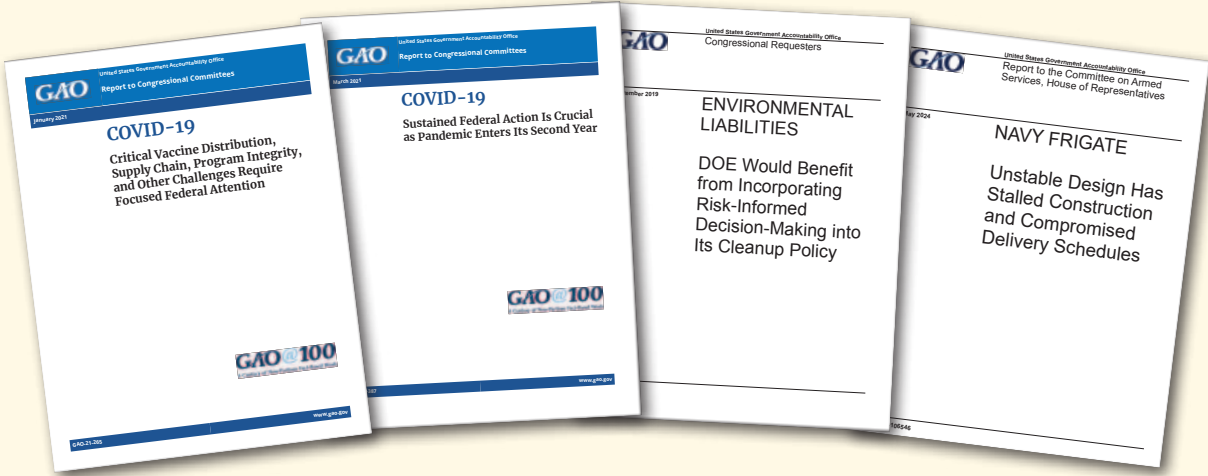
To calculate our financial benefits, we rely primarily on estimates from non-GAO sources. These sources are typically the agency that acted on our work, a congressional committee, or CBO. For more information on financial benefits, see [Measuring Our Performance](#) and [Appendix II](#). Examples of major new financial benefits reported in FY 2025 are in [table 6](#).

**Table 6: Examples of GAO’s Major New Financial Benefits Reported in FY 2025**

Description of New Financial Benefits	Amount (Dollars in Billions)
<p><b>Preventing Fraud in COVID Economic Injury Disaster Loans.</b> In 2021, we reported that SBA lacked sufficient controls to prevent and detect fraud in its COVID-19 Economic Injury Disaster Loan program. We recommended that it develop and implement a comprehensive oversight plan. In response, SBA implemented additional controls for the program, including automated screening and crosschecking Internal Revenue Service (IRS) tax verification and flags from its other pandemic relief programs. We found in July 2025 that this enhanced oversight allowed SBA to save the government \$16.6 billion by declining ineligible or fraudulent loan applications. (<a href="#">GAO-21-265</a>, <a href="#">GAO-21-387</a>)</p>	\$16.6
<p><b>Improving Radioactive Waste Cleanup.</b> DOE’s Savannah River Site, in South Carolina, has over 30 million gallons of radioactive liquid waste, which could fill about 45 Olympic-size swimming pools. We found that DOE did not have a risk-informed framework for waste cleanup. We recommended in FY 2019 that DOE adopt such an approach to guide its waste cleanup. In response, DOE adopted a more risk-informed approach to addressing its liquid waste. This helped accelerate cleanup at this site and will save DOE about \$5 billion through FY 2025. (<a href="#">GAO-19-339</a>)</p>	\$5
<p><b>Overseeing and Reducing the Costs of Highly Classified DOD Systems.</b> In 2025, DOD budgeted billions of dollars to develop highly classified, next-generation aircraft, missiles, and space-based programs. GAO provides oral briefings to the congressional defense committees on these programs, which include assessments of their costs, schedules, and performance. In 2025, we determined that DOD took action in response to our assessment of a classified program’s cost and schedule risks—which resulted in savings of about \$4 billion from FY 2024 to FY 2028. (Classified oral briefings)</p>	\$4
<p><b>Reducing Unused Funds for DOD Activities.</b> DOD Operation and Maintenance funds and Military Personnel funds support a wide range of activities—such as buying spare parts and paying salaries. DOD requests hundreds of billions of dollars for these activities each fiscal year. However, we found in 2024 that DOD did not use all the funds it received in FY 2023 and that unused funds were returned to Treasury from prior fiscal years. Congress reduced DOD’s appropriated amounts for FY 2025 for some of these activities from the amount DOD requested, including by \$2 billion based partly on our analysis. (Budget Justification Review)</p>	\$2
<p><b>Reducing Planned Spending for a Future Navy Frigate.</b> The Navy had planned to spend over \$22 billion to build 20 guided missile frigates—a class of small warships. In May 2024, we reported that the Navy began construction on the lead ship before finishing the design. This has caused major construction delays for the first 6 ships under contract. In July 2024, GAO developed a fact sheet for congressional staff that evaluated the feasibility of the Navy’s plans to acquire a 7th frigate in FY 2025, given ongoing delays. Subsequently, in March 2025, Congress appropriated less funding than the amount the program requested, equal to the cost of 1 ship, saving \$1.037 billion. (<a href="#">GAO-24-106546</a>)</p>	\$1

Source: GAO. | GAO-26-900644

Note: Click on report covers below to access key reports related to [Table 6](#). Additional examples of FY 2025 financial benefits can be found in [Part II](#) of this report. It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can generally claim up to 5 years of new benefits based on a single agency or congressional action. Of the two accomplishments that do not have a product number, one is based on a classified oral briefing, which we do not publish externally. The other accomplishment is based on a Budget Justification Review, which we also do not publish externally. Given the scope, objectives, timing, and sensitivity of Budget Justification Reviews, final products primarily consist of unpublished data sheets or issue papers provided to relevant committees or subcommittees. For more information, see [Appendix II](#).



Source: GAO. | GAO-26-900644



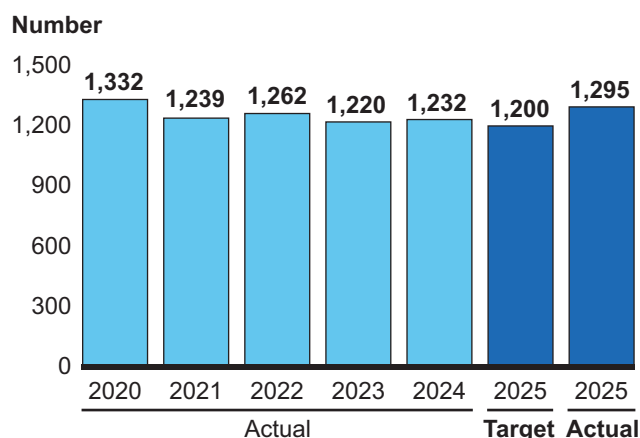


Source: Colours.Pic/stock.adobe.com. | GAO-25-900570

## Other Benefits

Many of the benefits that result from our work cannot be measured in dollars, so we refer to them as “other benefits.” Other benefits can result in better services to the public, changes to statutes or regulations, or improved government business operations. During FY 2025, we recorded a total of 1,295 other benefits (see [fig. 10](#)). We exceeded our target by 95 benefits. We have set our 2026 target for these other benefits at 1,200 again given our past, ongoing, and expected work.

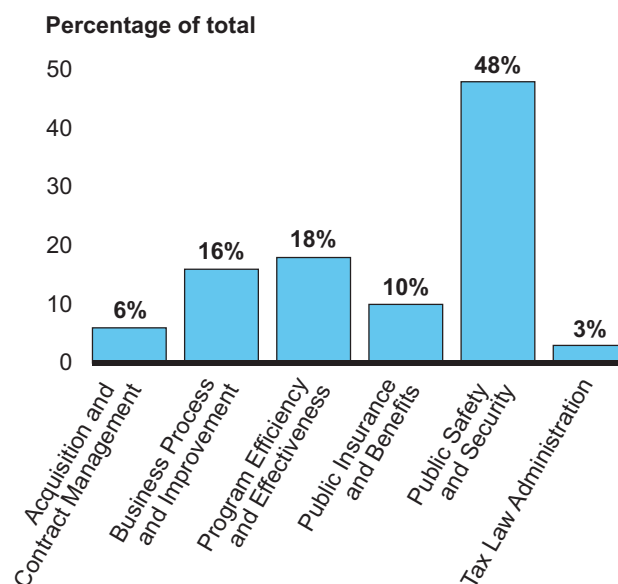
**Figure 10: Other Benefits**



Source: GAO. | GAO-26-900644

We categorize our other benefits into six areas (see [fig. 11](#)). This year, most of our other benefits were in public safety and security (48 percent) and program efficiency and effectiveness (18 percent). We claim these benefits generally within 2 fiscal years of the action taken. See [table 7](#) and [Part II](#) of this report for specific examples.

**Figure 11: Types of FY 2025 Other Benefits**



Source: GAO. | GAO-26-900644

Note: Total percentages do not equal 100 percent due to rounding.

Examples of programs included in the six areas in [figure 11](#) are:

- **Acquisition and contract management.** DOD weapon systems acquisitions, the National Aeronautics and Space Administration (NASA) acquisition management, and all federal agency and interagency contract management.
- **Business process and improvement.** Federal financial reporting; federal information systems; federal real property; human capital management; and DOD business transformation, business systems modernization, financial management, support infrastructure management, and supply chain management.
- **Program efficiency and effectiveness.** Preventing fraud, waste, and abuse; U.S. financial regulatory system; federal oil and gas resources; U.S. Postal Service (USPS); transportation funding; and telecommunications funding.
- **Public insurance and benefits.** Medicare, Medicaid, VA and DOD health care, disability programs, food assistance, education programs, housing programs, national flood insurance, federal deposit insurance, and other insurance programs.
- **Public safety and security.** Homeland security and justice programs; critical infrastructure, including information security; critical technologies; food safety; transportation safety; telecommunications safety; international food assistance; public health; consumer protection; environmental issues; national defense; foreign policy; international trade; and the intelligence community.
- **Tax law administration.** IRS business systems modernization, tax policy, and enforcement of tax laws.

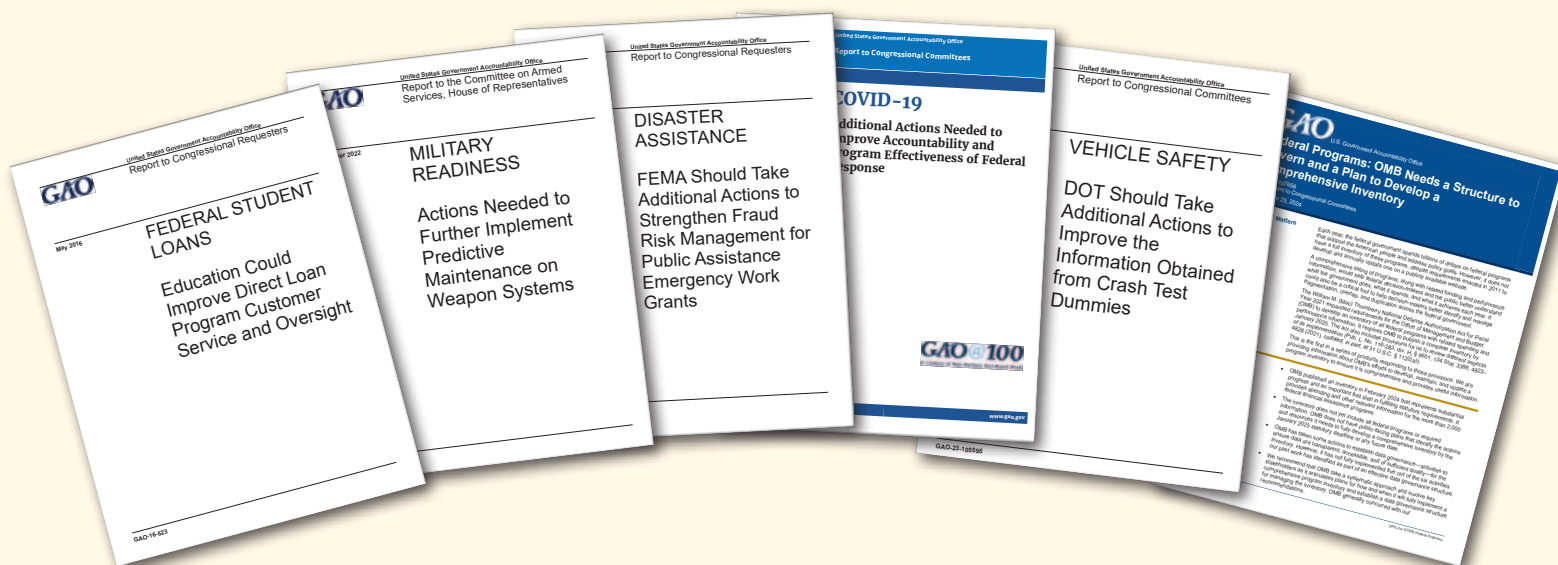
**Table 7: Examples of GAO's Other Benefits Reported in FY 2025**

Category	Description
<b>Acquisition and contract management</b>	<b>Improving Assistance to Student Loan Borrowers.</b> The Department of Education (Education) and its contracted loan servicers provide information to borrowers about their federal Direct Loans. We reported in 2016 that borrowers, especially those in the Pacific time zone, had difficulty contacting loan servicers through their call centers. We recommended that Education implement a minimum standard for call center hours. Education did so in October 2024 and required the centers to expand these hours after March 2025—providing more days and times for borrowers to contact loan servicers. This will help improve customer service for students and borrowers across the country. ( <a href="#">GAO-16-523</a> )
<b>Business process and improvement</b>	<b>Implementing Predictive Maintenance in the Navy.</b> Predictive maintenance—in which personnel use condition-monitoring technology like sensors and data analytics to schedule maintenance—can reduce DOD's costs and maintenance delays. In 2022, we found that the Navy did not have comprehensive plans for implementing and evaluating predictive maintenance. It also had not identified the office responsible for implementing predictive maintenance within the Navy. We recommended it address these issues. As of FY 2025, the Navy developed these plans and identified its responsible office—positioning the agency to better determine how to adopt predictive maintenance and potentially reduce costs. ( <a href="#">GAO-23-105556</a> )
<b>Program efficiency and effectiveness</b>	<b>Updating FEMA's Guidance on Reporting Fraud.</b> FEMA obligated over \$10 billion through its Public Assistance grant program to states and territories for debris removal and other emergency work projects following the hurricanes and wildfires in 2017. However, in 2020, we found that FEMA did not include information on where and how to report suspected fraud in its guide for this grant program. We recommended FEMA do so. In response, FEMA updated this guide, made it available in January 2025, and encouraged its grant recipients to do the same when providing guidance documents to subrecipients. This should help FEMA find and address fraud in a timely manner. ( <a href="#">GAO-20-604</a> )

<b>Public insurance and benefits</b>	<b>Reducing Fraud Risk in Unemployment Insurance Programs.</b> Fraudulent activity in UI programs increased during the COVID-19 pandemic. In October 2021, we reported that DOL had not comprehensively assessed fraud risks in alignment with leading practices identified in our Fraud Risk Framework. We recommended that DOL do so. Further, in 2023, we estimated fraud in UI programs during the pandemic was likely between \$100 billion and \$135 billion. In FY 2025, we confirmed that DOL identified and assessed the likelihood and impact of inherent fraud risks, determined a fraud risk tolerance, examined existing antifraud controls, and documented a fraud risk profile. This will help DOL better manage fraud risks in UI programs. ( <a href="#">GAO-22-105051</a> )
<b>Public safety and security</b>	<b>Enhancing Safety for Pedestrians and Vehicle Occupants.</b> Thousands of people, including pedestrians, die annually in vehicle crashes. The NHTSA works to help improve safety. We have previously reported that NHTSA did not include pedestrian safety tests in its assessments of new cars. These tests evaluate how well a vehicle's design and technology, such as radar to detect an imminent crash, protect pedestrians. In December 2024, NHTSA established pedestrian safety tests for new cars and continued to improve the data from crash test dummies by advancing the development and use of an improved female crash test dummy. ( <a href="#">GAO-23-105595</a> , <a href="#">GAO-20-419</a> )
<b>Tax law administration</b>	<b>Increasing the Transparency of Federal Tax Expenditures.</b> Tax expenditures—credits, deductions, or other ways to reduce a taxpayer's liability—represent a significant federal investment. These expenditures seek to achieve goals similar to spending programs, but by forgoing the collection of tax revenue. In October 2014, we recommended that the OMB include tax expenditures in a required inventory of all federal programs to help increase the transparency of them. OMB did so in January 2025 by including data on 174 tax expenditures, which represented an estimated \$1.82 trillion in FY 2024. ( <a href="#">GAO-24-107656</a> , <a href="#">GAO-17-775</a> , <a href="#">GAO-17-739</a> , <a href="#">GAO-15-83</a> )

Source: GAO. | GAO-26-900644

Note: Click on report covers below to access key reports related to [Table 7](#). Additional examples of other benefits for FY 2025 can be found in [Part II](#) of this report. It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For more information, see [Appendix II](#).



Source: GAO. | GAO-26-900644



## Other Measures of Our Results

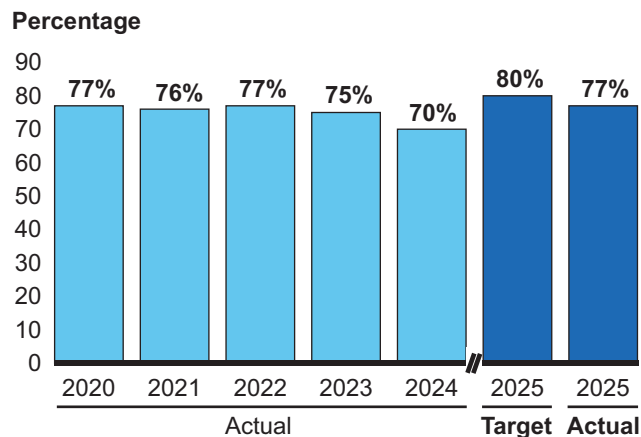
### Past Recommendations Implemented

One way we measure our effect on improving the government's accountability, operations, and services is tracking the percentage of recommendations that were implemented. Putting these recommendations into practice generates tangible benefits for the nation.

In FY 2025, we started using a 5-year reporting window. Prior to this year, we had been using a 4-year implementation rate. We changed the reporting window because based on historical data, we found that agencies continued their efforts to address our recommendations from year 4 to year 5. The data showed that the average increase from year 4 to year 5 was 4 percent. Meaning, based on the historical data, the projected implementation rate for recommendations after 4 years was 70 percent and after 5 years was 74 percent.

We achieved a 77 percent implementation rate for FY 2025. We fell below our target of 80 percent by 3 percentage points, but exceeded the projected average of 74 percent. (see [fig. 12](#)).

**Figure 12: Percentage of Past Recommendations Implemented**



Source: GAO. | GAO-26-900644

Note: Starting in FY 2025, GAO used a 5-year implementation rate to calculate the percentage of past recommendations implemented. Prior to that, we had used a 4-year implementation rate.

In FY 2025, we continued to highlight the status of key recommendations in our annual fragmentation, overlap, and duplication work—including progress made and the benefits of full implementation. We also continued to send letters to the heads of most federal departments and agencies—31 in 2025—recognizing their progress in implementing our priority recommendations and calling their attention to those still requiring action. In FY 2025, for the first time, we also sent letters to CFOs and CIOs at select agencies. Addressing these recommendations and issues could improve congressional or executive branch decision-making on major issues; eliminate mismanagement, fraud, and abuse across the government; help ensure reliable and complete federal financial information is available; and significantly improve government IT operations.

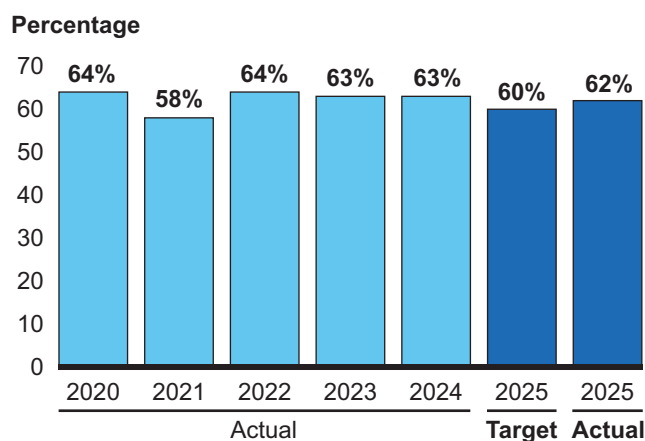
The percentage of past recommendations implemented is an important indicator to us of whether agencies put our recommendations into practice which results in improvements to government services and operations. As such, we are retaining our target of 80 percent for FY 2026. (See [Setting Performance Targets](#).)

### New Products Containing Recommendations

In FY 2025, about 62 percent of the reports we issued contained recommendations (see [fig. 13](#)). We track the percentage of new products with recommendations because many of these recommendations are intended to save money and enhance revenue. Many more are to strengthen national security, enhance public health and safety, and improve the efficiency and effectiveness of government programs and operations.

We are maintaining the 60 percent target for 2026 because we recognize that including recommendations in our products is not always warranted, and the Congress and agencies find informational reports as useful as those that contain recommendations. Our informational reports have the same analytical rigor and meet the same quality standards as those with recommendations and, similarly, can help to bring about substantial financial and other key benefits.

**Figure 13: Percentage of New Products with Recommendations**



Source: GAO. | GAO-26-900644

## Focusing on Our Client

To fulfill the informational needs of the Congress, we deliver the results of our work orally, as well as in writing, at a time agreed upon with our client.

In FY 2025, we received requests for work from 90 percent of the full committees of the Congress and 49 percent of the subcommittees. We strive to respond to all congressional requests and deliver our products to clients based on their needs.

We issued 671 total products and completed work for 43 full committees and 84 subcommittees in FY 2025. In addition to requests for written products, we have also responded to a growing demand from the Congress for technical assistance—work that could include briefings on prior work by GAO experts, data analysis, or comments on legislative bills. In FY 2025, we provided over 640 instances of technical assistance to Members of Congress.

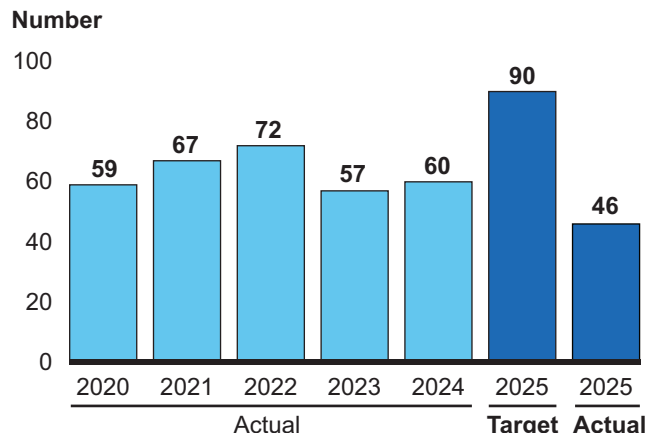
### Testimonies

Our clients often invite us to testify on our current and past work as it relates to issues that committees are examining through the congressional hearing process. During FY 2025, our senior executives were asked to testify 46 times (see [fig. 14](#)). Although we did not meet our target, we were asked to testify before 31 separate committees or subcommittees—on topics spanning most federal agencies (see [table 8](#)).

This measure is client-driven based on invitations to testify. The number of opportunities we had to testify this year was lower than previous years. The 46 testimonies that our senior executives delivered in FY 2025 covered the scope of our mission areas.

Fifty-nine percent of the testimonies that our senior executives delivered were related to our high-risk areas and programs. See [GAO's High-Risk List](#).

**Figure 14: Testimonies**



Source: GAO. | GAO-26-900644

We also delivered 18 member briefings, were asked to submit 2 Statements for the Record in lieu of testifying, and provided responses to 28 sets of Questions for the Record, which become part of the official hearing records. Moreover, GAO's work was cited by members of the Congress and witnesses in over 185 hearings beyond those at which we testified.

Our senior executives also participated in two roundtables sponsored by congressional subcommittees. The topics covered FEMA disaster assistance in response to the California wildfires and VA's efforts to modernize its electronic health records.

For FY 2026, we will maintain our testimony target of 90. We believe this is a stretch target given the number of testimonies we have delivered over the past several years. We anticipate more opportunities to testify in the future. (See [Setting Performance Targets](#).)



Table 8: Selected Testimony Topics • FY 2025

### **Goal 1: *Address Current and Emerging Challenges to the Well-being and Financial Security of the American People***

- Improving the VA's Veterans Crisis Line
- Implementing Key Provisions of the FAA Reauthorization Act of 2024
- Improving the VA's Oversight of State Nursing Homes
- Improving the BIE's Support and Oversight of Schools
- Assessing HHS's Progress in Addressing Recommendations to Improve the Care of Unaccompanied Children
- Addressing Federal Real Property Challenges
- Understanding Factors that Can Affect the Cleanup of Superfund Sites
- Improving Oversight of the Environmental Protection Agency (EPA) and DOE Spending
- Disposing of Unneeded Federal Facilities to Reduce Maintenance Backlog

### **Goal 2: *Respond to Changing Security Threats and the Challenges of Global Interdependence***

- Improving DOD's Delivery of Weapon Systems
- Enhancing the Transportation Security Administration's Cybersecurity Efforts in Surface Transportation
- Improving the Navy's Shipbuilding Practices
- Mitigating Cybersecurity Threats from Quantum Computing
- Addressing Challenges to the Coast Guard's Operations in the Arctic
- Addressing the Bureau of Cyberspace and Digital Policy's Efforts to Advance U.S. Interests
- Addressing Priority Areas to Improve Department of Homeland Security (DHS) Operations
- Assessing the Department of State's Efforts to Implement Programs Overseas
- Improving the Federal Approach to Disaster Assistance

### **Goal 3: *Help Transform the Federal Government to Address National Challenges***

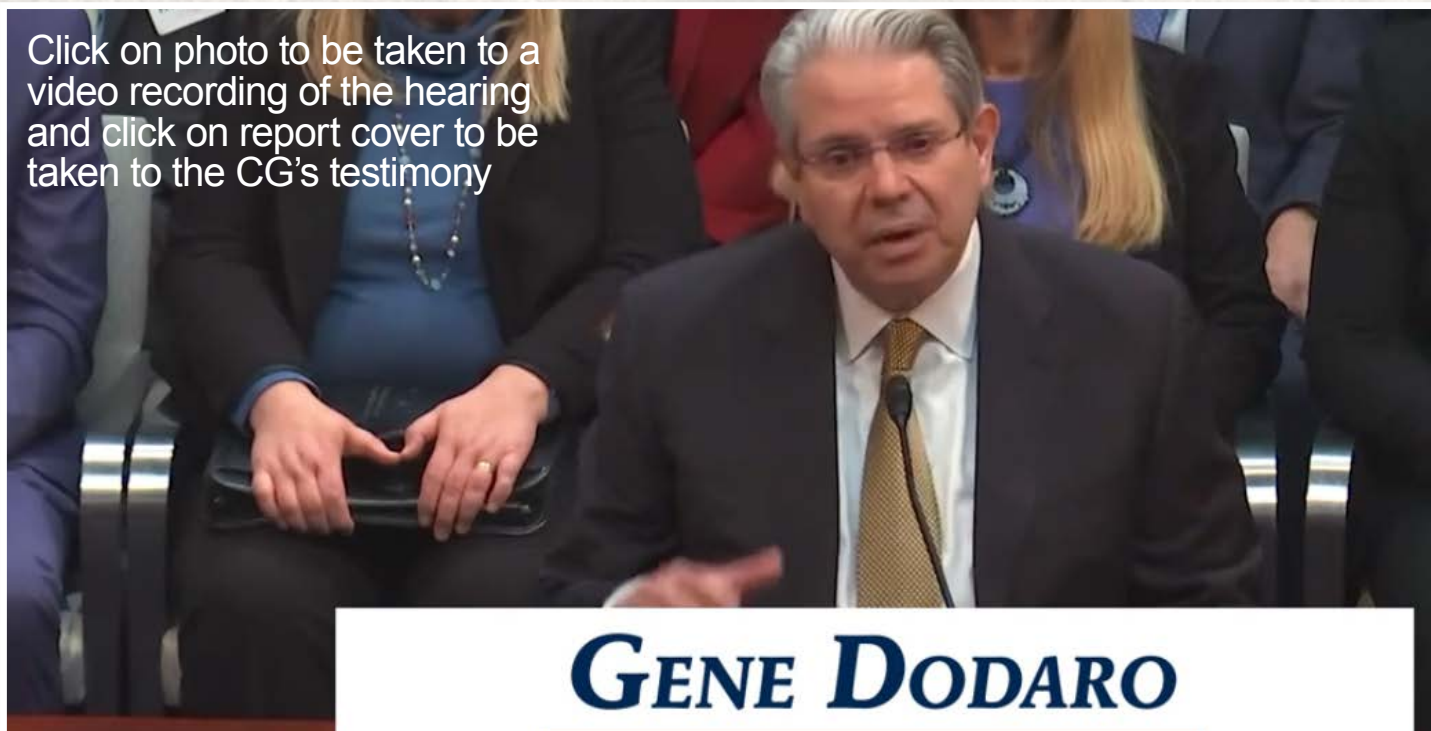
- Improving DOD's Fraud Risk Management
- Addressing the VA's Software Licensing Challenges
- Understanding the Federal Payment Process
- Addressing the VA's IT Modernization Challenges
- Understanding Wildfire Management Technologies

Source: GAO. | GAO-26-900644

Note: Additional information on selected testimonies can be found in [Part II](#) of this report.

## Former Comptroller General Testifying Before the Congress

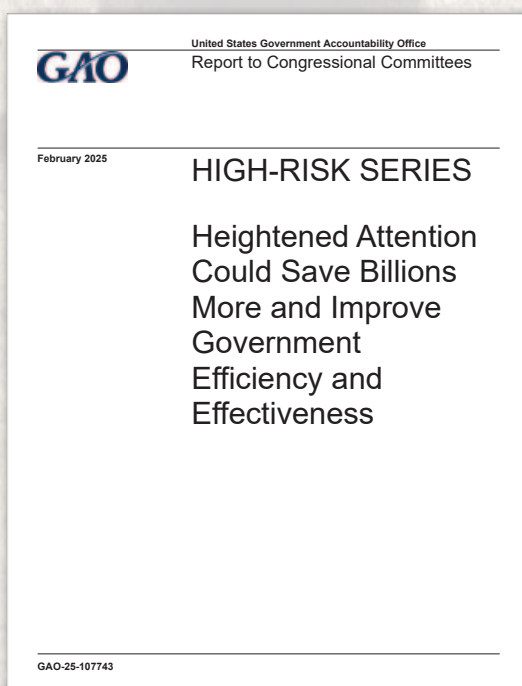
Click on photo to be taken to a video recording of the hearing and click on report cover to be taken to the CG's testimony



# GENE DODARO

Source: GAO. | GAO-26-900644

The Former Comptroller General Gene Dodaro testified in February 2025 before the U.S. House Committee on Oversight and Accountability about GAO's 2025 High-Risk List update.

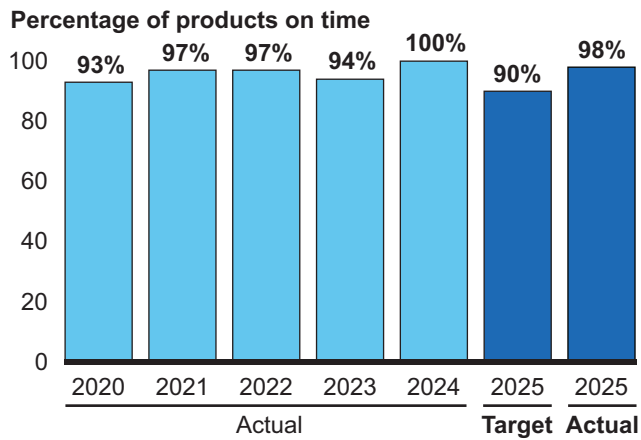


Source: GAO. | GAO-26-900644

## Timeliness

To be useful to the Congress, our products must be available when our clients need them. In FY 2025, we exceeded our timeliness target of 90 percent by 8 percentage points (see [fig. 15](#)). We reach out directly to our clients through several means, including an electronic feedback survey. As in prior years, we use the results of our client feedback survey as a primary source and barometer for whether we are getting our products to our congressional clients when they need the information.

**Figure 15: Timeliness**



Source: GAO. | GAO-26-900644

To calculate this result, we tally responses from the client survey we send to key congressional staff working for the requesters of our non-legal products. Because our products usually have multiple requesters, we often send forms to more than one congressional staff person per testimony or product. One of the questions on the survey asks the client whether they “agree” or “disagree” that the product was delivered on time. In FY 2025, 98 percent of congressional staff who responded to our survey question on timeliness said our products were on time.

We have consistently set a high target for timeliness because it is important for us to meet congressional needs when they occur. We have again set our FY 2026 target at 90 percent because we believe that this is realistic given current staffing levels and workload demands. See [Part V](#) for detailed information on data sources that we use to assess each performance measure, as well as the steps we take to verify and validate the data.



Focusing on Our People

Our professional and multidisciplinary staff were critical to our FY 2025 performance. Our ability to hire, develop, retain, and lead staff is key to fulfilling our mission of serving the Congress and the American people. Over the last several fiscal years, we have refined our processes for measuring how well we manage our human capital. In FY 2025, we exceeded the targets for all seven people measures. These measures are directly linked to our Goal 4 strategic objective of being a leading practices federal agency. For more information about our people measures, see [Appendix II, People Measures](#) of this report.

New Hire Rate

Our new hire rate is the number of new staff hired who came on-board by the end of the fiscal year divided by the number of new hires estimated to come on-board by

the end of the fiscal year in our operating plan. GAO’s annual workforce planning process helps to identify the human capital resource requirements needed to accomplish its mission. It is the key tool to put strategic goals into human capital actions that are needed to respond to changing work environments. The workforce plan takes into account strategic goals, projected workload requirements, and other changes, such as retirements, attrition, promotions, and skill gaps. It specifies the number of planned hires for the upcoming year. Adjustments to the plan are made throughout the year, if necessary, to respond immediately to the most pressing issues for congressional oversight and decision-making.

[Table 9](#) shows that in FY 2025, we exceeded our new hire rate target of 80 percent by 9 percentage points at 89 percent.

Table 9: Actual Performance and Targets Related to Our New Hire Rate Measure

Performance measure	2020 actual	2021 actual	2022 actual	2023 actual	2024 actual	2025 target	2025 actual	2026 target
People								
New hire rate	76%	80%	76%	81%	83%	80%	89%	80%

Source: GAO. | GAO-26-900644

Retention Rate

We continuously strive to make GAO a place where people want to work. Once we have made an investment in hiring and training people, we would like them to stay with us. This measure is one indicator of whether we are attaining this objective. We calculate this measure by taking 100 percent minus the attrition rate, where attrition rate is defined as the number of separations divided by the average onboard

strength. We calculate this measure with and without retirements. [Table 10](#) shows that in FY 2025, we exceeded our target rate of 92 percent for retention with retirements by 4 percentage points at 96 percent. We exceeded our target rate of 96 percent for retention rate without retirements at 98 percent.

**Table 10: Actual Performance and Targets Related to Our Retention Rate Measures, Including and Excluding Retirements**

Performance measures	2020 actual	2021 actual	2022 actual	2023 actual	2024 actual	2025 target	2025 actual	2026 target
<b>People</b>								
Retention rate								
With retirements	95%	96%	93%	95%	95%	92%	96%	92%
Without retirements	97%	98%	97%	96%	97%	96%	98%	96%

Source: GAO. | GAO-26-900644

### Staff Development and Utilization, Experience with Supervisors, and Organizational Climate

One way that we measure how well we are supporting our staff and providing an environment for professional growth is through our annual Employee Experience Survey. This confidential, web-based survey is administered to all of our employees once a year, and certain portions of the survey are used to develop our four people measures. Through the survey, we encourage our staff to indicate what they think about our overall operations, work environment, and organizational culture, and how they rate their experience with supervisors. (See [Appendix II, People Measures](#) for additional information.)

This fiscal year, 74 percent of our employees completed the survey, and we exceeded all targets (see [table 11](#)). For staff development, we exceeded our target of 80 percent by 4 percentage point, at 84 percent. For staff utilization, we exceeded our target of 80 percent by 7 percentage points, at 87 percent. For experience with supervisors, we exceeded our target of 82 percent by 8 percentage points, at 90 percent. For organizational climate, we exceeded our target of 80 percent by 8 percentage points, at 88 percent.

Given our performance on these measures in recent years and high engagement and retention rates, for FY 2026 we have decided to retain the same targets related to the people measures.

**Table 11: Actual Performance and Targets Related to Our Measures of Employee Satisfaction with Staff Development, Staff Utilization, Supervisors, and Organizational Climate**

Performance measures <sup>a</sup>	2020 actual	2021 actual	2022 actual	2023 actual	2024 actual	2025 target	2025 actual	2026 target
<b>People</b>								
Staff development <sup>b</sup>	81%	82%	82%	79%	81%	80%	84%	80%
Staff utilization <sup>b</sup>	85%	85%	84%	86%	85%	80%	87%	80%
Supervisors (experience with) <sup>b,c</sup>	90%	91%	90%	90%	91%	82%	90%	82%
Organizational <sup>b</sup> climate	86%	87%	86%	86%	86%	80%	88%	80%

Source: GAO. | GAO-26-900644

<sup>a</sup>Certain portions of our web-based survey are used to develop these four measures (see [Appendix II](#)).

<sup>b</sup>In FY 2020, we revised the questions underlying these four people measures. Therefore, we are rebaselining them, and not reporting the data from prior years.

<sup>c</sup>In FY 2020, we changed “effective leadership by supervisors” to “experience with supervisors” to better reflect the revised underlying questions and senior management’s information needs.

Managing Our Internal Operations

Our mission and people are supported by our administrative services, including information management, infrastructure operations, human capital, and financial management. We use information from our annual Customer Satisfaction Survey to assess our performance and set targets related to how well our administrative services help employees get their jobs done and improve the quality of their work life, as well as employee satisfaction with IT tools (see [table 12](#)).

We ask staff to rate internal services available to them, indicating how well each service met their needs by selecting from “strongly agree” to “strongly disagree,” or to indicate that they did not use the service. Our internal operations measures are directly related to our efforts under Goal 4 of our [strategic plan](#) to enable quality, timely service to the Congress and be a leading practices federal agency.

The first measure includes services that are critical to employees getting their jobs done, such as hiring, IT support,

internal communications, and report production. The second measure includes services affecting quality of work life, such as assistance related to pay and leave, building security and maintenance, and reasonable accommodations. The third measure includes IT tools, such as our internal engagement management system, our document management system, and the intranet. Using survey responses, we calculate a composite score for each service category.

[Table 12](#) shows our internal operations through calendar year 2024. Our target is 80 percent. We did not meet our target for the tools that help get your job done by 1 percentage point, did not meet our target for services that support employees’ quality of work life by 2 percentage points, and did not meet our target for IT tools by 8 percentage points. Although our IT tools score is not optimal, it increased 11 percentage points from the prior year and we will continue to focus on this area for ongoing improvement. (See [Appendix II, Internal Operations Measures](#).)

Table 12: Actual Performance and Targets Related to Our Internal Operations Measures

Performance measures	2020 actual	2021 actual	2022 actual	2023 actual	2024 target	2024 actual	2025 target	2026 target
Internal operations								
Help get job done	N/A <sup>a</sup>	N/A <sup>a</sup>	78%	78%	80% <sup>b</sup>	79% <sup>b</sup>	80%	N/A
Quality of work life	N/A <sup>a</sup>	N/A <sup>a</sup>	81%	81%	80% <sup>b</sup>	78% <sup>b</sup>	80%	N/A
IT tools	N/A <sup>a</sup>	N/A <sup>a</sup>	61%	61%	80% <sup>b</sup>	72% <sup>b</sup>	80%	N/A

Source: GAO. | GAO-26-900644

Notes: Information explaining the measures included in this table appears in the [Appendix II](#).

<sup>a</sup>In 2022, we administered a new survey instrument to better gauge the quality of our internal customer services; the new survey instrument established a new trend baseline for these measures.

<sup>b</sup>We administer our annual customer survey in January to gauge customer experience for the prior calendar year and report the results in the next fiscal-year PAR. Calendar year 2024 data is provided in this FY 2025 PAR.



## Other Ways GAO Served the Congress and the American People

### GAO's High-Risk List

Congress and executive agencies have made substantial progress addressing high-risk issues in recent years. Since we started the High-Risk List in 1990, progress has been sufficient enough for us to remove the High-Risk designation for 29 areas. We updated our High-Risk List in February 2025. Currently, the High-Risk List highlights 38 areas across the federal government that are seriously vulnerable to waste, fraud, abuse, and mismanagement or that need transformation. A complete list of these areas is shown on the next page ([table 13](#)) and details can be found on our [High-Risk List website](#).

This year, we added one new high-risk area—Improving the Delivery of Federal Disaster Assistance—due to the increase in natural disasters and the need for efficient and effective federal relief (see video clip). The federal approach to disaster recovery is fragmented across over 30 federal entities. So many entities involved with multiple programs and authorities, differing requirements and timeframes, and limited data sharing across entities make it harder for survivors and communities to navigate federal programs. The federal entities—including Congress—need to address the nation's fragmented approach to disaster recovery.



Source: GAO. | GAO-26-900644

New High-Risk Area: Improving the Delivery of Federal Disaster Assistance.

Additionally, in 2025, we updated GAO's high-risk area on improving IT acquisition and management to reflect the longstanding challenges and increasing complexities that agencies face and issued a new High-Risk series product on the topic ([GAO-25-107852](#)). In this product, we identified three major IT acquisition and management challenges:

(1) strengthening oversight and management of IT portfolios, (2) implementing mature IT acquisition and development practices, and (3) building federal IT capacity and capabilities. To address these challenges, we identified nine critical actions that the federal government urgently needs to take. For example, actions in the areas

**Table 13: GAO’s High-Risk List as of September 30, 2025**

High-risk area	Year designated
DOD Weapon Systems Acquisition	1990
Acquisition and Program Management for DOE’s National Nuclear Security Administration and Office of Environmental Management	1990
Enforcement of Tax Laws	1990
Medicare Program and Improper Payments	1990
NASA Acquisition Management	1990
DOD Contract Management	1992
DOD Business Systems Modernization	1995
DOD Financial Management	1995
Ensuring the Cybersecurity of the Nation	1997
Strategic Human Capital Management	2001
Improving and Modernizing Federal Disability Programs	2003
Managing Federal Real Property	2003
Strengthening Department of Homeland Security IT and Financial Management Functions	2003
Strengthening Medicaid Program Integrity	2003
DOD Approach to Business Transformation	2005
National Flood Insurance Program	2006
Protecting Technologies Critical to U.S. National Security	2007
Funding the Nation’s Surface Transportation System	2007
Improving Federal Oversight of Food Safety	2007
Modernizing the U.S. Financial Regulatory System	2009
Protecting Public Health Through Enhanced Oversight of Medical Products	2009
Transforming EPA’s Processes for Assessing and Managing Chemical Risks	2009
USPS Financial Viability	2009
Management of Federal Oil and Gas Resources	2011
Limiting the Federal Government’s Fiscal Exposure by Better Managing Climate Change Risks	2013
Resolving the Federal Role in Housing Finance	2013
Improving IT Acquisitions and Management	2015
Managing Risks and Improving VA Health Care	2015
Improving Federal Management of Programs that Serve Tribes and Their Members	2017
U.S. Government’s Environmental Liability	2017
Government-wide Personnel Security Clearance Process	2018
VA Acquisition Management	2019
Emergency Loans for Small Businesses	2021
National Efforts to Prevent, Respond to, and Recover from Drug Misuse	2021
Unemployment Insurance System	2022
HHS Leadership and Coordination of Public Health Emergencies	2022
Strengthening Management of the Federal Prison System	2023
Improving the Delivery of Federal Disaster Assistance	2025

Source: GAO. | GAO-26-900644

of strengthening oversight, implementing mature IT acquisition and development practices, and building federal capacity. By refocusing the improving IT acquisition and management high-risk area, GAO is better prepared to support congressional oversight of the substantial federal investment in IT.

Our High-Risk List has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. Additionally, our list has led to significant financial benefits for the country and taxpayers. Between the 2023 and 2025 updates, agencies' actions to address high-risk areas have resulted in approximately \$84 billion in financial benefits.

Progress on high-risk areas has also resulted in many other benefits that cannot be measured in dollar terms, such as improved service to the public and enhanced ability to achieve agency missions. For example, the national efforts to prevent, respond to, and recover from drug use high-risk area has made improvements because federal agencies have increased their capacity to reduce drug overdose deaths, such as by expanding access to opioid overdose reversal medication.

Overall, efforts to address high-risk issues have contributed to hundreds of billions of dollars saved. Over the past 20 years (FYs 2006-2025), these financial benefits totaled nearly \$811.5 billion. (We began collecting data on high-risk benefits in 2006.) In FY 2025, our high-risk work yielded 168 reports, 27 testimonies, \$52 billion in financial benefits, and 576 other benefits.

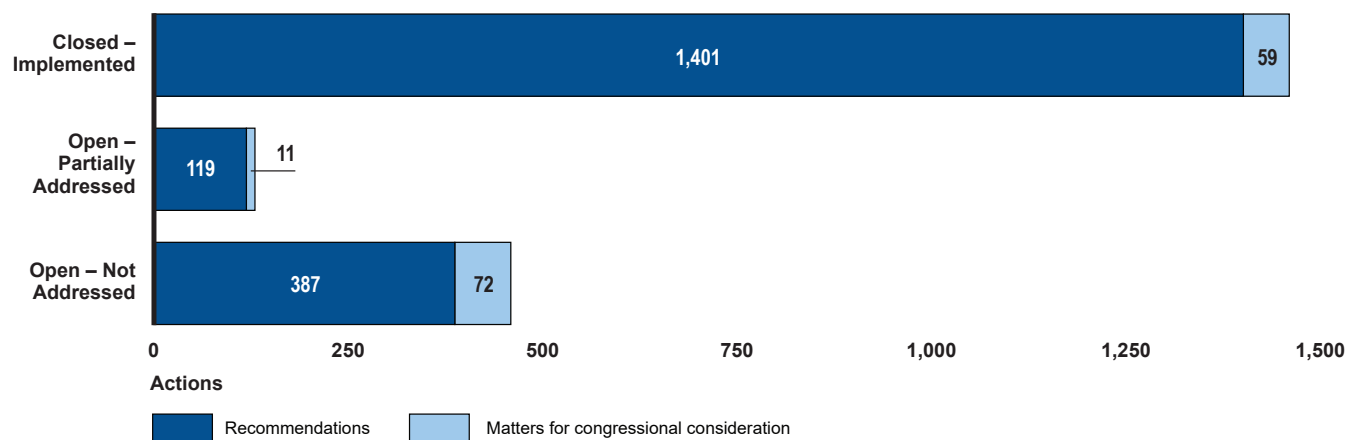
Further progress on the 38 areas remaining on the High-Risk List can help save billions more dollars and increase government performance and accountability.

## Opportunities to Reduce Fragmentation, Overlap, and Duplication, and Achieve Other Financial Benefits

In May 2025, GAO released its [15th annual report](#) highlighting opportunities to reduce or better manage fragmentation, overlap, and duplication in federal programs—as well as chances to save money and increase revenue. GAO identified 148 new matters for congressional consideration and recommendations in 43 new topic areas for Congress or federal agencies to improve efficiency and effectiveness of government. For example:

- OMB and 24 federal agencies should implement statutory requirements for annual IT portfolio reviews and high-risk IT investment reviews, which could result in \$100 million or more in cost savings by reducing duplicative IT investments and halting or terminating investments, when appropriate.
- The Space Development Agency should fully demonstrate its space-based laser communications technology in each iterative development phase before progressing, potentially saving hundreds of millions of dollars over 10 years.
- OMB and GSA should join Congress in taking steps to help ensure the Federal Audit Clearinghouse contains quality single audit information, which could reduce risk and resolve deficiencies in federal award spending by hundreds of millions of dollars per year.

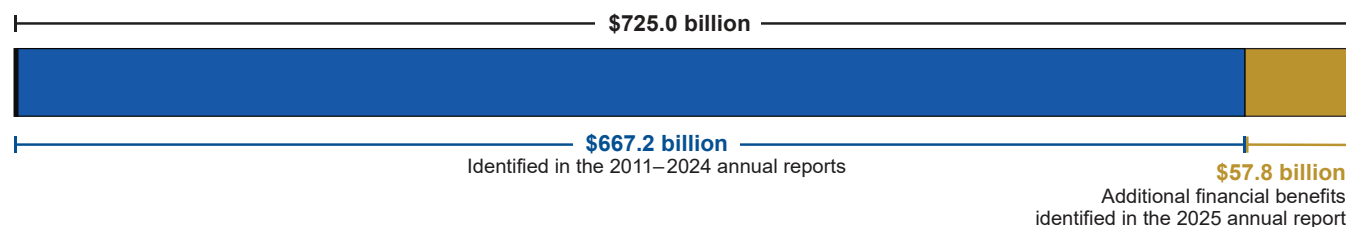
As of March 2025, Congress and federal agencies had fully addressed 1,460 (71 percent) of the 2,049 recommendations we have made since 2011 (see [fig. 16](#)). They had also taken some action on another 130 (about 6 percent) of the remaining recommendations. These actions have resulted in financial and other benefits—including improving agencies' coordination efforts, as well as reducing fraud, waste, abuse, and mismanagement.

**Figure 16: Status of Duplication and Cost Saving Recommendations, as of March 2025**

Source: GAO. | GAO-26-900644

As shown in the [figure below](#), these efforts have cumulatively resulted in about \$725 billion in financial benefits, an increase of

about \$57 billion from GAO's last report on this topic.

**Figure 17: Total Financial Benefits of \$725 Billion Identified in GAO's 2011-2025 Duplication and Cost Savings Annual Reports**

Source: GAO. | GAO-26-900644

Further steps are needed to fully address the matters for congressional consideration and recommendations GAO identified from 2011 to 2025. As of March 2025, there were 589 remaining matters for congressional consideration and recommendations to agencies that could yield even more benefits. This includes the 148 new matters for congressional consideration and recommendations we identified in the 2025 report. Addressing these remaining recommendations could save \$100 billion or more and improve government services. For example, according to CBO estimates, Congress could save the Medicare program \$156.9 billion over 10 years if it took steps

to direct the Secretary of HHS to equalize payment rates between settings for office visits and other services that the Secretary deems appropriate, as [we recommended](#) in 2015.

Policymakers and the public can track the status of congressional and federal agency efforts to address the issues we have previously identified on [GAO's Duplication and Cost Savings website](#). The website includes a downloadable spreadsheet containing all matters for congressional consideration and recommendations related to our duplication and cost-savings body of work.

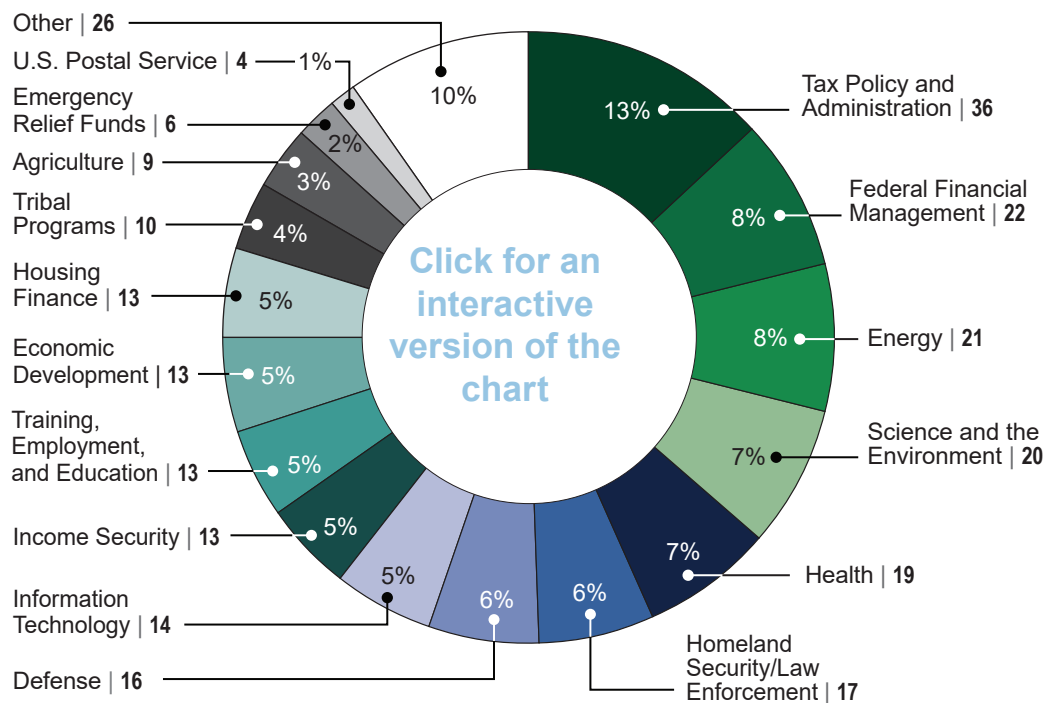


## Recommendations to Congress and Agencies Could Produce Billions in Future Financial Benefits

In May 2025, we [reported](#) on open matters for congressional consideration. Action to address these open matters for congressional consideration can produce tens of billions of dollars in future financial savings or improve the effectiveness of federal agencies. Since 2000, we have recommended that

Congress consider more than 1,100 matters for congressional consideration, and nearly 80 percent of them have closed. As of March 2025, 272 matters for congressional consideration remained open. Bills introduced in the 118th or 119th Congress would partially or fully address about one third of those. The open matters for congressional consideration span a wide range of topics and involve many parts of the federal government, as shown in [figure 18](#).

**Figure 18: Open Recommendations for Congress by Topic, as of March 2025**

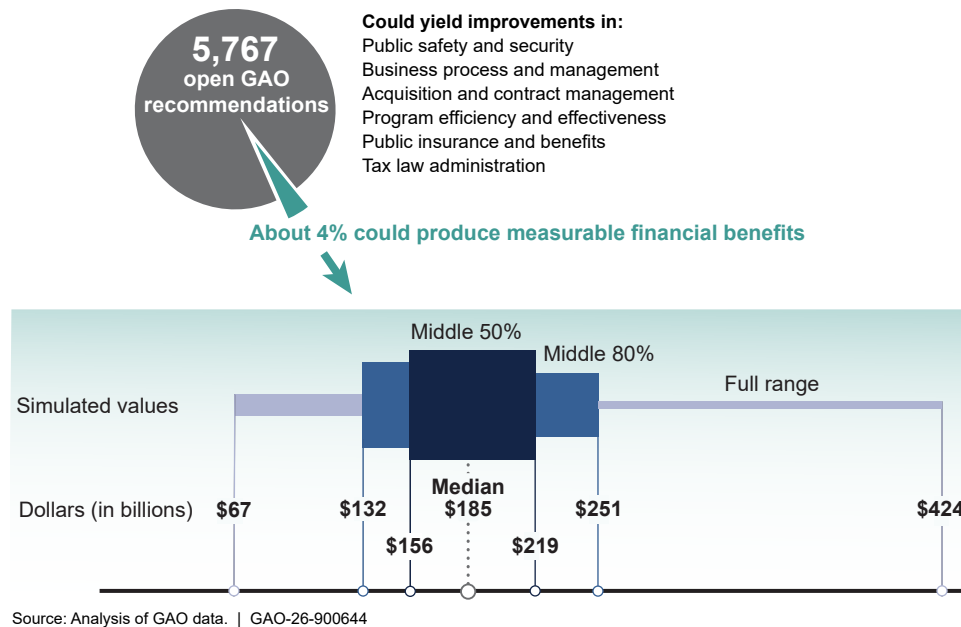


Source: GAO. | GAO-26-900644

As of October 2025, 5,767 GAO recommendations were open, including matters for congressional consideration and recommendations to executive agencies. These open matters for congressional consideration and recommendations span the federal government and include several different areas. We estimate that implementation of these recommendations could result in \$132 billion to \$251 billion of measurable future financial benefits.

These estimates are from a model that integrates information on these open recommendations with GAO's extensive data on realized financial benefits over more than two decades. The estimates have a median simulated value of approximately \$185 billion, and the range reflects the middle 80 percent of simulated values (see [fig. 19](#)).

**Figure 19: Potential Benefits of Open GAO Recommendations, as of October 2025**



Note: To develop estimates of the potential financial benefits that could result from implementation of all GAO recommendations, we replicated the methodology used in [GAO-24-107146](#).

## General Counsel Decisions

In addition to benefiting from our audit and evaluation work, which reflects considerable legal input, the Congress and the public also benefited from our FY 2025 legal products and activities. The following exemplify some of our key contributions.

OGC handled 1,688 bid protest cases during the course of FY 2025.<sup>5</sup> The bid protest process was authorized by law, as part of the Competition in Contracting Act of 1984, to provide an administrative forum to challenge the award, or solicitation for the award, of a federal contract. The statute requires that GAO resolve protest disputes in no more than 100 calendar days, and, in most cases, requires agencies to stop work on a contract until the protest is resolved. This stop-work approach preserves the possibility for meaningful relief upon completion of the protest.

Additionally, we issued 380 decisions on the merits, which are accessible on GAO's [Bid Protest Decisions](#) web page. These decisions addressed a wide range of issues involving compliance with, and the interpretation of, procurement statutes and regulations. Certain of these protests involved highly visible government programs and received extensive media coverage.

Many of our FY 2025 protests were resolved without a written decision on the merits because the federal agency involved voluntarily took corrective action to address the protest, in some cases after GAO used Alternative Dispute Resolution techniques. The remaining protests were decided on the merits, dismissed for procedural deficiencies, or withdrawn by

the protester. The Comptroller General is also required by the Competition in Contracting Act to report annually to the Congress on federal agencies that do not fully implement a recommendation made by GAO in connection with a bid protest decided in the prior fiscal year.

In July 2025, OGC also testified on bid protest features and trends before the House Committee on Oversight and Government Reform, Government Operations Subcommittee ([GAO-25-108652](#)). Our testimony was based primarily on GAO's response to section 885 of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025.<sup>6</sup> Section 885 required that GAO propose certain potential reforms to the bid protest process, including the development of an enhanced pleading standard protesters must meet before obtaining access to DOD administrative records, and shifting the costs of other parties to the protester when a protester files an unsuccessful protest.

Within OGC, six attorneys appointed by the General Counsel also serve on our Contract Appeals Board, established by law in 2007 to hear and decide the appeals of contracting officer decisions with respect to contract disputes involving all legislative branch agencies. In addition to using Alternative Dispute Resolution procedures, the GAO Contract Appeals Board also issues formal decisions as necessary to adjudicate contract appeals. These appear on our [Contract Appeals Board Decisions](#) website.

During FY 2025, the GAO Contract Appeals Board opened three new appeals and closed one appeal. At the end of FY 2025, the board had two pending appeals on its docket, two more than at the end of FY 2024. The current number of appeals is lower than the average for the past 5

<sup>5</sup>The number of filings each fiscal year is included in GAO's bid protest annual report, which is required to be filed with the Congress not later than January 31 of the next calendar year. The requirement for the annual report is in the Competition in Contracting Act of 1984, 31 U.S.C. § 3554(e)(2). The number of filings in the last 3 years are as follows: 1,803 filings in FY 2024; 2,025 filings in FY 2023; and 1,658 filings in FY 2022.

<sup>6</sup>B-423717, July 14, 2025.

years, but also indicative of the fact that, unlike GAO bid protests, the jurisdiction of the GAO Contract Appeals Board is limited to contract disputes involving legislative branch agencies.

GAO conducts work to support Congress's constitutional and oversight powers, including its exercise of the constitutional power of the purse. This work includes issuing decisions on appropriations law issues—such as compliance with the Antideficiency Act, the *bona fide* needs statute, the Recording Statute, and the Purpose Statute. In FY 2025, we published 16 appropriations law decisions. These decisions are available on our [Appropriations Law Decisions](#) web page. Additionally, as described below, we carried out work to support Congress under the Impoundment Control Act of 1974 (ICA).

Some examples of the appropriations law issues we addressed in our decisions include the application of the Recording Statute, *bona fide* needs statute, and the Antideficiency Act to SNAP benefits<sup>7</sup>; and whether the Commodity Credit Corporation violated the Antideficiency Act when it incurred obligations in excess of its apportionment for the Conservation Reserve Program and the Emergency Forestry Conservation Reserve Program.<sup>8</sup>

Under the ICA, GAO supports the Congress in exercising its constitutional power of the purse. This includes reviewing notifications sent by the President, known as special messages, and issuing decisions on compliance with the ICA. These products and decisions are available on the [Impoundment Control Act tab](#) on our Appropriations Law Decisions web page.

Under the ICA, GAO is to review each special message sent by the President to notify Congress that the President intends to temporarily delay, or defer, the use of

appropriated funds, or that the President is requesting that Congress permanently cancel, or rescind, appropriated funds. We reviewed the President's Special Message of June 3, 2025, and reported our finding to Congress—that each of the 22 proposed rescissions in that special message was consistent with the ICA and properly classified as a rescission.<sup>9</sup>

We issued 11 decisions on compliance with the ICA. Some examples include our finding that the Department of Interior's 30-day pause in the disbursement of funds for a water recycling program was not an impoundment but a permissible programmatic delay<sup>10</sup> and that HHS violated the ICA when it withheld from disbursement funds appropriated to carry out the Head Start Act.<sup>11</sup>

We also sent a letter to the OMB Director on the availability of apportionment data that is required by law.<sup>12</sup> To carry out our responsibilities under the ICA, we typically request an agency's factual explanations and legal views, and analyze apportionment schedules and obligational data from an appropriation to determine whether there is any indication of an improper withholding of appropriated funds.

In March 2025, OMB removed the public website with agency apportionment data, which was contrary to a legal requirement for OMB to make such information available.<sup>13</sup> OMB also declined to provide us the apportionment schedules directly, despite GAO's statutory authority to access such information. Moreover, as described in our decisions on compliance with the

<sup>9</sup>B-337581, June 17, 2025.

<sup>10</sup>B-337233, July 23, 2025.

<sup>11</sup>B-337202, July 23, 2025.

<sup>12</sup>Enclosure to B-337581: Letter from GAO General Counsel to OMB Director on Availability of Apportionment Data, Apr. 8, 2025.

<sup>13</sup>The Financial Services and General Government Appropriations Act, 2023, required OMB to post apportionment data on a public website. See Consolidated Appropriations Act, 2023, Pub. L. No. 117-328, div. E, tit. II, § 204, 136 Stat. 4459, 4667 (2022).

<sup>7</sup>B-336036, Feb. 12, 2025.

<sup>8</sup>B-330628, Dec. 9, 2024.



ICA, many agencies did not provide us apportionment schedules or respond to our requests for information and their legal views. Such information would have aided in our review of ICA issues and our support of congressional oversight of programs.<sup>14</sup>

In July 2025, the United States District Court for the District of Columbia ordered OMB to restore the website and to disclose the information withheld since its removal.<sup>15</sup> In August, the United States Court of Appeals for the District of Columbia Circuit directed that OMB follow the district court's order and restore the website while the case is pending appeal.<sup>16</sup> Subsequent to its restoration, we were able to incorporate this information in our ICA analyses.

GAO is sometimes asked to issue decisions related to whether agency actions constitute rules under the CRA, which are subject to the act's submission requirements. We issued 12 CRA decisions in FY 2025. We also continued to issue reports on major rules to both Chambers of Congress, as required by the act. We issued 82 reports for rules received in FY 2025. They are available on our [Congressional Review Act](#) webpage.

Some examples of the agency actions we reviewed in our CRA decisions include:

- A U.S. Fish and Wildlife Service record of decision adopting a barred owl management strategy;<sup>17</sup> and
- A Federal Housing Finance Agency directive to Fannie Mae and Freddie Mac (the Enterprises) to require lenders to

deliver credit reports from any two of the three nationwide consumer reporting agencies for single family loans the Enterprises acquire.<sup>18</sup>

As required by the Federal Vacancies Reform Act of 1998, we also track vacancies in executive positions that require presidential appointment with Senate confirmation, and report to the President, the Congress, and OPM when officials act in excess of the period prescribed by the act. Additionally, we issue decisions regarding agency compliance with the Federal Vacancies Reform Act pursuant to requests from the Congress and Offices of Inspectors General. We issued one time-violation letter under the Federal Vacancies Reform Act in FY 2025.<sup>19</sup>

## Other Legal Work

We also provided ongoing appropriations law assistance to various congressional committees and federal agencies on a number of topics, including the application of the Antideficiency Act and ICA. Additionally, we provided 218 instances of informal technical assistance to Congress and federal agencies in FY 2025.

GAO continued to provide appropriations law guidance to the entire federal community. GAO's *Principles of Federal Appropriations Law*, commonly known as the Red Book, continued to be the primary resource for appropriations law guidance in the federal community.<sup>20</sup>

Appropriations law attorneys continued to provide training on appropriations law, including an in-person 2 1/2-day course on appropriations law and shorter appropriations law seminars. We held 23 classes across 15 agencies. Additionally, we provided 17 appropriations law seminars and briefings for committee and member

<sup>14</sup>We shared our views with the OMB Director in April 2025. See Enclosure to B-337581: Letter from GAO General Counsel to OMB Director on Availability of Apportionment Data, Apr. 8, 2025.

<sup>15</sup>Citizens for Resp. & Ethics in Wash. v. Office of Mgmt. & Budget, No. 25-1051, 2025 U.S. Dist. LEXIS 138899, at \*65 (D.D.C. July 21, 2025).

<sup>16</sup>OMB appealed the district court's decision in July 2025. The appellate court initially ordered an administrative stay of the district court's order in July and then, in August, lifted the administrative stay and denied the motion to stay the district court's order pending appeal. Citizens for Resp. & Ethics in Wash. v. Office of Mgmt. & Budget, No. 25-5266, 2025 U.S. App. LEXIS 20247, at \*34 (D.C. Cir. Aug. 9, 2025).

<sup>17</sup>B-337059, May 28, 2025.

<sup>18</sup>B-336260, Oct. 1, 2024.

<sup>19</sup>B-336092, Jan. 16, 2025.

<sup>20</sup>*Principles of Federal Appropriations Law*, also known as the Red Book, is a multi-volume treatise concerning federal fiscal law available at <https://www.gao.gov/legal/red-book/overview>. Updates to the Red Book are in process.

congressional offices, as well as legislative-branch agencies. Appropriations law attorneys also provided classes for GAO staff involved in audits and evaluations, and internal operations. Additionally, attorneys discussed our appropriations law work at three external conferences. To facilitate congressional access to our services, we continued holding weekly office hours at the Agency Connection Center in the Longworth House Office Building.

For FY 2025, we received eight Antideficiency Act reports and we issued our Fiscal Year 2024 Antideficiency Act Reports Compilation, which is available on our website.<sup>21</sup> We maintain an official repository of Antideficiency Act reports and, from FY 2005 through FY 2025, we have received 329 reports.

## Legal Services

In FY 2025, OGC analyzed a wide range of the agency's federal employment and labor relations issues, as well as privacy and document disclosure matters. OGC attorneys also continued to advise agency management on a number of employment and labor issues, such as complex matters related to reasonable accommodations and the potential expansion of the GAO Employees Organization membership. Additionally, attorneys represented GAO and its officials in various ongoing litigation pending before the federal courts and administrative boards, and served as management representatives in union bargaining sessions and grievances. OGC attorneys also continued to advise management on the development and administration of internal agency policy documents and Orders.

As in prior years, OGC was also an active stakeholder in ensuring that GAO's acquisition practices and procedures comply with all legal requirements and best practices.

## Ethics

OGC's Ethics team helped to assure GAO upholds the highest standards of ethical conduct and maintained its reputation for independent and nonpartisan assessments of federal programs. In addition to day-to-day advice and counsel on avoiding conflicts of interest and threats to independence, the ethics team presented to all employees on the need for independence, impartiality, and political neutrality, emphasizing the importance of protecting GAO's reputation for nonpartisan and fact-based work.

<sup>21</sup>B-336351, Dec. 20, 2024.

## Strategic Partnerships

The SPEL team helps GAO strategically focus its work by building relationships, sharing knowledge, facilitating innovation, and strengthening capacity of domestic and international accountability partners to advance U.S. interests and oversight of federal resources across the country and worldwide.

### Domestic Relations

SPEL supports GAO's work and improves domestic audit quality by working closely with inspectors general and auditors at the federal, state, and local levels.

Our primary efforts support GAO's audits and strengthen our auditors' expertise. By connecting GAO's auditors to the domestic audit community and identifying emerging domestic audit-related issues, we enhance transparency and communication among different groups. These activities support GAO's oversight of federal spending by states, territories, and localities, and improve communication among federal, state, and local government auditors.

Through 11 Intergovernmental Audit Forums, GAO facilitates training and knowledge sharing that helps build capacity and improve the domestic community's audit quality. In FY 2025, GAO managed and led all forum events, including hosting seven webinars that provided information on topics such as auditor training, disaster response, and AI. These events served close to 9,000 Intergovernmental Audit Forum members across the nation.

In April and July 2025, we convened meetings of the Comptroller General's Domestic Working Group and Educators Advisory Panel, respectively. The meetings provided a platform to explore several high-priority areas, such as improper payments on unemployment insurance and Medicaid,

AI uses and risks, cybersecurity and critical infrastructure risks, and disaster response readiness.

### International Relations

GAO made substantial contributions to the international accountability community through its leadership role in the International Organization of Supreme Audit Institutions ([INTOSAI](#)), including as a member of its Governing Board and as the chair or vice chair of six INTOSAI bodies. INTOSAI is an umbrella organization for the international government auditing community to share knowledge and improve government auditing around the world.

Among other key roles, GAO serves as vice chair of the Policy, Finance, and Administration Committee and the INTOSAI Donor Cooperation. The Donor Cooperation facilitates financial and technical support from a community of 23 donor partners to help Supreme Audit Institutions (SAI) build professional capacity and enhance oversight of government expenditures and programs.

In FY 2025, GAO continued its International Auditor Fellowship Program, which now has 666 graduates from 111 countries. The program enhances the effectiveness of U.S. public funds by helping other national audit offices build capacity for strengthening financial transparency, reducing corruption, and fostering stable economic environments that benefit American financial assistance, trade, and investment. Program participants receive 3 months of intensive training at GAO and often advance to senior leadership positions in their respective audit institutions or governments.

GAO also continued its partnership with the International Monetary Fund, World Bank, Organization for Economic Cooperation and Development (OECD), INTOSAI General Secretariat, and INTOSAI Development Initiative to help ensure that SAIs can independently execute their audit mandates, free from external influence. The partners will produce a report in FY 2026 that will inform OECD deliberations on the development of related principles for existing and aspiring member nations.

In FY 2025, GAO continued to serve as Chair of INTOSAI's *International Journal of Government Auditing*. In that capacity, GAO focused on expanding the Journal's reach and influence across INTOSAI's 195 members—through quarterly publications and sharing news and best practices on its website and social media in real-time.

### Center for Audit Excellence

In 2014, Congress authorized GAO to establish the Center for Audit Excellence (CAE) to provide training and technical assistance to domestic and international accountability organizations. CAE is authorized to charge fees for its services, which it uses to recover most of its costs. CAE is staffed with retired annuitants who work on a contract basis.

In FY 2025, CAE provided training to more than 2,250 domestic participants, including U.S. federal, state, and local accountability organizations. The training included its existing inventory of courses and new courses, such as briefing techniques and advanced interviewing skills. CAE currently offers 23 standard courses focused on the auditing process.

Additionally, CAE expanded its technical assistance to include additional federal inspectors general. It also continued its important partnership with the Council of the Inspectors General on Integrity and Efficiency to train staff throughout that community.

CAE also provided capacity-building services to help international accountability organizations in 14 countries across Europe, Asia, the Caribbean, Africa, and the Middle East strengthen their ability to conduct high-quality audits and enhance compliance with international audit standards. As in past years, CAE's international work was funded by several sources, including the State Department, the United States Agency for International Development (USAID), SAIs, and international development banks. For example, in FY 2025, CAE:

- Provided 17 training courses to organizations that covered a variety of topics, including performance auditing, financial auditing, evidence, quality assurance, and recommendation follow-up;
- Enhanced the Bahamas Office of the Auditor General by training auditors in financial and performance auditing and updating the Office's quality assurance manual, under an agreement with the U.S. Department of State; and
- Provided guidance and support to assist the Ukraine Parliament draft legislation to strengthen its SAI; trained Ukrainian external and internal auditors in conducting performance audits; and mentored auditors in conducting high-quality audits of Ukraine's management of U.S. assistance and Ukrainian government programs, under an agreement funded by USAID.

In late January 2025, USAID directed CAE to suspend work on all ongoing USAID-funded projects and later terminated them. CAE explored new opportunities to work with international accountability organizations and other donors. For example, in May 2025, CAE signed two agreements with a new donor, the Inter-American Development bank, to provide capacity-building services to two supreme audit organizations in the Caribbean.



## Center for Strategic Foresight

The Center for Strategic Foresight enables GAO staff to plan for the agency's future and provide congressional clients with expertise, analysis, and products that are relevant and forward-looking.

In FY 2025, GAO's Center for Strategic Foresight staff advanced the agency's foresight capacity through the following efforts: (1) continued to strengthen

horizon-scanning work aligned with agency priorities; (2) provided technical assistance and support to GAO teams to help strengthen and increase the use of foresight tools and methodologies in their work; (3) trained GAO's executive candidates on foresight tools and methods; (4) provided training in strategic planning and foresight for participants in the international fellows program; and (5) continued supporting GAO's AI Council.

Managing Our Resources

Resources Used to Achieve Our FY 2025 Performance Goals

Our financial statements for the fiscal year ending September 30, 2025, were audited by an independent auditor, Sikich CPA LLC, and received an unmodified opinion. The auditor found our internal controls over financial reporting to be effective—which means that no material weaknesses or significant deficiencies were identified—and reported that we substantially complied with the applicable

requirements for financial systems in FFMIA. In addition, the auditor found no instances of noncompliance with the laws or regulations in the areas tested. In the opinion of the independent auditor, our financial statements are presented fairly in all material respects and are in accordance with accounting principles generally accepted in the United States. See the [auditors’ report](#), [statements](#), and accompanying [notes](#). [Table 14](#) summarizes key data.

Table 14: GAO’s Financial Summary (Dollars in Millions)

	FY 2025	FY 2024
Total Assets	\$290.1	\$334.8
Total Liabilities	\$107.7	\$107.1
Total Net Position	\$182.4	\$227.7
<b>Net Cost of Operations by Goal</b>		
Goal 1: Well-being/Financial Security of American People	\$374.9	\$327.0
Goal 2: Changing Security Threats/Challenges of Global Interdependence	212.3	275.7
Goal 3: Help Transform the Federal Government to Address National Challenges	284.5	226.8
Goal 4: Maximize the Value of GAO	13.4	21.4
Other Costs in Support of the Congress	67.2	71.3
Costs Not Assigned to Programs	3.1	-
Reimbursable services not attributable to above cost categories	(15.8)	(16.4)
<b>Total Net Cost of Operations</b>	<b>\$939.6</b>	<b>\$905.8</b>
<b>Actual FTE</b>	<b>3,556</b>	<b>3,576</b>

Source: GAO. | GAO-26-900644

Compared with the financial statements of large and complex departments in the executive branch, our statements present a relatively simple picture of a small yet very important agency in the legislative branch.

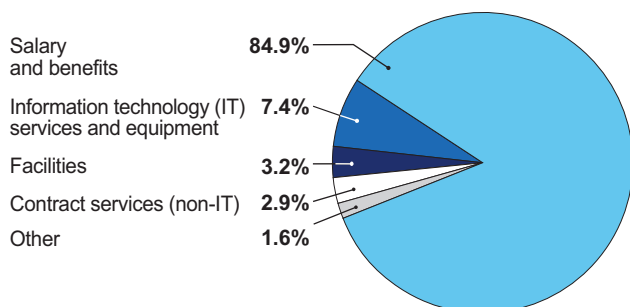
We focus most of our financial activity on the execution of our congressionally approved budget, with most of our resources devoted to the people needed for our mission.

In FY 2025, our budgetary resources included \$821.9 million of appropriations and supplemental funding as well as \$31.7 million in spending authority from offsetting collections, primarily from the lease of space in our headquarters building and certain audits of agency financial statements. Our total budgetary resources, including prior year unobligated balances, in FY 2025 were \$1,057.3 million.

Total assets at the end of FY 2025 were \$290.1 million, consisting mostly of fund balance with Treasury and property and equipment (including the GAO HQ building, land and improvements, and computer equipment and software). This represents a \$44.7 million decrease from the total assets at the end of FY 2024 of \$334.8 million, primarily a result of a decrease in fund balance with Treasury of \$52.2 million due to increased outlays year over year, and an increase in our year-end property and equipment of \$10.0 million due to various building improvement projects on the GAO HQ building. Total liabilities were \$107.7 million and primarily consist of amounts earned and not yet paid for employees' salaries and benefits, as well as amounts owed to other government agencies and nongovernmental entities for products and services rendered to GAO. This is similar to total liabilities at the end of FY 2024 which were \$107.1 million

Figure 20 shows how our FY 2025 costs break down by category.

**Figure 20: Use of FY 2025 Funds by Category**  
Percentage of total costs



Source: GAO. | GAO-26-900644

## Limitation on Financial Statements

Responsibility for the integrity and objectivity of the financial information presented in the financial statements in this report rests with management. The financial statements were prepared to report our financial position and results of operations, consistent with the requirements applicable to executive agencies under the Chief Financial Officers Act, as amended (31 U.S.C. 3515(b)). The statements were prepared from our financial records in accordance with federal Generally Accepted Accounting Principles (GAAP). These financial statements differ from the financial reports used to monitor and control our budgetary resources. However, both were prepared from the same financial records.

Our financial statements should be read with the understanding that as an agency of a sovereign entity, the U.S. government, we cannot liquidate certain liabilities (e.g., accrued annual leave) without legislation that provides resources to do so. Although future appropriations to fund these liabilities are likely and anticipated, they are not certain.

## Summary of Financial Systems Strategies and Framework

GAO utilizes the Legislative Branch Financial Management System (LBFMS) through an interagency agreement with the Library of Congress. The Library of Congress is the system owner and the system is hosted by CGI Federal, Inc. The LBFMS operates CGI Federal, Inc.'s Momentum Enterprise Suite as the integrated Financial Management System and hosts the transaction processing system in a Federal Risk and Authorization Management Program compliant and secure facility. LBFMS utilizes Treasury's Invoice Processing Platform, which allows non-federal customers to submit electronic invoices that, when approved by GAO, are loaded into the accounting system and paid. This improves internal controls over invoice

processing, reduces data entry errors, and increases efficiency and timeliness of payments.

In the third quarter of FY 2025 the Library of Congress completed the upgrade of LBFMS from Momentum version 7.8 to version 8.1. Also in FY 2025, GAO began working with GSA to implement Go.gov which is the next generation travel management system for the entire federal government. The Go.gov implementation will include integration with LBFMS. GAO will continue working with GSA and the Library of Congress to implement the new travel system by February 2027.

## Internal Controls

As a leading practices agency, GAO recognizes the importance of accountability, integrity, and reliability as essential practices. To achieve a high level of quality and ensure we achieve planned goals and objectives, GAO's governance framework includes risk management activities at the agency and program levels; includes fraud risk management and internal control activities; and seeks advice and evaluations from both internal and external sources to help manage opportunities, challenges, and risks. As a legislative branch agency, we are exempt from many laws that apply to executive branch agencies; however, we generally hold ourselves to the spirit of many laws and guidance and voluntarily comply with them, including FMFIA and OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*.

Our internal controls are designed to safeguard GAO's assets against loss from unauthorized acquisition, use, or disposition; and provide reasonable assurance that transactions are properly recorded, processed, and summarized accurately in our financial statements. Further, our controls provide reasonable assurance that transactions are executed in accordance with the laws governing the use of budget

authority and regulations that could have a direct and material effect on the financial statements.

As part of our review efforts, we performed a risk-based assessment and identified, analyzed, and tested the controls for key business processes. Based on the results of the assessment, we have reasonable assurance that controls over operations, reporting, and compliance as of September 30, 2025, were operating effectively and that no material weaknesses were found in the design or operation of internal control. Further, our independent auditor found that we maintained effective internal control over financial reporting and compliance with selected laws and regulations. The external auditor also found no material weaknesses or significant deficiencies.

In addition, we met the objectives of FFMA and believe we have implemented and maintained financial systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Standard General Ledger at the transaction level as of September 30, 2025. We made this assessment based on criteria established under FFMA and guidance issued by OMB. Also see [Management Assurance Statements](#).

While not subject to the Payment Integrity Information Act of 2019 (PIIA), we complied with the spirit of it. PIIA requires that agencies periodically review programs that may be susceptible to significant improper payments, estimate the amount of improper payments in such programs, report these estimates, and implement a plan to reduce them. We have identified only de minimis improper payments, finding no GAO programs that may be susceptible to significant improper payments. Accordingly, we have implemented and maintained internal control procedures to monitor the disbursement of federal funds for valid obligations.



Our Audit Advisory Committee assists the Comptroller General in overseeing the effectiveness of our financial reporting and audit processes, internal control over financial reporting, and processes that ensure compliance with laws and regulations relevant to our financial operations. The committee is composed of individuals who are independent of GAO and have outstanding reputations in public service or business with financial or legal expertise. For FY 2025, the members of the committee were:

- Kathleen S. Tighe (Chair), former Inspector General of Education, also served as counsel to the inspector general at GSA and as the Deputy Inspector General of the U.S. Department of Agriculture (USDA). She has also served on the Digital Accountability and Transparency Act of 2014 Interagency Advisory Committee and chaired the Recovery Accountability and Transparency Board.
- Honorable Leslye M. Fraser, former Environmental Appeals Judge - EPA; previously served as Director of Regulations, Policy and Social Sciences at one of the Food and Drug Administration's (FDA) Centers; life member and executive committee member of the Board of Directors for the Massachusetts Institute of Technology; member of the Massachusetts Institute of Technology Dean of Engineering's Advisory Council; past President of the African American Federal Executive Association.
- David Mader, former Director at the Partnership for Public Service, a non-profit, non-partisan good-government organization; previously Civilian Sector Chief Strategy Officer, Deloitte Consulting; Controller, Office of Federal Financial Management, U.S. Office of Management and Budget; Assistant Deputy Commissioner, IRS; Senior Vice President, Strategy and Organization, Booz Allen Hamilton; Managing Director, Sirota Survey Intelligence LLC.
- Frank W. Crawford, President, Crawford & Associates P.C.; Chairman of the Oklahoma Society's Governmental Accounting and Auditing Committee; Chairman of the Oklahoma Accountancy Board's Regional Peer Review Oversight Committee; former Chairman of the American Institute of Certified Public Accountants (AICPA) Government Expert Panel; former Chairman of the AICPA's Governmental Accounting and Auditing Committee; and, longstanding contributor to the AICPA's and the Governmental Accounting Standards Board's initiatives.

See [Audit Advisory Committee's report](#).

## Planned Resources to Achieve Our FY 2026 Performance Goals

In February 2025, GAO submitted a FY 2026 appropriation request of \$934.0 million, an increase of \$122.1 million or 15 percent over the FY 2025 appropriation of \$811.9 million. The requested funds would have enabled GAO to recover much of the projected staffing losses from FY 2025 and continue to meet the priority needs of Congress. The spending bill passed in November 2025 provided GAO a FY 2026 appropriation of \$811.9 million, unchanged from both FY 2025 and FY 2024. Though we project supplementing our FY 2026 appropriation with about \$81 million in offsetting receipts and prior year supplemental appropriations, total available budget authority is reduced by over \$30 million from FY 2025.

The absence of an increase in GAO's direct appropriation for the second consecutive year, combined with reduced offsets and employee cost of living increases, have forced GAO to reduce staffing levels as well as employee compensation and incentives; limit infrastructure expenditures to operational necessities

and critical investments; and accelerate office restructuring investments at both headquarters and the field. For FY 2026 alone, we expect an over 5 percent reduction in staff, with a large portion of those losses being senior leaders through voluntary separation and early retirement, presenting challenges for the agency to manage operations and succession planning. Moreover, in a flat budget environment, we are unable to hire to backfill those losses, which further exacerbates staffing challenges. Additionally, funding for IT, building maintenance, and physical security will be limited for the foreseeable future with investments focused on only the most critical IT and building infrastructure needs.

In this vein, GAO will continue to prioritize strategic investments that enhance operational efficiency, reduce costs, and generate additional revenue to supplement annual appropriations. Key IT initiatives include continued migration of agency applications, networks, and IT infrastructure to cloud-based environments. Additionally, GAO will continue plans to consolidate office space at both our headquarters building and field offices and recently entered into a new lease agreement with the Federal Trade Commission and will begin leasing space to them in FY 2026. While these actions are intended to help mitigate the effects of flat budgets and rising operating costs, sustained funding constraints continue to pose risks to GAO's capacity to execute its mission, respond to priority congressional

requests and inquiries, and consistently deliver high-quality results for the American people.

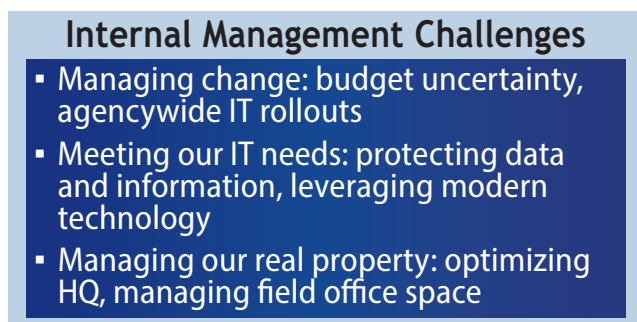
## Management Challenges

### Internal Management Challenges

The Acting Comptroller General, the Executive Committee, and other senior executives identify the agency's internal management challenges through the agency's risk management, strategic planning, internal controls, and budgetary processes. We monitor our progress in addressing these challenges through our performance and accountability processes. Our IG provides comments on these challenges (see [Part IV](#)).

In FY 2025, we identified three internal management challenges (see [fig. 21](#)).

**Figure 21: Internal Management Challenges**



Source: GAO. | GAO-25-900570

Of the three challenges, meeting our IT needs is a long-standing challenge, first identified here in 2000. The other two challenges—managing change and managing our real property—are new categories that encompass, among other things, the remaining two challenges from FY 2024—managing a quality workforce and improving the efficiency of engagements and operations. At the core of these two prior challenges were the challenges of managing the changes involved with modernizing our human capital practices and engagement processes. Aspects of these prior challenges are captured in the following discussion within a broader context of the additional changes that we continue to manage.

### *CHALLENGE: Managing Change*

Managing issues and initiatives with enterprise-wide impacts can be challenging for a number of reasons. Careful planning, strong collaboration, and effective communication are needed to ensure that major changes have minimal effects on the workforce. GAO managed a number of significant changes in FY 2025.

**Budget uncertainty.** For the last 2 years, GAO has operated under a relatively flat budget, which has significantly impacted agency operations, including hiring. As a knowledge organization, more than 80 percent of our annual budget is allocated to personnel. Operating under a multiyear flat budget has greatly reduced our ability to hire entry-level employees. In FY 2025, GAO hired fewer than 10 entry-level employees, down from 88 in FY 2024, and 201 in FY 2023. Without ongoing entry-level hiring to replace attrition, GAO is at increased risk of not maintaining sufficient resources to address high-priority congressional mandates and requests in a timely manner. Our non-personnel budget has been similarly impacted across the board.

**Agencywide IT rollouts.** In FY 2025, we managed several major agencywide IT rollouts. These rollouts touched every employee and included: implementing a new time and attendance system, migrating GAO's outdated legacy document management system to a new enterprise content management system, upgrading to a more current operating system, and transitioning from building access cards to PIV cards.

The related challenges included: (1) risk management, (2) synchronizing rollouts for maximum efficiency, (3) providing clear, timely, and actionable training and other resources to help employees through each new implementation, (4) ensuring timely and effective communication, and

(5) designing and executing a change-management strategy that focuses on employees.

### ***CHALLENGE: Meeting Our IT Needs***

Managing modern and secure IT systems that defend against mounting cyber threats within a constrained budget environment is a government-wide challenge.

**Protecting data and information.** GAO accesses, stores, and analyzes sensitive information from the agencies and entities it audits and is legally required to maintain the same level of confidentiality for information as is required of the head of the agency from which it is obtained. Protecting data and information is a top agency priority.

We are continually making investments to protect data through our implementation of additional cyber-security software and must remain vigilant for future challenges. GAO has experienced a 30 percent increase in cyber attacks on our network with threat actors using AI to launch increasingly sophisticated attacks. We prioritize allocating the resources necessary to ensure our data and information are protected and must continue to be nimble and responsive to future needs.

**Leveraging evolving technology.** Congressional demand for our work remains high and we must leverage as many IT efficiencies as possible to address evolving congressional priorities, while maintaining our quality standards. We continue to integrate tools and systems in a flexible and secure environment. Our ongoing transition to an enterprise content management system and to an updated operating system this year will further enhance employee productivity and offer a broader array of collaboration and communication tools.

Over the last year, GAO has migrated over 85 percent of our computing to a cloud environment; however, many systems still

require ongoing evolution. Additionally, GAO is leveraging AI to support audits, analytics, and employee development. We will continue to evaluate, adopt, and invest in AI and other evolving technology to the extent our budget permits.

### ***CHALLENGE: Managing Our Real Property***

GAO owns its Washington, D.C., HQ building and leases offices in 11 locations around the country. Managing these resources efficiently in response to evolving agency needs requires flexible strategic planning and organized execution.

**Optimizing HQ.** Responsible stewardship of our HQ building is a long-standing priority. Currently, GAO leases out more than 200,000 square feet of HQ space to other federal tenants, and our current optimization plan includes leasing out an additional 500,000 square feet. In a constrained budget environment with very limited hiring, our challenge is to ensure we are appropriately staffed to manage and serve a growing tenant population. We continue to address needed building maintenance, including electrical; heating, ventilation, and air conditioning (HVAC); and interior and window upgrades. Flat multiyear budgets have limited our ability to address some of these critical issues.

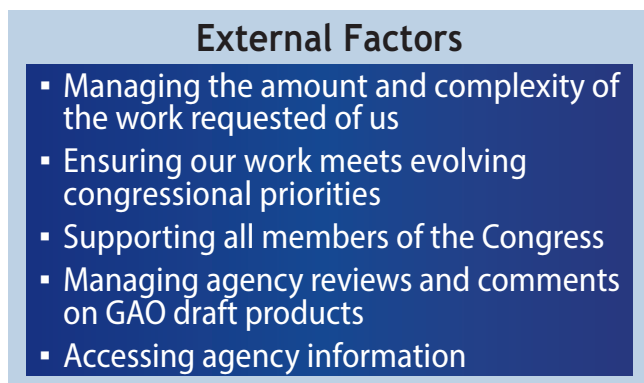
**Managing field office space.** As part of ongoing efforts to optimize and consolidate our national footprint, GAO has reduced the total square footage and the annual costs for field space by 40 percent over the last decade. We are currently executing plans for further reductions in field office square footage by 80 percent or more with an anticipated cost avoidance of approximately \$5 million annually over the coming years. We have requested leasing authority from Congress to eliminate our dependence on the GSA, which will provide more direct and efficient management of our field office space and leases.



## Mitigating External Factors

In FY 2025, GAO produced substantial benefits for every dollar invested in us and supported congressional oversight across a wide array of government programs and operations. We did so while navigating the following five external factors, some of which will likely remain relevant in the coming years (see [fig. 22](#)).

**Figure 22: External Factors**



Source: GAO. | GAO-25-900570

### *Managing the Amount and Complexity of the Work Requested of Us*

The vast majority (95 percent) of our work comes from Congress. We give highest priority to congressional mandates, followed by requests from committee and subcommittee leadership. In FY 2025, GAO received 133 mandates in laws, congressional resolutions, and conference and committee reports and close to 405 requests from 95 percent of the standing committees and subcommittees in Congress.

The issues that we are asked to examine are often complex, nuanced, involve multiple agencies, and require cross-cutting staff expertise. For example, we conducted work and issued reports on federal agencies' and businesses' efforts to counter scams and delivery of federal disaster assistance given increasing extreme weather and natural disasters.

The volume and complexity of the work, combined with the time it can take to complete objective, balanced, and rigorous

analyses that meet government auditing standards, means that it may take months before we are able to begin new work. To meet real-time information needs, we provide short-term technical assistance to the Congress, such as white papers, data analysis, and comments on proposed legislation. In FY 2025, we provided over 640 instances of technical assistance. We continue to analyze congressional contact data to understand the nature and extent of these services.

To manage the demand for our services, we continuously communicate with congressional clients to understand their priorities, sequence and scope work to meet those priorities, and provide them regular updates on our work.

### *Ensuring Our Work Meets Evolving Congressional Priorities*

Congressional priorities can shift quickly. Notably, national emergencies and natural disasters can quickly shift the Congress's priorities for our work. Due to our track record of quickly responding to changes in congressional priorities and needs—and providing real-time, high-quality, and fact-based information—the Congress regularly relies on us in times of emergencies or significant federal government action. For example, the Congress recently included provisions for GAO to provide oversight of the disaster assistance provided in response to Hurricanes Helene and Milton in the American Relief Act, 2025. To ensure our work supports legislative and oversight priorities, the Acting Comptroller General, our Congressional Relations staff, and other senior officials regularly communicate with our congressional clients about their priorities and update them on ongoing and planned work.

Additionally, to help ensure that we are working on the highest priorities and are positioned to respond to changing priorities, we work with the Congress to revise or repeal certain existing mandates. Specifically, we work to revise or repeal mandates that would result in GAO

duplicating work done by others, where there is evidence that the program has been assessed or an issue has been remedied, or where the Congress's priorities have changed. In FY 2025, we closed out one such mandate.

After we complete our work, we survey congressional staffers on the usefulness and timeliness of our products. We ask for this feedback for every product that we issue. While we have refined survey questions and the delivery platform to make it quicker and easier for staffers to respond on their mobile devices, the survey response rate remains low. To augment the survey, Congressional Relations is in regular contact with committee staff about the usefulness and timeliness of our work. We believe that providing congressional staff the opportunity to share their views is important for gauging how we meet congressional demand, including changing priorities.

### ***Supporting All Members of the Congress***

While GAO accepts requests from all members of the Congress, the volume of work from mandates and committee requests leaves no resources for us to conduct audits and prepare formal reports requested by individual members. Recognizing this gap, GAO has taken several steps to better meet the information and oversight needs of individual members and to provide staffers with onsite assistance and outreach.

GAO staff are available 5 days a week in the Agency Connection Center, located in the Longworth House Office Building, to answer impromptu questions or connect congressional staff to GAO's subject-matter experts. GAO's Chief Scientist and appropriations lawyers also hold weekly office hours in Longworth, during which any congressional staff can meet with them. GAO holds knowledge-transfer events and offers just-in-time assistance to share information and expertise. In FY

2025, GAO held 14 events in the Longworth space intended to provide technical expertise on selected topics, such as events on data privacy in AI, quantum technology, and water rights, as well as just-in-time assistance on the debt limit and disaster assistance programs after the California fires.

GAO senior executives also serve as "ambassadors" to the offices of members who do not hold leadership positions in Congress. Ambassadors are responsible for contacting their respective member offices periodically to highlight GAO services—such as short-turnaround assistance—available to them. Since the beginning of the 119th Congress, ambassadors have contacted over 180 members.

Finally, GAO has partnered with the Congressional Staff Academy to deliver foundational training to House staff, such as on contracting and an AI "boot camp." As we work to increase awareness of GAO's availability and build our education and outreach programming, we will identify additional ways to support congressional staffers.

### ***Managing Agency Reviews of and Comments on GAO Draft Products***

Given the scope and complexity of our work, formal comments from audited agencies are an important step in our audit process. Through the agency comment step, agencies can provide feedback on our draft reports to help ensure their accuracy and the feasibility of implementing GAO's recommendations. In FY 2025, we continued to experience delays in agencies providing us comments, which affects our ability to respond to the Congress's need for information.

Additionally, draft products potentially containing controlled unclassified information or classified information are required to undergo agency sensitivity and security reviews. GAO relies on these

agency reviews, as they help ensure that this information is appropriately protected—while enabling GAO to provide robust reports to the Congress. However, these reviews can sometimes take several months, affecting GAO’s ability to provide information to the Congress in a timely manner.

In particular, GAO has experienced delays in receiving the results of sensitivity and security reviews from the DOD and the intelligence community. In February 2025, we [reported](#) that, between May and November 2024, DOD was late in submitting more than half of agency comments (55 percent) and sensitivity (88 percent) and security (67 percent) reviews within the 30-day deadline.

DOD’s timeliness in providing agency comments and sensitivity and security reviews has decreased significantly from December 2022 to November 2024. Specifically, the average number of days DOD took to provide agency comments on draft GAO reports increased by 23 percent over the 2-year period. For sensitivity and security reviews, the average number of days DOD took to review our reports increased by 58 percent and 138 percent, respectively, during this same period.

With respect to the intelligence community, as in previous years, the Office of the Director of National Intelligence (ODNI) has generally not provided formal comments on GAO draft products. However, ODNI has made improvements that have helped to shorten timelines for sensitivity and security reviews.

We will continue to monitor these matters and work with both DOD and the intelligence community to maintain improvements in the years to come, as well as to make improvements regarding the submission of agency comments to the extent possible.

## Accessing Agency Information

Access to information also plays an essential role in our ability to report on issues important to the Congress and the American people. We have typically reported that federal departments and agencies have generally cooperated in providing us access to requested information or in working toward mutually acceptable accommodations.

Our experience in FY 2025 was different, as we repeatedly encountered difficulties obtaining the same types of information that we have obtained in the past. These difficulties affected our ability to deliver timely products to a range of congressional requesters, in both the majority and minority. Though we were able to obtain sufficient information to complete our work in many cases, our experience reflected a change in approach in the executive branch.

Our experience with information on apportionments provides a particularly significant example of this departure from past practice. Apportionments are the amounts OMB distributes to departments and agencies to achieve an efficient and orderly use of funds and prevent obligation in a manner that would result in the need for a deficiency or supplemental appropriation.

In March 2025, OMB took down a statutorily required public website containing such information, asserting that apportionments are predecisional and deliberative information. We sent a letter to the OMB Director noting we disagreed with OMB’s assertion on the grounds that apportionments are legally binding decisions on agencies under the Antideficiency Act and, as such, cannot be predecisional or deliberative.<sup>22</sup> In July 2025, the United States District Court for

<sup>22</sup> See 31 U.S.C. § 1517. We shared our views with the OMB Director in April 2025. See Enclosure to B-337581: Letter from GAO General Counsel to OMB Director on Availability of Apportionment Data, Apr. 8, 2025.



the District of Columbia ordered OMB to restore the website and to disclose the information withheld since its removal.<sup>23</sup> In August, the United States Court of Appeals for the District of Columbia Circuit directed that OMB follow the district court's order and restore the website while the case is pending appeal.<sup>24</sup>

Readily available apportionment information facilitates our review of potential impoundments under the Congressional Budget and Impoundment Control Act of 1974.<sup>25</sup> Specifically, the availability of apportionment information provides a crucial indication of whether executive branch officials intended to withhold funds from obligation or expenditure, which is central to an analysis of compliance with the ICA.

The apportionment data required to be reported on the OMB website would have been relevant to several of the ICA decisions we issued in FY 2025. Following the restoration of the website, we used the information in our ICA work. (See [General Counsel Decisions](#) for additional discussion of access matters in the context of our appropriations law work.)

Our difficulty in obtaining needed information in FY 2025 extended beyond apportionment information. In connection with engagements concerning agencies' management and disclosure of sensitive personal, financial, and other information, we requested standard information about agency IT systems and the protection of data across the executive branch.

<sup>23</sup>Citizens for Resp. & Ethics in Wash. v. Office of Mgmt. & Budget, No. 25-1051, 2025 U.S. Dist. LEXIS 138899, at \*65 (D.D.C. July 21, 2025).

<sup>24</sup>OMB appealed the district court's decision in July 2025. The appellate court initially ordered an administrative stay of the district court's order in July and then, in August, lifted the administrative stay and denied the motion to stay the district court's order pending appeal. Citizens for Resp. & Ethics in Wash. v. Office of Mgmt. & Budget, No. 25-5266, 2025 U.S. App. LEXIS 20247, at \*34 (D.C. Cir. Aug. 9, 2025).

<sup>25</sup>Pub. L. No. 93-344, title X, § 1015, 88 Stat. 297, 336 (1974) (codified at 2 U.S.C. § 686). Our work on potential impoundments of appropriated funds also finds support in GAO's basic audit authorities at 31 U.S.C. §§ 712 and 717.

Among other things, we requested copies of existing data protection and security policies, administrative documentation of agency activities, and descriptions and responsibilities for personnel who accessed such IT systems. We have routinely obtained this type of information, which should be readily available, across administrations.

Several agencies had not provided the information requested for these engagements by the end of FY 2025. For example, VA provided only limited information, without offering any substantive explanation. In addition, Education provided limited information, asserting that pending litigation precluded disclosure to GAO, and SBA provided no information, questioning the appropriateness of GAO conducting work in response to Committee Ranking Member requests. These responses and others—failing to provide information that GAO is entitled to and that agencies are obligated to provide by law—had substantially delayed our work prior to the lapse in appropriations and shutdown at the end of the fiscal year. In FY 2026, we are continuing to work to obtain information to complete this work.

In FY 2025, we sought to resolve access disputes with federal agencies through accommodations that would allow our work to move forward, coordinating with our congressional clients as appropriate. This approach is consistent with the federal courts' expectation that branches of government resolve disputes over the sharing of information through a dynamic process that reflects their different roles.<sup>26</sup>

The development of mutually acceptable accommodations requires the active engagement of senior leadership officials at both GAO and audited agencies. This approach has long been a hallmark of GAO's work and it was a key determinant of meaningful progress on access issues in

<sup>26</sup>See, e.g., United States v. AT&T, 567 F.2d 121, 127 (D.C. Cir. 1977).



FY 2025. GAO remains committed to such a process to facilitate our access to the critical information needed to support the Congress in its legislative, appropriations, and investigative functions.

## Office of the Inspector General

The OIG independently conducts audits, evaluations, inspections, and investigations involving GAO programs, operations, contractors, and employees. In November 2024, the GAO Inspector General Parity Act became law. In addition to providing greater budget independence, the law ensures prior congressional notification of changes in the Inspector General's employment status, improves the OIG's ability to recruit and retain staff, and codifies changes to align with other Inspectors General.

In FY 2025, the OIG initiated 25 GAO-related investigations and closed 30 GAO-related investigations. In addition, the OIG manages a contractor-run hotline for use by employees, contractors, and the public. The hotline is one of the primary sources of complaints or information for identifying suspected fraud and other problems, abuses, and deficiencies relating to GAO programs and operations.

Separate from [FraudNet](#), which supports accountability across the federal government, complainants can access the [OIG hotline](#) online or by telephone at 1-866-680-7963. Individuals may remain anonymous and are protected from retaliation. The OIG investigates complaints that contain credible allegations of the possible violation of law, order, policy, or regulation involving GAO operations or employees. These investigations can substantiate an allegation, find the allegation to be unsubstantiated, or conclude that insufficient evidence exists for criminal, civil, or administrative action.

The OIG has self-initiated certain inquiries focusing on potential areas of vulnerability. Using data analysis, the OIG locates outliers or areas of concern that require targeted, investigative methods. In FY 2025, the OIG continued work on one self-initiated inquiry.

During FY 2025, the OIG published one audit report. In audit report [OIG-25-1](#), the OIG described GAO's efforts to address data egress fees in procuring cloud services and assessed the extent to which the estimated costs of GAO's cloud services programs quantify data egress fees. This report and other OIG publications are available on the [OIG's website](#) and [Oversight.gov](#).

The OIG also continued work on an audit assessing the adequacy of internal controls for contract administration and began three audits: one to assess the accuracy of planned schedules and staffing for GAO engagements, a second to determine the extent to which the CAE recovered costs for the services it provided, and a third to assess GAO's progress implementing its IT modernization plan.

In FY 2025, the OIG finalized its policies and procedures for conducting inspections and evaluations to align with the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Inspection and Evaluation. Then, the OIG began an evaluation to determine the length of time it takes for GAO to hire new employees and assess how GAO's actual time to hire compares to GAO and OPM benchmarks and the actual time to hire in OPM's Time to Hire dashboard.

In August 2025, the OIG completed its peer review of the audit function of Corporation for Public Broadcasting OIG. In addition, the OIG revised its policies and procedures for conducting audits to reflect updates to the generally accepted government auditing standards. The results of the OIG's work and actions taken by GAO to address

OIG recommendations are highlighted in the [OIG’s Semiannual Reports to Congress](#). They are also available at [Oversight.gov](#).

Finally, the OIG recently published its Strategic Plan for FYs 2026 through 2030. Guided by this plan, the OIG will continue to promote accountability, integrity, and efficiency within GAO through meaningful, timely, and impactful oversight.

**OIG Recommendations**

The OIG made two recommendations to ensure that GAO strengthens procedures for management of data egress fees, which GAO reported were about \$7,300 from April 2023 through March 2024 for two cloud providers that charged data egress fees. GAO has taken steps to address these recommendations. See [table 15](#) for additional information on these recommendations. For further information, see [OIG-25-1](#).

Table 15: GAO OIG Recommendations

OIG report	Recommendation	GAO’s summary of actions planned or taken in response to the recommendation
Data Egress: Opportunities Exist for GAO to Strengthen Procedures for Management of Data Egress Fees, <a href="#">OIG-25-1</a> (February 21, 2025)	Establish GAO’s cost management procedures for its cloud systems, including addressing data egress fees and the implementation and review of alerts and reports.	<b>Recommendation: Closed</b> GAO established budget threshold alerts and established written procedures for reviewing alerts and reports.
	Develop an oversight mechanism to ensure that all fees, including data egress fees, are quantified in the cost estimate, or the exclusion of any costs is documented.	<b>Recommendation: Open</b> GAO stated it is developing a formalized cost management process.

Source: GAO, based on GAO OIG reports. | GAO-26-900644

In FY 2025, GAO provided the OIG with sufficient documentation to close one of the two recommendations which were issued in its February 2025 audit report: *Data Egress: Opportunities Exits for GAO to Strengthen Procedures for Management of Data Egress Fees*, [OIG-25-1](#). This closed recommendation directed the CIO to establish cost management procedures for GAO’s cloud systems, including addressing data egress fees and the implementation and review of alerts and reports.

GAO implemented cost management procedures for its cloud systems that addressed data egress fees and reviews of alerts and reports. GAO has also submitted evidence that alert thresholds were established, and reports were generated and reviewed.

There is one recommendation from the [OIG-25-1](#) report that remains open. This recommendation directs the CIO to develop an oversight mechanism to ensure that all fees, including data egress fees, are quantified in the cost estimate, or the exclusion of any costs is documented.

For the IG’s comments regarding GAO’s management challenges assessment, see [Part IV](#) of this report.



Source: McCarony/stock.adobe.com. | GAO-26-900644

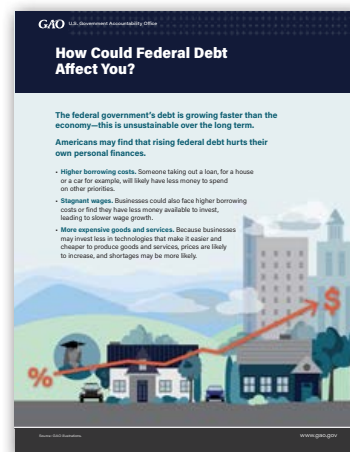
## Future Challenges and Priorities

For decades, GAO has engaged in strategic foresight to help identify issues of greatest national importance for the Congress and to guide our work. In 2018, GAO established the Center for Strategic Foresight to identify major emerging issues, challenges, and opportunities in making government more efficient, effective, and responsive. With support from the Center for Strategic Foresight, GAO identified trend themes to inform the agency's forthcoming Strategic Plan. The federal government faces multiple current and future challenges, several of which we highlight below.

### The Nation's Unsustainable Fiscal Future

The federal government faces an unsustainable fiscal future. In February 2025, we released our [annual report](#) on the nation's fiscal health.

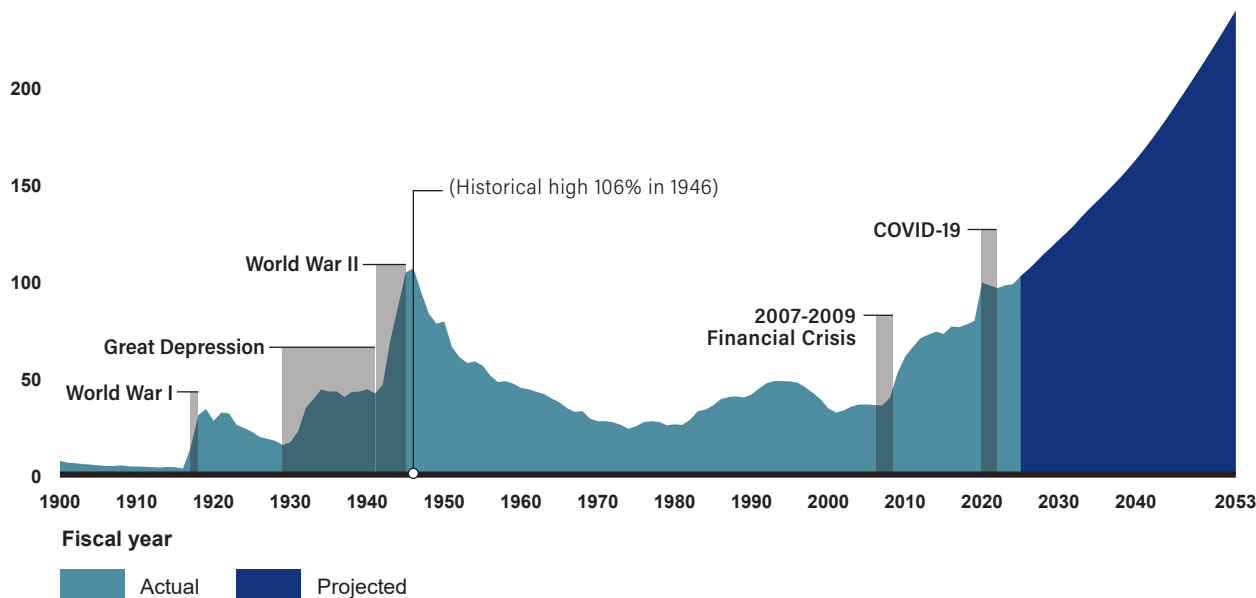
Federal debt held by the public (that is, the total amount of money that the federal government owes to its investors) will continue to grow faster than the economy, which is unsustainable (see [fig. 23.](#))



**Figure 23: Federal debt held by the public—past, present, and future**

Percentage of gross domestic product

250%



Source: Congressional Budget Office data and GAO simulation. | GAO-26-900644

Historically, debt has decreased during peacetime and economic expansions. But this pattern has changed in recent decades. Unless current revenue and spending policies change, debt will reach its historical high of 106 percent of GDP by 2027, according to our simulation.

Our 2025 annual report noted that:

- As of September 30, 2024, publicly held debt was \$28.2 trillion, or 98 percent of the size of the economy.
- Publicly held debt is projected to grow more than twice as fast as the economy, reaching 200 percent of the size of the economy by 2047.

- Government spending on net interest in FY 2024 exceeded federal spending on Medicare and national defense, and is projected to keep growing.

We continue to recommend that Congress develop a strategy to inform the difficult policy choices in addressing our unsustainable fiscal path. A sustainable fiscal policy would lead to debt held by the public growing at the same—or slower—rate as the economy. To achieve this, spending and revenue policies will need to be aligned to address persistent deficits and reduce the nation's borrowing needs.

See our [America's Fiscal Future](#) website for more information.

### Why is debt growing so much?

Debt is growing because of increasingly large annual budget deficits, where spending exceeds revenue. When the government spends more than it collects in revenue, it typically borrows from the public to finance the resulting deficit. Debt held by the public is generally equal to the accumulated budget deficits over time.

Despite strong economic growth, the fiscal year 2024 deficit was more than \$1.8 trillion, **the fifth year in a row the deficit exceeded \$1 trillion.**

During fiscal years 2017–2024, the federal government added \$14 trillion to the debt. That is 50 percent of the total \$28.2 trillion debt held by the public as of September 30, 2024.



## Impacts of Evolving Science and Technology

Innovations in science and technology can provide tremendous benefits to the American people. For example, AI could transform virtually all sectors of American life by speeding up decision-making and automating tasks. However, such changes can also lead to negative effects on privacy, equity, cybersecurity, and job security.

Since its establishment in 2019, the STAA team has served as a crucial resource for the Congress in understanding both the promise and the risks of a range of emerging innovations. Its growing portfolio of work includes: (1) technology assessments on the benefits and challenges of cities using smart technologies—such as license plate readers—and housing construction innovations; (2) performance audits on the U.S. patent system, federal research, and semiconductor manufacturing programs; and (3) 2-page Science & Tech Spotlights explaining the latest trends, including the medical use of psychedelics and wildfire detection technologies. Additionally, we launched a series of science and technology trend papers that look a decade into the future to explore developments that may become impactful to society and key considerations for policymakers.

GAO's Innovation Lab continues to apply a hands-on approach to explore data science and emerging technology solutions in service of GAO's mission to support the Congress. For example, the Lab strengthened a tool to explore systemic trends and patterns within the entire Federal Audit Clearinghouse Single Audit Database. It also constructed a model of DOE Environmental Management waste data that demonstrated potential savings by optimizing waste management. The Lab also continued to make significant

contributions across the Legislative Branch through the formulation of an AI strategy and within GAO by building upon the generative AI system the Lab developed. Further, GAO's Analytics Foundry supports mission work on complex analytical computing and exploring emerging technologies.

STAA's goals include increasing the network of experts who can help inform our work. We are also continuing to prioritize sharing our work through continuous outreach to the Congress and science and technology community. In FY 2025, STAA provided or supported almost 90 instances of technical assistance to congressional members or staff. For example, as the Congress considers AI issues, STAA has served as a critical resource—both by providing comments on draft legislation and sharing our expertise on AI. Similarly, we provided technical assistance to several committees in support of their efforts to reauthorize small business research programs. STAA will continue to provide timely technical assistance to congressional staff.

Additionally, we are strengthening our outreach to congressional staff to ensure GAO is meeting their needs for science and technology information. For example, GAO's Chief Scientist hosts weekly office hours and monthly science and technology events at our Longworth Agency Connection Center to discuss topics such as data privacy in the age of AI, and technologies that could enable robotic in-space satellite refueling and upgrades. The Chief Scientist also issues a quarterly science and technology newsletter to congressional staff. Since early 2024, STAA has also led quarterly meetings with House Science, Space, and Technology staff to discuss ongoing and future planned work and obtain continuing insights on the Committee's science and technology priorities.

## Cybersecurity of Systems, Critical Infrastructure, and Sensitive Data

Escalating threats, including new and more destructive attacks from around the globe, highlight the critical and persistent need for effective cybersecurity. Our work will continue to assess:

- (1) The development and execution of a comprehensive national cybersecurity strategy and the establishment of leadership needed to perform effective oversight;
- (2) The security of federal information systems, such as the ability of key agencies to detect, prevent, address, and respond to security incidents;
- (3) The cybersecurity of critical infrastructure, such as federal agencies' efforts to help enhance the security of information systems owned by entities in both the public and private sectors; and
- (4) Efforts being taken by the federal government to protect privacy and sensitive data, including personally identifiable information (PII).

## Persistent Challenges in Addressing Fraud, Waste, and Abuse in Federal Programs

Fraud, waste, and abuse remain persistent challenges across the federal government. GAO identifies government operations with serious vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation.

While GAO does not prosecute fraud, we do identify fraud trends, risks, and estimates across the government. GAO has estimated that the federal government loses between \$233 billion and \$521 billion annually to fraud, based on data from fiscal years 2018 through 2022. The range reflects the different risk environments during this

period. Ninety percent of the estimated fraud losses fell in this range. Additionally, federal improper payment estimates have totaled about \$2.8 trillion since 2003—and the actual amount may be higher because agencies have not reported estimates for some programs as required.

GAO has created tools that can help fight fraud. For example, GAO maintains the [FraudNet](#) hotline to support accountability across the federal government and we have identified leading practices for managing fraud risks and organized them into a conceptual [Fraud Risk Framework](#).

Additionally, GAO has identified opportunities to reduce fraud, waste, and abuse through its work on fragmentation, overlap, and duplication in federal programs. As part of this work, GAO also identifies additional opportunities for greater efficiency and effectiveness that result in cost savings or enhanced revenue collection.

Our work will continue to examine fraud, waste, and abuse in federal programs; and help Congress identify vulnerabilities and strengthen its oversight of government programs.

## Challenges Maintaining Readiness and Improving Other Defense Functions

DOD's mission to deter war and ensure the nation's security is supported by almost half of the federal government's discretionary spending. The department faces key challenges in certain areas, such as maintaining readiness, improving its healthcare system, and reforming business operations.

Our work will continue to assess DOD's business systems, financial management, and operational efficiency. We will assess military health system changes, quality of life issues for DOD military and civilians, the functioning of the military justice system, and facilities management. We will also assess DOD's efforts to reform weapon acquisition and explore leading practices to improve acquisition policy and oversight. Additionally, we will evaluate DOD's efforts related to software development and cybersecurity, the defense industrial base, and innovation investments. Our work will evaluate DOD's ability to operate in a contested environment against near-peer adversaries, and the military's efforts to staff, equip, train, and sustain forces and capabilities to meet national security needs.

We will evaluate DOD's cyberspace operations, electromagnetic spectrum operations and management, the structure and efficiency of the nuclear deterrent forces, DOD and the Intelligence Community's artificial intelligence efforts, and capacity and organization for space operations. We will also continue to assess DOD's and the Intelligence Community's vetting of individuals for security clearances.

## The Nation's Health Care Challenges

Health care spending now accounts for around 27 percent of the federal budget and is one of the fastest growing federal expenditures. The aging of the population and increasing health care spending per person are the projected drivers of future growth.

The private insurance market is facing similar health care spending growth and the demands to meet Americans' health needs are growing in volume and complexity. Effectively and efficiently managing federal health care programs (such as Medicare, Medicaid, and programs for veterans, military servicemembers and their families, and citizens of Tribes) is becoming more challenging. The COVID-19 pandemic underscored the importance of preparing for, responding to, and recovering from public health emergencies.

To address these challenges, we will continue to assist the Congress with: (1) examining the sustainability of Medicare and Medicaid; (2) assessing health care at the VA, DOD, and Indian Health Service; (3) assessing federal efforts to promote and ensure public health; and (4) examining trends and costs in the private health insurance market.



The background of the entire page is a photograph of a classical building facade with large, fluted columns. Draped across the middle of the image is the American flag, showing the stars and stripes in detail. The flag is slightly wavy, suggesting it is being moved by a breeze. A thin red rectangular border is superimposed over the flag, framing the text elements.

SERVING CONGRESS AND THE NATION

# PART II

## Performance Information



# Part II

## Performance Information



Source: Christian Hinkle/stock.adobe.com. | GAO-26-900644

### Performance Information by Strategic Goal

In the following sections, we discuss how each of our four strategic goals contributed to our FY 2025 performance results. For goals 1, 2, and 3—our external goals—we present performance results for the three annual measures that we assess at the goal level. We also provide examples of accomplishments for each goal and many of the strategic objectives. Agency-wide measures are discussed in [Part I](#)

of this report. For goal 4—our internal goal—we present selected work and accomplishments for that goal’s strategic objectives.

There were no changes in how we measured our financial benefits, other benefits, and testimony measures during FY 2025.



Source: Rawpixel.com/stock.adobe.com. | GAO-26-900644



## Strategic Goal 1

# Address Current and Emerging Challenges to the Well-being and Financial Security of the American People

Our first strategic goal upholds our mission to support the Congress in carrying out its constitutional responsibilities by focusing on work that helps address the current and emerging challenges affecting the well-being and financial security of the American people. Our multi-year (FYs 2022-2027) strategic objectives under this goal are to provide information that will help address:

- Health care needs;
- Lifelong learning;
- Benefits and protections for workers, families, and children;
- The financial security and well-being of an aging population;
- A fair, responsive, and effective system of justice;
- Housing finance and viable communities;
- A stable financial system and sufficient consumer protection;

- Stewardship of natural resources and the environment;
- A viable, safe, secure, and accessible national physical infrastructure; and
- The federal government's responsibilities to Tribes, their members, and individual descendants.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

The work supporting these objectives is performed primarily by our staff in the following teams: Education, Workforce, and Income Security; Financial Markets and Community Investment; Health Care; Homeland Security and Justice; Natural Resources and Environment; and Physical Infrastructure.



## Example of Work under Goal 1

**Modernizing ATC Systems.** The FAA is responsible for the safety and efficiency of more than 45,000 flights daily. In March 2025, we testified on FAA’s reliance on numerous aging and unsustainable ATC systems. We also discussed the mixed progress FAA has made with implementing its multi-decade modernization effort, known as NextGen. Additionally, we discussed how implementing our prior recommendations will target critical improvements needed to ensure the safe, orderly, and expeditious flow of air traffic. ([GAO-25-108162](#))



Source: U.S. House of Representatives, Subcommittee on Aviation, Committee on Transportation and Infrastructure. | GAO-26-900644

Heather Krause, Managing Director, testified on modernizing ATC systems.

To accomplish our work under these strategic objectives in FY 2025, we conducted engagements, audits, analyses, and evaluations of programs at major federal agencies. As shown in [table 16](#), we exceeded our Goal 1 targets for financial and other benefits, and fell short of our target for testimonies.

**Table 16: Strategic Goal 1’s Annual Performance Results and Targets**

Performance measure	2020 actual	2021 actual	2022 actual	2023 actual	2024 actual	2025 target	2025 actual	Met/not met	2026 target
Financial benefits (dollars in billions)	\$66.8 <sup>a</sup>	\$48.0 <sup>a</sup>	\$10.3	\$13.6	\$45 <sup>a</sup>	\$13.5	\$42.8 <sup>a</sup>	Met	\$16
Other benefits	296	320	307	314	338	276	313	Met	276
Testimonies	22	33	30	21	26	41	14	Not met	39

Source: GAO. | GAO-26-900644

Note: Goals 1 through 3 do not sum to the total agency-wide targets, as we have left a portion of the targets unassigned. Experience leads us to believe that we can meet the agency-wide targets, but we cannot always accurately predict under which goals.

<sup>a</sup>In FYs 2020, 2021, 2024, and 2025, we achieved some unexpectedly large financial benefits; however, we do not expect this level of results in FY 2026.

We consider many factors, as described in [Part I](#), to set our targets. To help us examine trends for these measures over time, one factor we consider is their 4-year average, which minimizes the effect of an unusual level of performance in any single year. These averages are shown below in [table 17](#).

**Table 17: Four-Year Rolling Averages for Strategic Goal 1**

Performance measure	2020	2021	2022	2023	2024	2025
Financial benefits (dollars in billions)	\$50.6	\$57.0	\$46.4	\$34.7	\$29.2	\$27.9
Other benefits	267	281	292	309	320	318
Testimonies	39	35	32	27	28	23

Source: GAO. | GAO-26-900644

The following sections describe our performance under Goal 1 for each of our quantitative performance measures and the targets for FY 2026.

### Financial Benefits

The financial benefits reported for this goal in FY 2025 totaled \$42.8 billion, exceeding our \$13.5 billion target by \$29.3 billion. Financial benefits contributing to this total included program savings associated with improving radioactive waste cleanup, which saved \$5 billion; and reducing compensation to federal crop insurance providers, which in FY 2025 we calculated saved an additional \$1.6 billion in 2024. We set our FY 2026 target at \$16 billion based on recent performance and discussions with the Goal 1 teams on what they believe can be achieved based on past, ongoing, and expected work.

#### Example of Goal 1’s Financial Benefits

**Better Estimating the Costs of Medicaid Demonstrations.** Medicaid demonstrations are intended to allow states to test programs to better serve their populations. HHS approves demonstrations and requires that they be budget neutral—i.e., the federal government will spend no more under the demonstration than it would have spent without it. Since 2002, we have recommended that HHS better ensure that states use valid methods—such as recent cost data—to demonstrate budget neutrality. HHS implemented a policy change in September 2022 that better aligns states’ estimates with recent costs. In September 2025, we calculated that this saved \$15.7 billion in FY 2024. ([GAO-25-107445](#), [GAO-13-384](#), [GAO-08-87](#), [GAO-02-817](#))

### Other Benefits

Other benefits reported for Goal 1 in FY 2025 totaled 313, exceeding our target of 276 by 37 benefits. Goal 1’s other benefits were primarily in the areas of public safety and security and public insurance and benefits. We set our FY 2026 target at 276 other benefits, based on recent performance and discussions with the Goal 1 teams on what they believe can be achieved based on past, ongoing, and expected work.



## Example of Goal 1's Other Benefits

**Connecting College Students to SNAP Benefits.** Nearly 25 percent of college students in 2020 had limited access to food, according to our analysis of Education data. Despite being potentially eligible, most did not receive SNAP benefits, which could help them pay for food. Education can share some federal student aid data with SNAP agencies to help identify students that are eligible for benefits. Audit work we conducted from 2022 to 2024 found that Education needed to clarify how this data can be used to conduct outreach. As of December 2024, Education had issued new guidance and provided training to help colleges and states better connect eligible students with SNAP benefits. ([GAO-25-106000](#), [GAO-24-107074](#), [GAO-19-95](#))

## Testimonies

Our senior executives testified 14 times on our Goal 1 work in FY 2025, which fell short of the target of 41 by 27 testimonies. In addition to the testimonies described below, we testified on the need to improve the care of unaccompanied children and the Bureau of Indian Education's support and oversight of schools. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2026 target for testimonies for Goal 1 at 39 based on experience in recent years.

## Example of Goal 1's Testimonies

**Improving Veterans' Access to Health Care.** VHA operates one of the largest health care delivery systems in the U.S. In the last decade, Congress has taken steps to expand eligible veterans' access to care through community health care providers. In February 2025, we testified on the VA's efforts to ensure that veterans have access to high-quality health care, particularly through community providers. GAO has made recommendations to VHA to address challenges related to aspects of the Veterans Community Care Program. VA has implemented some of these recommendations and has taken steps to address the remaining recommendations. Fully implementing all the recommendations would help ensure VHA can provide veterans timely access to care. ([GAO-25-108101](#))



Source: U.S. House of Representatives, Subcommittee on Health, Committee on Veterans' Affairs. | GAO-26-900644

Sharon M. Silas, Director, testified on veterans' access to health care.

## Example of Goal 1's Testimonies

**Improving HHS Oversight of the Temporary Assistance for Needy Families Program.** Administered by HHS, the Temporary Assistance for Needy Families (TANF) block grant annually provides \$16.5 billion to states. The grant provides support to millions of low-income individuals and families. In April 2025, a panel of GAO witnesses testified on (1) states' reporting on TANF expenditures; (2) states' use of TANF to provide child welfare services; (3) states' use of data on job training and other services funded by TANF; (4) the timeliness of state TANF single audit reports and the extent of unresolved TANF single audit findings; and (5) TANF fraud risk management. GAO has made 13 recommendations to HHS and one to Congress to improve TANF oversight. Fully addressing the recommendations would enhance HHS's oversight efforts and future decision-making on TANF. ([GAO-25-108205](#))



Source: U.S. House of Representatives, Subcommittee on Work and Welfare, Committee on Ways and Means. | GAO-26-900644

Kathryn A. Larin, Director, testified on HHS' oversight of TANF. Other GAO witnesses at the hearing included Jeff Arkin, Seto J. Bagdoyan, and James R. Dalkin.

**Table 18** contains examples of Goal 1 accomplishments, which include both financial and other benefits.

**Table 18: Examples of Goal 1's Accomplishments**

### Health Care Needs

#### Improving Recovery of Improper Medicare Payments

HHS conducts audits of Medicare Advantage contracts to identify and recover improper payments. In these audits, HHS assesses the accuracy of diagnosis information for a sample of Medicare beneficiaries and then applies the findings to all beneficiaries in that contract. In 2016, we recommended that HHS focus on those contracts most likely to have higher rates of improper payments. HHS finalized a rule related to our recommendation that focuses audits on contracts at the highest risk of improper payments. HHS estimated \$350.85 million in improper payment recoveries in FY 2025. ([GAO-16-76](#))

**Improving IHS Oversight of Serious Medical Events and Providers**

HHS's Indian Health Services (IHS) is responsible for providing federal health services to American Indians and Alaska Natives. As part of this role, the agency tracks serious medical events and ensures providers are qualified and authorized to perform procedures. In 2023 and 2024, we recommended that the agency improve serious medical event data and documentation around provider requirements. By October 2024, IHS had taken several actions in response—including reporting on serious medical event trends and finalizing a manual on provider requirements. These efforts will help IHS improve patient safety and assure quality care. ([GAO-24-106230](#), [GAO-23-105722](#))

**Improving Prenatal and Postpartum Mental Health Care for Military Beneficiaries**

DOD's TRICARE program provides health care to more than 9 million military beneficiaries. In 2022, we found that, from 2017-2019, about 36 percent of beneficiaries received a mental health diagnosis for conditions such as depression and anxiety during or after pregnancy. Our analysis also indicated that certain demographics of beneficiaries had higher rates of diagnoses. Our findings contributed to the development of a requirement in the National Defense Authorization Act for Fiscal Year 2025, that directed DOD to improve mental health services for beneficiaries during and after pregnancy. ([GAO-22-105136](#))

**Financial Security and Well-Being of an Aging Population****Clarifying Guidance for Transferring Unclaimed Retirement Savings**

Some people lose track of their retirement funds—such as 401(k) plan savings from previous employers. The employers holding those unclaimed accounts can transfer them to states, which hold the money as lost property until the owners claim it. In 2019, we reported that IRS and DOL did not fully clarify the requirements for transferring these unclaimed funds. We recommended clearer guidance. In January 2025, DOL published guidance that clarifies the optimal conditions for transferring unclaimed savings to the states—which could increase the likelihood of owners receiving their retirement savings. ([GAO-19-88](#))

**Fair, Responsive, and Effective System of Justice****Promoting Acceptance of a Federal Prison Identification Card**

The Federal Bureau of Prisons (BOP) is required to assist incarcerated people with getting identification (ID) documents before their release. These documents are crucial for their successful return to the community, as they may be required for finding housing and employment, among other things. In 2022, we reported that BOP was conducting outreach to state motor vehicle departments about accepting a federal ID it was developing. However, BOP was not reaching out to other important stakeholders, like health agencies. We recommended that BOP do so to maximize use of the ID. We verified in October 2024 that BOP is reaching out to more stakeholders to obtain greater acceptance of the ID, better positioning BOP to maximize the use of the card for people returning to the community. ([GAO-23-105302](#))

**Viable, Safe, Secure, and Accessible National Physical Infrastructure****Helping Federal Agencies Manage Radio Spectrum**

The Federal Communications Commission (FCC) and the National Telecommunications and Information Administration (NTIA) jointly manage use of the radio-frequency spectrum, which includes 5G networks and satellites. In 2021, we reported that the agencies did not have a process for resolving matters when they cannot reach consensus and recommended they address this. In November 2024, we confirmed that their jointly announced Spectrum Coordination Initiative and the new Interagency Spectrum Advisory Council constitute their processes for resolving such disagreements. These efforts should improve their collaborative management of the radio spectrum. ([GAO-21-474](#))

**Improving the Safety and Efficiency of Air Transportation**

For over four decades, we have reported on FAA's challenges in modernizing ATC systems. In 2023, we reported that FAA's major modernization initiative, NextGen, was delayed and had cost overruns. In 2024, we reported that 51 of the 138 ATC systems were unsustainable, and that FAA had been slow to modernize the most critical systems. We recommended actions to address shortcomings in FAA's modernization efforts. In response, FAA improved project oversight, investment guidance, and root cause analysis in FY 2025. This will help ensure the safety and efficiency of air travel. ([GAO-24-105254](#) and [GAO-24-107001](#))

Source: GAO. | GAO-26-900644

Note: It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can generally claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#).





Source: Damian Sobczyk/stock.adobe.com. | GAO-26-900644



## Strategic Goal 2

# Respond to Changing Security Threats and the Challenges of Global Interdependence

The U.S. faces increasingly complex threats and challenges to securing the homeland. Given the importance of these issues, our second strategic goal focuses on helping the Congress and the federal government in their responses to changing security threats and the challenges of global interdependence. Our multi-year (FYs 2022-2027) strategic objectives under this goal support congressional and agency efforts related to:

- Protect and secure the homeland from threats and disasters;
- Military capabilities and readiness;
- Foreign policy and international economic interests;
- The intelligence community's management and integration; and
- The cybersecurity of the nation.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

The work supporting these objectives is performed primarily by our staff in the following teams: Contracting and National Security Acquisitions; Defense Capabilities and Management; Homeland Security and Justice; International Affairs and Trade; and Information Technology and Cybersecurity.

Example of Work under Goal 2

**Supporting the Upcoming Reauthorization of the Defense Production Act.** The Defense Production Act is a key tool that federal agencies use to ensure the supply and timely delivery of products, materials, and services to support national defense. In June 2025, we testified on federal agencies’ use of the Defense Production Act to secure critical goods and services. We also issued a report on agencies’ use of the Defense Production Act since the last reauthorization, challenges they experienced using the authorities, and actions they can take to improve use of the authorities. Additionally, in FY 2025, we supported the Congress in efforts related to the act’s reauthorization, including providing technical assistance on potential amendments. ([GAO-25-107688](#), [GAO-25-108497](#))



Source: U.S. House of Representatives, Subcommittee on National Security, Illicit Finance, and International Financial Institutions. | GAO-26-900644

William Russell, Director, testified on understanding federal agencies’ use of the Defense Production Act authorities.

To accomplish our work in FY 2025 under these strategic objectives, we conducted engagements that involved work related to international and domestic programs. As shown in [Table 19](#), we exceeded our Goal 2 targets for financial and other benefits, and fell short of our target for testimonies.

Table 19: Strategic Goal 2’s Annual Performance Results and Targets

Performance measure	2020 actual	2021 actual	2022 actual	2023 actual	2024 actual	2025 target	2025 actual	Met/ not met	2026 target
Financial benefits (dollars in billions)	\$5.9	\$11.9	\$3.2	\$4.8	\$16	\$10.9	\$12.3	Met	\$11.4
Other benefits	646	442	497	462	449	377	609 <sup>a</sup>	Met	382
Testimonies	17	16	20	14	15	17	14	Not met	17

Source: GAO. | GAO-26-900644

Note: Goals 1 through 3 do not sum to the total agency-wide targets, as we have left a portion of the targets unassigned. Experience leads us to believe that we can meet the agency-wide targets, but we cannot always accurately predict under which goals.

<sup>a</sup>In FY 2025, we achieved numerous other benefits; but do not expect this level of results in FY 2026.

We consider many factors, as described in [Part I](#), to set our targets. To help us examine trends for these measures over time, one factor we consider is their 4-year averages, which minimizes the effect of an unusual level of performance in any single year. These averages are shown below in [table 20](#).

**Table 20: Four-Year Rolling Averages for Strategic Goal 2**

Performance measure	2020	2021	2022	2023	2024	2025
Financial benefits (dollars in billions)	\$52.6	\$43.9	\$42.1	\$6.4	\$9.0	\$9.1
Other benefits	586	572	567	512	463	504
Testimonies	23	22	21	17	16	16

Source: GAO. | GAO-26-900644

The following sections describe our performance under Goal 2 for each of our quantitative performance measures and the targets for FY 2025.

## Financial Benefits

The financial benefits reported for this goal in FY 2025 totaled \$12.3 billion, which was above our target of \$10.9 billion by about \$1.4 billion. Financial benefits contributing to this total include reducing planned spending for a future navy frigate (which saved \$1 billion) and reducing the amounts to be obligated for the State Department's security, construction, and maintenance by \$224 million. We set our FY 2026 target of \$11.4 billion based on our recent performance and discussions with the Goal 2 teams on what they believe can be achieved based on past, ongoing, and expected work.

### Example of Goal 2's Financial Benefits

**Reducing FEMA's Borrowing for The National Flood Insurance Program.** Until recently, National Flood Insurance Program (NFIP) premium rates did not accurately reflect the true risk of loss from flood damage. Since 2005, FEMA has had to borrow \$36 billion from the Treasury to pay the claims on insured properties. We have made recommendations over the years to ensure that NFIP premium rates can actually pay potential claims. In response, FEMA implemented a new rating model in 2021 that calculates full-risk rates for all policies. We estimated in August 2025 that higher 2025 premiums will reduce future borrowing from Treasury by \$652 million. ([GAO-13-607](#), [GAO-09-12](#))

## Other Benefits

Other benefits reported for Goal 2 in FY 2025 totaled 609, exceeding our target of 377 by 232 benefits. Many of Goal 2's other benefits were in the areas of public safety and security, business process and improvement, and acquisition and contract management. We set our FY 2026 target at 382, based on recent performance and discussions with the Goal 2 teams on what they believe can be achieved based on past, ongoing, and expected work.



## Example of Goal 2's Other Benefits

**Helping DHS Protect Personal Privacy, Civil Rights, and Civil Liberties.** DHS shares data with law enforcement, the intelligence community, and the private sector—but it must also protect U.S. citizens' and residents' privacy, civil rights, and civil liberties. In 2023, we reported that DHS had not conducted all required audits to ensure that intelligence personnel are following applicable policies. DHS also had not identified who is responsible for these audits. In response, DHS identified the responsible office in 2025 and specified to whom the audit results should be reported. This will help DHS protect personal privacy, civil rights, and civil liberties. ([GAO-23-105475](#))

## Testimonies

Our senior executives testified 14 times in FY 2025 on our Goal 2 work, which fell short of the target of 17 by 3 testimonies. In addition to the testimonies described below, we testified on improving the Navy's shipbuilding practices and assessing the State Department's efforts to implement programs overseas. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2026 target for testimonies for Goal 2 at 17 based on experience in recent years.

## Example of Goal 2's Testimonies

**Addressing Military Readiness Challenges.** The United States' military superiority depends on its ability to project strength across all warfighting domains. In March 2025, we testified on GAO's body of work that has shown that U.S. military readiness has been degraded over the last 2 decades due to a variety of challenges, including maintaining existing systems while acquiring new ones that can overcome rapidly evolving threats. We provided information on readiness challenges across the air, sea, ground, and space warfighting domains. Implementing GAO's open recommendations will help DOD address these challenges and enhance readiness. ([GAO-25-108104](#))



Source: U.S. Senate, Committee on Armed Services, Subcommittee on Readiness and Management Support. | GAO-26-900644

Diana Maurer, Director, testified on DOD military readiness challenges.



Example of Goal 2’s Testimonies

**Addressing Challenges with the Coast Guard’s Infrastructure Projects.** The Coast Guard has nearly 40,000 shore infrastructure assets that include boat stations, piers, and buildings from which it carries out operations. In March 2025, we testified on the growing cost of backlogged projects needed to address the Coast Guard’s deteriorating shore infrastructure, which the Coast Guard estimated will cost at least \$7 billion to address. In 2019, we made six recommendations to help the Coast Guard better manage its shore infrastructure, but as of February 2025, the agency had not fully implemented four of them. Fully addressing these recommendations would help the Coast Guard better manage resources and reduce costs. ([GAO-25-108064](#))



Source: U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Coast Guard and Maritime Transportation. | GAO-26-900644

Heather MacLeod, Director, testified on Coast Guard shore infrastructure project backlogs.

[Table 21](#) contains examples of Goal 2 accomplishments, which include both financial and other benefits.

**Table 21: Examples of Goal 2’s Accomplishments**

Protect and Secure the Homeland from Threats and Disasters	
Helping Policyholders Understand New National Flood Insurance Program Premium Rates	In 2021, FEMA implemented a new model to better align NFIP premium rates with underlying flood risk. In July 2023, we found it had released information on the new model but had not clarified for policyholders how their premiums were impacted. We recommended that it take steps to do so. In December 2024, we confirmed that FEMA developed two online tools and posted them to the NFIP website. These tools produce quotes for premiums and show how certain actions can reduce the costs of policies. Both will benefit policyholders and other users. ( <a href="#">GAO-23-105977</a> )
Helping BOP Avoid Unnecessary Costs and Delays	In 2022, we reported that BOP was unable to track and analyze data related to its facility maintenance and repair projects, such as their costs and schedules. We recommended that BOP develop a way to track this data in its property management system to avoid unnecessary expenses and delays. In FY 2024, BOP added features to its IT systems to do this and created a dashboard to monitor projects in real time. As a result, we determined in FY 2025 that BOP identified and combined two related projects, leading to cost savings of over \$360,000 from a facility maintenance project. ( <a href="#">GAO-22-104289</a> )

## Military Capabilities and Readiness

### Ensuring the Navy Delivers Timely, Effective New Ships

In May 2024, we reported that the Navy has continued to face persistent challenges in its ability to design and deliver timely, affordable ships that perform as expected. We made eight recommendations to improve the Navy's efficiency and effectiveness in developing new ship designs that respond to rapidly evolving maritime threats. In FY 2025, Congress passed a law requiring the Navy to implement four of our recommendations. This will better ensure that the Navy uses commercial industry leading practices to help the agency deliver new ships that meet its needs faster. ([GAO-24-105503](#))

### Saving on Training Costs for Navy Surface Warfare Officers

Navy Surface Warfare Officers (SWOs) focus on the safe operation of ships at sea. In 2017, the Navy had two collisions at sea. We examined factors contributing to these collisions in 2021 and found that there were limited training opportunities for SWOs aboard ships. We recommended the Navy assess training opportunities for SWOs. In 2025, the Navy did so and reduced the number of SWOs, which improved training opportunities for the ones who remain. This will save about \$13.3 million in training costs over the next 5 years. ([GAO-21-168](#))

### Ensuring Military Education Programs Include Challenges Posed by China

Deterring aggression from China is a national defense priority. To help build expertise in this region, DOD has started to add content related to security challenges posed by China to officer education courses. However, we found in 2023 that DOD had not clarified expected implementation dates or reporting requirements for including this content in military education programs. We recommended that DOD do so. In response, DOD required programs to report on the implementation of this content by December 2024. This will help ensure that military education curricula are addressing security challenges posed by China. ([GAO-23-106070](#))

### Improving DOE's Insider Threat Program

DOE works to ensure proper access to and handling of the nation's nuclear weapons and related information. DOE started a program in 2014 to better integrate its longstanding measures to protect against insider threats from employees, contractors, and trusted visitors. However, we reported in 2023 that DOE had not fully implemented this program. We recommended revisions to the program, including that DOE move toward a centralized approach. In response, DOE made several improvements in December 2024 that have better positioned the agency to centrally manage and respond to insider threats. ([GAO-23-105576](#))

## Foreign Policy and International Economic Interests

### Strengthening U.S. Efforts to Combat Child Trafficking

The State Department creates partnerships with some countries to combat child trafficking. However, we reported in April 2023 that State had not set measurable goals to assess progress on these efforts. It also had not tracked countries' contributions or plans to sustain ongoing efforts. We determined in FY 2025 that, in response, State began addressing these issues in September 2024. It established annual performance indicator targets with partner countries and obtained information on their ability to contribute to and sustain these efforts. This will help State better assess whether these efforts are working to combat child trafficking. ([GAO-23-105390](#))

### Reducing State Department Security, Construction, and Maintenance Costs

The State Department manages the Embassy Security, Construction, and Maintenance account, which funds the operations of the Bureau of Overseas Buildings Operations. The bureau provides U.S. diplomatic missions abroad with safe, secure, and functional facilities. We estimated that this account had an unobligated balance of \$7.195 billion in FY 2025. We suggested that the Congress consider unobligated balances when determining new funding levels. In response, the Congress rescinded \$224 million from this account's unobligated balances in FY 2025. (Budget Justification Review)

<b>Assisting Victims of Anomalous Health Incidents</b>	U.S. Embassy staff and their families in Cuba began having symptoms of a condition called “Havana Syndrome” in 2016. These symptoms have since been reported by personnel around the world and are now called “anomalous health incidents.” DOD provides treatment to many current and former federal employees and family members with this condition. However, many people have struggled to understand how to access care for this condition. We recommended in July 2024 that DOD provide written guidance to clarify how to access care. DOD did so in January 2025—making it much more likely that victims of this condition receive timely and informed care. ( <a href="#">GAO-24-106593</a> )
<b>Improving CBP’s Ability to Collect Antidumping and Countervailing Duties</b>	In July 2016, we reported that U.S. Customs and Border Protection (CBP) could not collect all the antidumping and countervailing duties it was owed from importers. GAO recommended that CBP use data and risk assessment information to improve collections. In response, CBP implemented several tools. For example, in January 2024, it began utilizing its data to improve the accuracy of the estimated duties importers have to pay. These tools help to ensure that importers pay their duties—which increased revenue by an estimated \$14 million as of November 2024. ( <a href="#">GAO-16-542</a> )

## Cybersecurity of the Nation

<b>Improving Cybersecurity at the State Department</b>	The State Department has struggled to effectively identify, detect, and respond to cybersecurity incidents. In November 2024, we issued a limited distribution report and made about 500 recommendations to help address these issues. State responded that it was committed to closing 75 percent of these recommendations by the end of 2025. As of September 2025, State had implemented 371 of them. Additionally, in FY 2025, State implemented 9 of 15 cybersecurity program recommendations that we made in September 2023 to improve risk and incident response. As a result, State is better able to prevent and respond to cybersecurity threats. ( <a href="#">GAO-23-107012</a> )
<b>Improving the Cybersecurity of Selected Cloud Systems</b>	<p>Cloud computing provides agencies with opportunities to obtain IT services more efficiently; however, if not effectively implemented, it also poses cybersecurity risks. In 2023, we evaluated the extent to which four agencies (DHS, USDA, DOL, and Treasury) effectively implemented key cloud security practices on selected cloud systems. We reported that while the agencies implemented some of the security practices, none of them fully implemented all of the security practices for their systems. We made 35 recommendations to the four agencies to fully implement key cloud security practices.</p> <p>Over the last 2 years, all four agencies made significant progress in implementing cloud security practices on their selected systems and GAO has closed 26 of the 35 recommendations. Most recently, in 2025, USDA fully implemented the cloud security practices on their selected systems. Further, DOL fully implemented Federal Risk and Authorization Management Program (FEDRAMP) Requirements for selected cloud systems while Treasury developed requirements for its cloud service providers to comply with FEDRAMP requirements for security authorizations. Also, DHS fully implemented continuous monitoring for its selected cloud systems, including reviewing continuous monitoring deliverables from the cloud service provider. As a result of these efforts, the agencies improved their ability to identify and address cybersecurity risks associated with cloud systems. (<a href="#">GAO-23-105482</a>).</p>

Source: GAO. | GAO-26-900644

Note: It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can generally claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#). The one accomplishment that does not have a report number is based on a Budget Justification Review, which we do not publish externally. Given the scope, objectives, timing, and sensitivity of Budget Justification Reviews, final products primarily consist of unpublished data sheets or issue papers provided only to relevant committees or subcommittees.





Source: Gorodenkoff/stock.adobe.com | GAO-26-900644



## Strategic Goal 3

# Help Transform the Federal Government to Address National Challenges

Our third strategic goal focuses on the collaborative and integrated elements needed for the federal government to achieve results. The work under this goal highlights the intergovernmental relationships that are necessary to address national challenges. Our multi-year (FYs 2022-2027) strategic objectives under this goal are:

- The government's fiscal condition and opportunities to strengthen management of federal finances;
- Fraud, waste, and abuse and needed improvements in internal controls;
- Crosscutting issues, major management challenges, and program risks; and
- Science and technology issues.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

The work supporting these objectives is performed primarily by our staff in the following teams: Applied Research and Methods; Financial Management and Assurance; FAIS; Information Technology and Cybersecurity; STAA; and Strategic Issues. This goal also includes our bid protest and appropriations law work, which is performed by staff in OGC.



### Example of Work under Goal 3

**Addressing DOD’s Longstanding Financial Management Issues and Fraud Risk.** DOD is responsible for about half of the federal government’s discretionary spending and about 82 percent of the federal government’s total physical assets. DOD has made some progress in improving its financial management efforts. However, more remains to be done to address significant remaining issues and for DOD to realize its goal of achieving an unmodified (“clean”) audit opinion by the end of 2028. DOD’s financial management and business systems modernization has been on GAO’s High-Risk List since 1995. In April 2025, we testified that, while DOD has taken steps to address these issues, it needs to do more in areas like action plans and demonstrating results. GAO has made recommendations to improve DOD’s financial management and business systems modernization areas. Addressing these recommendations will help DOD track audit remediation efforts, avoid system transition delays, modernize its financial systems, and achieve the benefits of a clean audit opinion. ([GAO-25-108191](#))



Source: U.S. House of Representatives, Subcommittee on Government Operations, Committee on Oversight and Government Reform. | GAO-26-900644

Asif A. Khan, Director, testified on DOD’s longstanding financial management issues and fraud risks.

To accomplish our work in FY 2025 under these strategic objectives, we conducted foresight work (e.g., examining the nation’s long-term fiscal and management challenges) and insight work focusing on federal programs at high risk for fraud, waste, abuse, and mismanagement. As shown in [table 22](#), we exceeded our Goal 3 targets for financial benefits, and fell short of our target for other benefits and testimonies.

**Table 22: Strategic Goal 3’s Annual Performance Results and Targets**

Performance measure	2020 actual	2021 actual	2022 actual <sup>a</sup>	2023 actual <sup>a</sup>	2024 actual	2025 target	2025 actual	Met/ not met	2026 target
Financial benefits (dollars in billions)	\$5.0	\$6.4	\$42.1	\$52.0	\$6.5	\$6.2	\$7.6	Met	\$5.9
Other benefits	390	477	458	444	445	380	373	Not met	380
Testimonies	18	15	22	22	19	22	18	Not met	22

Source: GAO. | GAO-26-900644

Note: Goals 1 through 3 do not sum to the total agency-wide targets, as we have left a portion of the targets unassigned. Experience leads us to believe that we can meet the agency-wide targets, but we cannot always accurately predict under which goals.

<sup>a</sup>In FYs 2022 and 2023, we reached \$42.1 and \$52 billion in financial benefits, respectively, due to large financial benefits. However, we do not expect this level of results in FY 2026.

We consider many factors, as described in [Part I](#), to set our targets. To help us examine trends for these measures over time, one factor we consider is their 4-year averages, which minimizes the effect of an unusual level of performance in any single year and are shown in [table 23](#).

**Table 23: Four-Year Rolling Averages for Strategic Goal 3**

Performance measure	2020	2021	2022	2023	2024	2025
Financial benefits (dollars in billions)	\$7.2	\$7.5	\$15.1	\$26.4	\$26.8	\$27.1
Other benefits	478	468	454	442	456	430
Testimonies	25	21	20	19	20	20

Source: GAO. | GAO-26-900644

The following sections describe our performance under Goal 3 for each of our quantitative performance measures and the targets for FY 2026.

### Financial Benefits

The financial benefits reported for this goal in FY 2025 totaled \$7.6 billion, which was \$1.4 billion above our \$6.2 billion target. Financial benefits contributing to this total include the VA undertaking efforts to improve its software license management, which it expects will save about \$125.6 million over 5 years; and the SSA reducing costs for its identity verification service, which will reduce its operating costs by about \$1.9 million from FYs 2025-2026. We set our FY 2026 target at \$5.9 billion based on discussions with the Goal 3 teams on what they believe can be achieved based on past, ongoing, and expected work.

#### Example of Goal 3’s Financial Benefits

**Preventing Improper Payments to Deceased Individuals.** Federal agencies reported improper payment estimates totaling \$2.8 trillion since FY 2003. To reduce payment errors, we recommended that Congress amend the Social Security Act to allow SSA to share more complete death data with Treasury’s Do Not Pay system, a data-matching service used to prevent improper payments. In December 2020, Congress enacted legislation for SSA to share its full death data with Treasury for a 3-year period. In April 2025, Treasury determined this led to \$109 million in payment errors identified, prevented, or recovered in 2024, the first year of the 3-year period. ([GAO-22-105715](#), [GAO-20-625](#), [GAO-17-15](#))

### Other Benefits

Other benefits reported for Goal 3 in FY 2025 totaled 373, falling short of our target of 380 by 7 benefits. Goal 3’s benefits were primarily in the areas of program efficiency and effectiveness, business process and improvement, acquisition and contract management, and tax law administration. We set our FY 2026 target again at 380, based on recent performance and discussions with the Goal 3 teams on what they believe can be achieved based on past, ongoing, and expected work.

#### Example of Goal 3’s Other Benefits

**Improving Oversight of Federal Awards.** If the recipient of a federal award spends \$1 million or more in federal funds in a year, it must undergo an audit of its award spending. The results of these audits must be submitted to the Federal Audit Clearinghouse. However, federal law did not require quality reviews of these audits—and we found issues with some of their quality and completeness in our April 2024 report. We recommended that Congress consider amending the Single Audit Act to require OMB to regularly perform and report on governmentwide audit quality reviews. In December 2024, Congress enacted legislation to do so, which will improve oversight of trillions of dollars. ([GAO-24-106173](#))

## Testimonies

Our senior executives testified 18 times in FY 2025 on our Goal 3 work, which fell short of the target of 22 by 4 testimonies. In addition to the testimonies described below, we testified on the need to improve DOD's fraud risk management and address the VA's IT modernization challenges. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2026 target for testimonies for Goal 3 at 22 based on experience in recent years.

### Example of Goal 3's Testimonies

**Using AI to Combat Fraud and Improper Payments.** GAO has reported that improper payments and fraud are estimated to have collectively cost taxpayers trillions of dollars. We estimated that the federal government loses between \$233 billion and \$521 billion annually from fraud, based on FYs 2018 to 2022 data. In April 2025, we testified on (1) actions Congress and agencies can take to combat fraud and improper payments without the use of AI, (2) opportunities and challenges for using AI to combat fraud and improper payments, and (3) workforce challenges in the use of AI in the federal government. GAO has made recommendations to help federal agencies manage fraud risks, such as using data analytics to better manage risk. Additionally, to further help agencies build prevention-focused anti-fraud efforts, GAO developed a web-based Antifraud Resource, which provides interactive tools and resources for understanding and combatting fraud. Implementing our recommendations and using our resources can enable agencies to carry out their missions and better protect taxpayer dollars from fraud. ([GAO-25-108412](#))



Source: U.S. Congress, Joint Economic Committee. | GAO-26-900644

Dr. Sterling Thomas, Chief Scientist, testified on the use of AI and other tools to combat fraud and improper payments.

Example of Goal 3’s Testimonies

**Modernizing VA Electronic Health Records.** The VA depends on its electronic health record system to manage health care for its patients. Since 2017, the VA’s Electronic Health Record Modernization program has undertaken an effort to replace its legacy electronic health record system with a modernized, commercial system. In February 2025, we testified on challenges that the VA faces as it works to replace its legacy system. GAO has made recommendations on the electronic health record modernization. Implementing GAO’s recommendations is critical to reducing electronic health record risks and delivering a quality system within cost and schedule expectations, thereby helping to better manage patients’ care. ([GAO-25-108091](#))



Source: U.S. House of Representatives, Subcommittee on Technology Modernization, Committee on Veterans’ Affairs. | GAO-26-900644

Carol C. Harris, Director, testified on modernizing VA electronic health records.

[Table 24](#) contains examples of Goal 3 accomplishments, which include both financial and other benefits.

**Table 24: Examples of Goal 3’s Accomplishments**

Government’s Fiscal Condition and Opportunities to Strengthen Management of Federal Finances	
Improving IRS’s Financial Management Processes and IT Systems	GAO annually audits IRS’s financial statements and its internal controls (e.g., processes to reasonably assure that transactions are properly authorized and recorded) over financial reporting, including IT system controls. Since 2012, we have reported on a significant deficiency related to IRS’s IT system controls and have made over 200 recommendations to address the issues—including limiting who has access and ensuring that systems work as intended. In November 2024, we reported that IRS resolved the long-standing significant deficiency, which will improve its financial management processes and protect taxpayer data. ( <a href="#">GAO-25-107202</a> , <a href="#">GAO-25-107930</a> )



<b>Ensuring COVID-Related Sick and Family Leave Tax Credits Went to Eligible Employees</b>	Sick and family leave credits helped employers provide paid leave during the COVID-19 pandemic. However, employers had to have fewer than 500 employees to be eligible for the credits. We found in March 2021 that IRS did not have a plan to use data to verify that employers met the employee count cap. We recommended that the IRS use data from its tax forms to verify these claims, and the IRS did so. In April 2025, we verified that IRS collected an additional \$104 million in taxes in FYs 2023 and 2024 as a result. ( <a href="#">GAO-21-387</a> )
<b>Improving Taxpayer Digital Communication Services</b>	The IRS offers a range of online services. Taxpayers want options for communicating with IRS, including sending electronic messages. In December 2019, we identified opportunities to improve how IRS is piloting new communication services. We also found that some taxpayers experienced challenges verifying their identity and could not participate in the pilots. In response, the IRS showed in October 2024 that it had identified procedures to improve secure messaging processes—including measuring taxpayer satisfaction with secure messaging and developing additional identity verification options. ( <a href="#">GAO-20-71</a> )
<b>Fraud, Waste, and Abuse, and Needed Improvements in Internal Controls</b>	
<b>Strengthening VHA Employment Policies Related to Controlled Substances</b>	The VHA determines whether health care providers may provide care for millions of veterans. DEA regulations require VHA facilities to obtain waivers before employing individuals convicted of a controlled substance felony for positions with access to controlled substances. In 2019, we reported that VHA had not issued DEA waiver policies and recommended it do so. In October 2024, VHA provided policies on DEA waivers and how to request them. This will help VHA follow requirements and help ensure veterans are prescribed controlled substances appropriately and lawfully. ( <a href="#">GAO-19-6</a> )
<b>Crosscutting Issues, Major Management Challenges, and Program Risks</b>	
<b>Saving Money on DOD's Polar Communications System</b>	Federal agencies spend billions of dollars on satellites that provide critical communications and other capabilities. Agencies can save time and money by paying companies to host government equipment on their commercial satellites. We recommended in 2013 that Congress allow agencies more flexibility to acquire such services. Congress passed legislation requiring DOD to study using this option. After the study concluded, DOD began using this approach for select missions. In FY 2025, we calculated that DOD saved \$777 million from FY 2017 to FY 2024 by using a satellite company to host equipment for its polar communications system. ( <a href="#">GAO-18-493</a> , <a href="#">GAO-13-279sp</a> )
<b>Reducing the Costs of VA's Software Licenses</b>	In January 2024, we reported that the VA could not determine if it was purchasing too many software licenses. We recommended that VA track licenses that are currently in use within its inventories and compare them with purchase records on a regular basis. Doing so could reduce costs on duplicate or unnecessary licenses. In response, VA's Office of Information and Technology established the Enterprise Software Asset Management program to improve its software license management and, in May 2025, reported assessing its licenses. The VA expects to save \$125.57 million over 5 years by ensuring that it is only purchasing necessary software licenses. ( <a href="#">GAO-24-105717</a> )

### Reducing Costs for Social Security's Identity Verification Service

Identity fraud is a growing concern for financial institutions—such as banks. In 2020, SSA launched an electronic service to help financial institutions verify Social Security numbers. In September 2024, we reported that fewer institutions than expected were using this service and the agency had not fully recovered its development and operating costs, as it is required to do. As of April 2025, the agency reported it had reduced the fees for this service and identified cost savings to reduce its annual operating costs. We estimated that this will reduce its operating costs by \$1.9 million from FYs 2025-2026. ([GAO-24-106770](#))

## Science and Technology Issues

### Strengthening Policies for Addressing Researchers' Conflicts of Interest

To protect U.S. investments in scientific research from undue foreign influence, federal agencies should have conflict of interest policies and require researchers to disclose foreign interests. In December 2020, we reported that NASA lacked written procedures, including roles and responsibilities, for handling allegations of failure to disclose required information. We recommended NASA document its procedures. In response, NASA updated its guidance in October 2024. This will help ensure NASA staff understand how to manage allegations of researchers failing to disclose information on potential conflicts. ([GAO-21-130](#))

### Ensuring AI Is Used Effectively to Enhance DHS Cybersecurity

While responsible use of AI can improve cybersecurity, irresponsible use may pose risks. DHS uses AI to help detect PII when cyber threats are reported. In February 2024, we reported that DHS did not have specific procedures to monitor its PII-detection AI component to ensure that it is working as intended. We recommended DHS establish these procedures. In response, DHS issued a monitoring plan in December 2024 to monitor and test this AI component—which will help strengthen oversight, ensure correct operation, and mitigate privacy risks. ([GAO-24-106246](#))

Source: GAO. | GAO-26-900644

Note: It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can generally claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#).



Source: Nikish H/stock.adobe.com. | GAO-26-900644



## Strategic Goal 4

# Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and by Being a Leading Practices Federal Agency

Our fourth strategic goal embraces the spirit of continuous and focused improvement in order to sustain high-quality, timely service to the Congress, while also implementing leading practices in our internal operations. Activities carried out under this goal also address our internal management challenges. The multi-year (FYs 2022-2027) strategic objectives under this goal are to:

- Empower GAO's diverse workforce to continue to excel in mission delivery through strategic talent management;
- Refine GAO's processes to deliver high-quality results and products, and promote knowledge sharing, government standards, and strategic solutions; and
- Provide modern integrated tools and systems in a secure, collaborative, and flexible environment.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

The work supporting these objectives is performed under the direction of the CAO through the following offices: the Controller, Financial Management and Business Operations, Human Capital, Information Systems and Technology Services (ISTS), Infrastructure Operations, the Learning Center, the Professional Development Program, and Field Operations. Assistance on specific key efforts is provided by the Applied Research and Methods, STAA, and Financial Management and Assurance mission teams; and the APQA, CR, Continuous Process Improvement, OGC, OPA, and SPEL staff offices.

To accomplish our work under these three objectives, we performed internal studies and completed projects that further the strategic goal.

## Examples of Work under Goal 4

**Implementing New Technology:** In FY 2025, we implemented several new technologies to safeguard GAO systems and ensure data reliability, including a new Enterprise Content Management system to replace GAO's previous records management system; a new time management application, GovTA, to track time and attendance for all employees; and PIV credentials for all employees. Additional examples of Goal 4 achievements are included in this section and are also discussed in [Part I \(Internal Management Challenges\)](#).

Table 25 provides examples of Goal 4 accomplishments and contributions.

**Table 25: Examples of Goal 4's Accomplishments and Contributions**

<b>Empower GAO's Workforce to Excel in Mission Delivery through Strategic Talent Management</b>	
<b>Attract, hire, and retain a diverse, multidisciplinary workforce</b>	<ul style="list-style-type: none"> <li>■ Successfully managed a year-round program for 189 analysts and operations interns, providing GAO with a continuous pipeline of vetted, trained staff to meet agency needs.</li> <li>■ Effectively integrated 18 entry-level analyst hires into GAO's workforce, dedicated to supporting national security oversight with a focus on conducting sensitive or classified work.</li> </ul>
<b>Provide training and development programs to enhance employee skills</b>	<ul style="list-style-type: none"> <li>■ Developed eLearning on Assessing Data Reliability to help engagement teams identify key data collection steps and factors to consider in making final determinations about data.</li> <li>■ Delivered customized workshops to improve managers' ability to support employees during rapid changes in technology, processes, and staffing.</li> <li>■ Developed training, tools, and resources to support the agency's transition to a new Enterprise Content Management system.</li> <li>■ Developed and delivered new congressional relations training for entry-level employees.</li> </ul>
<b>Maintain effective relationships with GAO's internal employee organizations</b>	<ul style="list-style-type: none"> <li>■ Worked with the GAO Employees Organization, International Federation of Professional and Technical Engineers Local 1921, to negotiate on a variety of initiatives, including:               <ul style="list-style-type: none"> <li>○ Implemented the Enterprise Content Management system to replace GAO's previous records management system.</li> <li>○ Implemented a new online time and attendance application system for all employees.</li> </ul> </li> </ul>



## Refine GAO's Processes to Deliver Quality Results and Products and Promote Knowledge Sharing

Continue to enhance outreach to the Congress and audited entities	<ul style="list-style-type: none"> <li>■ Expanded awareness of GAO's science and technology expertise via the Chief Scientist's quarterly science and technology newsletter, office hours in the Longworth House Office Building to provide on-the-spot technical consultation, and a dozen "Let's Talk Science" events for the Congress.</li> <li>■ Continued to work with GAO's science and technology advisory group, the Polaris Council, and formalized our expert network to provide greater depth of science and technology knowledge to support Congress.</li> <li>■ Analyzed internal data to determine the frequency and extent of technical assistance provided to congressional staff, improving the reliability of tracking and categorization.</li> <li>■ Developed a process to regularly update congressional staff about legal decisions.</li> </ul>
Enhance GAO's foresight and strategic planning capacity	<ul style="list-style-type: none"> <li>■ Operationalized and supported GAO's Artificial Intelligence Council by facilitating four meetings in FY 2025, and enhancing internal coordination to promote knowledge sharing and innovation.</li> </ul>
Develop and continually improve government auditing standards	<ul style="list-style-type: none"> <li>■ Issued the 2025 revision of <i>Standards for Internal Control in the Federal Government</i>, known as the "Green Book," which sets the standards for an effective internal control system for federal agencies.</li> <li>■ Updated the <i>Government Auditing Standards</i> eLearning, also known as the Yellow Book eLearning, to reflect new developments in the 2024 revision mainly related to how audit organizations manage audit quality.</li> <li>■ Collaborated with the Council of the Inspectors General on Integrity and Efficiency to improve the methodology for performing financial statement audits of federal entities, including related IT control assessments.</li> <li>■ Performed outreach to help ensure consistent application of federal financial accounting, auditing, and internal control standards.</li> </ul>
Enhancing information sharing for the domestic and international accountability community	<ul style="list-style-type: none"> <li>■ Leveraged the expertise of our in-house Adjunct Faculty Program to provide cost-effective training to employees across all job functions; this program was featured as a model for other SAs in the <i>International Journal of Government Auditing</i>.</li> </ul>
Leverage data, technology, staff, and process improvements to enhance GAO's communications, processes, and programs	<ul style="list-style-type: none"> <li>■ GAO's <a href="#">WatchBlog</a> was recognized with its second ClearMark Award from the Center for Plain Language, in the Emails, Newsletters, and Blogs category.</li> <li>■ Expanded our video presence online and enhanced efforts to explain key report findings, including by creating video promos of podcast episodes and making videos of GAO directors' opening statements from nearly 40 congressional hearings available to viewers on YouTube and GAO.gov.</li> <li>■ Expanded accessibility to all standard GAO reports and testimonies by implementing HTML in addition to PDF, enabling viewing on mobile and other devices.</li> </ul>

**Provide Modern Integrated Tools and Systems in a Secure Environment**

<b>Ensure a secure, cost-effective physical and technological infrastructure</b>	<ul style="list-style-type: none"><li>■ Improved capacity to advance GAO’s complex analytical and exploratory computing functions to support mission needs through a dedicated cloud-based computing environment.</li><li>■ Provided PIV cards to employees to enhance network and data security.</li><li>■ Completed cloud migration of employee-facing tools, strengthening authentication and securing our applications.</li><li>■ Continued field office space-optimization efforts to continue reducing our physical footprint.</li></ul>
<b>Empower staff with collaborative, integrated tools</b>	<ul style="list-style-type: none"><li>■ Enhanced GAO’s generative AI system by identifying metrics to assess whether system responses are grounded and relevant.</li><li>■ Initiated rollout of a new operating system to provide employees integrated applications, enhanced collaboration tools, and faster processing time.</li></ul>
<b>Enhance tools that integrate crosscutting enterprise data to facilitate decision-making</b>	<ul style="list-style-type: none"><li>■ Enhanced GAO’s organizational change management dashboard to identify interdependencies, reduce collisions, and enable data-driven decisions while minimizing operational disruptions.</li></ul>

Source: GAO. | GAO-26-900644



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# PART III

## Financial Information



# Part III

## Financial Information



### From the Chief Financial Officer

January 29, 2026

In FY 2025, GAO continued to focus on our mission to support Congress in meeting its constitutional responsibilities and help improve the performance and ensure the accountability of the federal government. In doing so, we strive to set the standard for excellence in government financial management. Once again, GAO's financial statements, which are an integral part of our Performance and Accountability Report, received an unmodified "clean" opinion. Our independent auditors found that GAO maintained, in all material aspects, effective internal control over financial reporting. They found no reportable instances of non-compliance with the applicable laws and regulations during limited testing; and determined that our financial management systems substantially complied with the applicable FFMIA requirements. Although not required, GAO considers the independent auditor's opinion on internal controls and on the systems compliance with FFMIA to be a leading practice. I am proud to report that our FY 2024 PAR received the CEAR award from AGA—our 24th consecutive award since we first applied in FY 2001. In addition, we were honored with AGA's Best-In-Class award in recognizing the clarity and conciseness of our financial and performance highlights section.

GAO's enacted FY 2025 budget remained flat with FY 2024 funding at \$811.9 million. Supplemental funding, particularly for audits authorized under the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and FY 2025 Emergency Disaster Response, and revenue from reimbursements and collections helped us manage the flat appropriations level. Nevertheless, GAO incurred a net loss of about 100 staff in FY 2025 as we did not backfill for attrition due to budget constraints. In FY 2025, GAO implemented Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) programs as part of its broader strategy to address ongoing budget constraints. More than 120 employees



accepted VERA or VSIP offers in FY 2025; however, only a portion of those separations are reflected in the net reduction of approximately 100 staff during FY 2025. The remaining VERA and VSIP separations are scheduled to occur in FY 2026.

Internally, the enacted FY 2025 funding enabled GAO to sustain mission operations while making limited investment in critical infrastructure initiatives. These initiatives included ongoing cloud migration to enhance operational capacity and reduce infrastructure costs, deployment of new applications for time and attendance and document management to replace aged systems, and for the initial phase of Zero Trust implementation to enhance our security posture. At the same time, resource constraints forced us to defer several high-priority initiatives, including IT hardware replacements, intranet modernization, data analytics and AI projects, and identity management enhancements. In addition, upgrades to headquarters emergency power generation and physical security remain on hold.

We plan to leverage technological advances to help fill the needs. We are integrating IT efficiencies and upgrades where most impactful and will evaluate and invest in AI and other modern technologies as resources allow. Workplace flexibilities have created opportunities to optimize our workspaces and reduce our physical footprint at 1) headquarters that will allow us to generate income by leasing space to federal tenants, and 2) in our field offices that will result in cost savings.

GAO continues to strengthen integration and oversight of Enterprise Risk Management, fraud risk management, internal control activities, and high-risk programs. Under the direction of the Chief Risk Officers, we continued to collaborate with stakeholders to (1) conduct annual risk assessments, validate risk mitigation strategies, and prepare risk profiles for enterprise risks consistent with federal standards and guidance; (2) assess the internal controls over operations, reporting, and compliance; and (3) update fraud risk assessments of high-risk program areas consistent with GAO's *Framework for Managing Fraud Risks in Federal Programs*.

The Office of Internal Control conducted an entity-wide assessment of key controls in GAO's internal control system, consistent with FMFIA and OMB Circular No. A-123 and its appendices. To validate compliance, effectiveness, efficiency, and the integrity of data, the Office of Internal Control reviewed and tested the controls for key business cycles, such as acquisitions, budget execution, disbursements, financial reporting, human capital/payroll, infrastructure operations, and financial management systems. In addition, we reviewed the independent auditors' reports of our shared service providers and ensured that any identified issues were mitigated through appropriate compensating controls, where applicable.

Our assessment concluded that GAO complied with the five components and 17 principles of the *Standards for Internal Control in the Federal Government* (Green Book) and provided reasonable assurance that internal control over reporting, operations, and compliance were operating effectively and efficiently for FY 2025. No material weaknesses or significant deficiencies were identified in the design or implementation of GAO's internal control system.

GAO will continue to leverage our resources and maximize our efficiencies to thrive in this challenging budget environment. As exemplary fiscal stewards, we expect to ensure GAO is successful in meeting our responsibilities to Congress and the American people with fiscal responsibility, efficiency, accountability, and transparency.

//SIGNED//

William (Bill) White  
Chief Administrative Officer/  
Chief Financial Officer

# Audit Advisory Committee's Report

January 22, 2026

The Audit Advisory Committee assists the Comptroller General in overseeing the U.S. GAO's financial operations. As part of that responsibility, the Committee meets with agency management, its Inspector General, and its external auditors to review and discuss GAO's external financial audit coverage, the effectiveness of GAO's internal controls over its financial operations, and its compliance with certain laws and regulations that could materially impact GAO's financial statements. GAO's external auditors are responsible for expressing an opinion on the conformity of GAO's audited financial statements with accounting principles generally accepted in the United States of America. The Committee reviews the findings of the Inspector General and external auditors, and GAO's responses to those findings, to assure itself that GAO's plan for corrective action includes appropriate and timely follow-up measures. In addition, the Committee reviews the draft Performance and Accountability Report, including its financial statements, and provides comments to management who have responsibility for the Performance and Accountability Report. The Committee met twice with respect to its responsibilities as described above. During these sessions, the Committee met with the Inspector General and external auditors without GAO management being present and discussed with the external auditors the matters that are required to be discussed by generally accepted auditing standards. Based on procedures performed as outlined above, the Committee recommends that GAO's audited financial statements, notes, and required supplementary information be included in the 2025 Performance and Accountability Report.

//SIGNED//

Kathleen S. Tighe  
Chair Audit Advisory Committee

# Independent Auditors' Report



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## INDEPENDENT AUDITORS' REPORT

Acting Comptroller General of the United States  
U.S. Government Accountability Office

In our audits of the fiscal years 2025 and 2024 financial statements of the U.S. Government Accountability Office (GAO), we found:

- GAO's financial statements as of and for the fiscal years ended September 30, 2025, and 2024, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- GAO maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025;
- GAO's financial management systems substantially complied with the applicable requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA) as of September 30, 2025; and
- No reportable noncompliance for fiscal year 2025 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections contain:

1. Our report on GAO's financial statements, internal control over financial reporting, and on financial management systems' compliance with FFMIA requirements, which includes a section on required supplementary information (RSI)<sup>1</sup> and other information<sup>2</sup> included with the financial statements; and
2. Other reporting required by *Government Auditing Standards*, which is our report on GAO's compliance and other matters, including certain provisions referred to in Section 803(a) of the FFMIA. This section also includes GAO's comments on our report.

### REPORT ON THE AUDITS OF THE FINANCIAL STATEMENTS, INTERNAL CONTROL OVER FINANCIAL REPORTING, AND SYSTEMS' COMPLIANCE WITH FFMIA REQUIREMENTS

#### Opinion on the Financial Statements

We have audited the financial statements of GAO, which comprise the balance sheets as of September 30, 2025, and 2024, and the related statements of net cost, statements of changes in net position, and statements of budgetary resources for the fiscal years then ended, and the related notes to the financial statements (collectively, the financial statements).

<sup>1</sup> The RSI consists of the "Management's Discussion and Analysis" section on page 1, subsections titled "Deferred Maintenance and Repairs" on page 123, and "Land" on page 124 in the "Financial Information" section of GAO's Performance and Accountability Report.

<sup>2</sup> Other information consists of information included with the financial statements, other than the RSI and the auditors' report, in GAO's Performance and Accountability Report.



# Independent Auditors' Report (*continued*)



In our opinion, the accompanying financial statements present fairly, in all material respects, GAO's financial position as of September 30, 2025, and 2024, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

## **Opinion on Internal Control over Financial Reporting**

We also have audited GAO's internal control over financial reporting as of September 30, 2025, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA). In our opinion, GAO maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025, based on criteria established under FMFIA.

During our fiscal year 2025 audit, we identified deficiencies in GAO's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies<sup>3</sup>. Nonetheless, these deficiencies warrant GAO management's attention. We have communicated these matters to GAO management and, where appropriate, will report on them separately.

## **Opinion on Systems' Compliance with FFMIA Requirements**

We also have audited GAO's financial management systems' compliance with the requirements of the FFMIA as of September 30, 2025. In our opinion, GAO's financial management systems substantially complied with the three requirements in Section 803(a) of the FFMIA as of September 30, 2025, based on criteria established under FFMIA for federal financial management systems. Our audit does not provide a legal determination of GAO's compliance.

## **Basis for Opinions**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS); standards applicable to financial statement audits contained in Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States; and guidance contained in Office of Management and Budget (OMB) Bulletin 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin 24-02 are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements, Internal Control over Financial Reporting, and Systems' Compliance with FFMIA Requirements* subsection of our report. We are required to be independent of GAO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management for the Financial Statements, Internal Control over Financial Reporting, and Systems' Compliance with FFMIA Requirements**

Management is responsible for (1) the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles; (2) the preparation, measurement, and presentation of the RSI in accordance with U.S. generally accepted accounting principles; (3) the preparation and presentation of other information included in GAO's Performance and Accountability Report, and ensuring the consistency of that information with the audited financial statements and the RSI; (4) the design, implementation, and maintenance of effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement,

<sup>3</sup> A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

# Independent Auditors' Report *(continued)*



whether due to fraud or error; (5) assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA; (6) its assessment about the effectiveness of internal control over financial reporting as of September 30, 2025, included in the Management's Assurance Statement on Internal Control over Financial Reporting in the Management's Discussion and Analysis (MD&A) section of GAO's Performance and Accountability Report ; and (7) implementation and maintenance of financial management systems that are in substantial compliance with FFMIA requirements.

## **Auditors' Responsibilities for the Audits of the Financial Statements, Internal Control over Financial Reporting, and Systems' Compliance with FFMIA Requirements**

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, whether effective internal control over financial reporting was maintained in all material respects, and whether the financial management systems substantially complied with the three requirements in Section 803(a) of the FFMIA, and (2) issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements or an audit of internal control over financial reporting conducted in accordance with GAAS, GAGAS, and OMB guidance will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgments made by a reasonable user based on the financial statements.

In performing an audit of financial statements, an audit of internal control over financial reporting, and an audit of systems' compliance with FFMIA requirements in accordance with GAAS, GAGAS, and OMB guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit of the financial statements in order to design audit procedures that are appropriate in the circumstances.
- Obtain an understanding of internal control relevant to the audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk. The audit of internal control also considered GAO's process for evaluating and reporting on internal control over financial reporting based on criteria established under FMFIA. We did not evaluate all internal controls relevant to operating objectives as broadly established under FMFIA, such as those controls relevant to preparing performance information and ensuring efficient operations. We limited our internal control testing to testing controls over financial reporting. Our internal control testing was for the purpose of expressing an opinion on whether effective internal control over financial reporting was maintained, in all material respects. Consequently, our audit may not identify all deficiencies in internal control over financial reporting that are less severe than a material weakness.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Examine, on a test basis, evidence about GAO's compliance with requirements in Section 803(a) of the FFMIA as outlined in the following areas: (1) federal financial management

# Independent Auditors' Report (*continued*)



system requirements, (2) applicable federal accounting standards, and (3) the United States Government Standard General Ledger (USSGL) at the transaction level.

- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

## **Definition and Inherent Limitations of Internal Control over Financial Reporting**

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that:

- Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- Transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error. We also caution that projecting any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America and OMB Circular No. A-136, *Financial Reporting Requirements*, require that the MD&A and other RSI be presented to supplement the financial statements. Such RSI is the responsibility of management and, although not a part of the financial statements, is required by the Federal Accounting Standards Advisory Board (FASAB) and OMB, who consider it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, and historical context.

We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America. These procedures consisted of (1) inquiries of management about the methods of preparing the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements, in order to report omissions or material departures from FASAB and OMB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

GAO's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in GAO's Performance and Accountability Report. The other information comprises the sections included in Performance and Accountability Report but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

# Independent Auditors' Report *(continued)*



In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

### **Report on Compliance and Other Matters**

In connection with our audit of GAO's financial statements, we tested compliance with selected provisions of applicable laws, including certain provisions referred to in Section 803(a) of FFMIA, regulations, contracts, and grant agreements consistent with our auditors' responsibilities discussed below.

#### Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters for fiscal year 2025 that would be reportable under GAGAS. The results of our tests with Section 803(a) of FFMIA disclosed no instances in which GAO's financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to GAO. Accordingly, we do not express such an opinion.

#### Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

We performed our tests of compliance in accordance with GAGAS and OMB audit guidance.

#### Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

GAO management is responsible for complying with laws, including certain provisions referred to in Section 803(a) of FFMIA, regulations, contracts, and grant agreements applicable to GAO.

#### Auditors' Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our responsibility is to test compliance with selected provisions of laws, including certain provisions referred to in Section 803(a) of FFMIA, regulations, contracts, and grant agreements applicable to GAO that have a direct effect on the determination of material amounts and disclosures in GAO's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to GAO. We caution that noncompliance may occur and not be detected by these tests.

#### Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with GAGAS in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements and other matters is not suitable for any other purpose.



# Independent Auditors' Report (*continued*)

**GAO's Comments**

GAO's comments on this report are included in Appendix A. GAO concurred with the findings in our report.

*Sikich CPA LLC*

Alexandria, VA  
January 27, 2026

# Independent Auditors' Report (*continued*)



## APPENDIX A GAO's Comments



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.  
Washington, DC 20548

January 27, 2026

Mr. Scott Ing  
Principal  
Sikich CPA LLC  
333 John Carlyle Street, Suite 500  
Alexandria, VA 22314

Dear Mr. Ing:

On behalf of the Acting Comptroller General of the United States, thank you for the opportunity to respond to Sikich CPA LLC's draft audit report titled, GAO's Independent Auditors' Report.

We are pleased that Sikich's audit found that GAO's fiscal year 2025 financial statements were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. GAO also received an opinion that it maintained, in all material respects, effective internal control over financial reporting and an opinion that GAO's financial management systems substantially complied with the applicable requirements of the FFMIA. GAO remains committed to maintaining effective internal control over financial reporting. Also, Sikich found no instances of reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements it tested.

Sincerely,

//SIGNED//

Kimberly Bassett-Nelson  
Acting Controller

# Purpose of Financial Statements, Notes, and Required Supplementary Information

The financial statements on the following pages are the:

- Balance Sheets, which present the amounts we had available to use (assets) versus the amounts we owed (liabilities) and the residual amounts after liabilities were subtracted from assets (net position).
- Statements of Net Cost, which present the annual cost of our operations. The gross costs, less any offsetting revenue earned from our activities, is used to arrive at the net cost of work performed under our four strategic goals and other costs in support of the Congress.
- Statements of Changes in Net Position, which present the accounting items that caused the net position section of the balance sheets to change from the beginning to the end of the fiscal years displayed.
- Statements of Budgetary Resources, which present how budgetary resources were made available to us during the fiscal year and the status of those resources at the end of the fiscal year.
- Notes to financial statements present information that is essential to a user's understanding of the basic financial statements. This includes:
  - Relevant information integral to understanding line items of accrual basis financial statements
  - Context or background information regarding the reporting entity and its activities
  - Past events, current conditions, and circumstances not previously recognized but that may affect operating performance
  - Other information users may need to assess accountability
- Required supplementary information presents certain unaudited information required by Government Accounting Standards which does not appear elsewhere.

**Financial Statements**  
**U.S. Government Accountability Office**  
**Balance Sheets**

**As of September 30, 2025 and 2024**

(Dollars in thousands)

	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>Assets</b>		
<b>Intragovernmental Assets (Note 2)</b>		
Fund Balance with Treasury	\$234,348	\$286,560
Accounts receivable	2,955	3,198
Advances and prepayments	<u>2,602</u>	<u>4,831</u>
<b>Total Intragovernmental Assets</b>	<u>239,905</u>	<u>294,589</u>
<b>Assets With the Public</b>		
Property, plant, and equipment, net (Note 3)	50,024	40,050
Other assets	<u>202</u>	<u>186</u>
<b>Total Assets With the Public</b>	<u>50,226</u>	<u>40,236</u>
<b>Total Assets</b>	<u><u>\$290,131</u></u>	<u><u>\$334,825</u></u>
<b>Liabilities (Note 4)</b>		
<b>Intragovernmental Liabilities</b>		
Employer contributions and payroll taxes payable (Note 5)	\$4,648	\$3,856
Other liabilities (Note 8)	<u>3,269</u>	<u>3,220</u>
<b>Total Intragovernmental Liabilities</b>	<u>7,917</u>	<u>7,076</u>
<b>Liabilities With the Public</b>		
Accounts payable	2,953	9,082
Federal employee salary, leave and benefits payable (Note 6)	68,179	66,115
Pension and post-employment benefits payable (Note 7)	16,292	13,841
Other liabilities (Note 8)	<u>12,369</u>	<u>10,989</u>
<b>Total Liabilities With the Public</b>	<u>99,793</u>	<u>100,027</u>
<b>Total Liabilities</b>	<u>107,710</u>	<u>107,103</u>
Commitments and Contingencies (Notes 1, 9, 11)		
<b>Net Position</b>		
Unexpended appropriations	119,892	122,852
Cumulative results of operations	<u>62,529</u>	<u>104,870</u>
<b>Total Net Position (Note 13)</b>	<u>182,421</u>	<u>227,722</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$290,131</u></u>	<u><u>\$334,825</u></u>

The accompanying notes are an integral part of these financial statements.



**Financial Statements**  
**U.S. Government Accountability Office**  
**Statements of Net Cost**  
**For the FYs Ended September 30, 2025 and 2024**  
(Dollars in thousands)

	<u>2025</u>	<u>2024</u>
<b>Net Costs by Goal</b>		
<b>Goal 1: Well-being / Financial Security of American People</b>		
Gross costs	\$375,516	\$327,312
Less: reimbursable services	(577)	(363)
Net goal costs	<u>374,939</u>	<u>326,949</u>
<b>Goal 2: Changing Security Threats / Challenges of Global Interdependence</b>		
Gross costs	212,281	275,737
Less: reimbursable services	-	-
Net goal costs	<u>212,281</u>	<u>275,737</u>
<b>Goal 3: Transforming the Federal Government's Role</b>		
Gross costs	299,353	241,062
Less: reimbursable services	(14,864)	(14,268)
Net goal costs	<u>284,489</u>	<u>226,794</u>
<b>Goal 4: Maximize the Value of GAO</b>		
Gross costs	13,367	21,393
Less: reimbursable services	-	-
Net goal costs	<u>13,367</u>	<u>21,393</u>
<b>Other Costs in Support of the Congress</b>		
Gross costs	69,737	73,625
Less: reimbursable services	(2,504)	(2,333)
Net costs	<u>67,233</u>	<u>71,292</u>
Costs Not Assigned to Programs	3,050	-
Less: Reimbursable services not attributable to above cost categories	<u>(15,773)</u>	<u>(16,401)</u>
<b>Net Cost of Operations</b> (Note 10)	<u>\$939,586</u>	<u>\$905,764</u>

The accompanying notes are an integral part of these financial statements.

**Financial Statements**  
**U.S. Government Accountability Office**  
**Statements of Changes in Net Position**  
**For the FYs Ended September 30, 2025 and 2024**  
(Dollars in thousands)

	<u><b>2025</b></u>	<u><b>2024</b></u>
<b>Unexpended Appropriations:</b>		
<b>Unexpended Appropriations, beginning of fiscal year</b>	\$122,852	\$152,752
Appropriations received	821,894	811,894
Other adjustments	(5)	(737)
Appropriations used	<u>(824,849)</u>	<u>(841,057)</u>
<b>Net Change in Unexpended Appropriations</b>	(2,960)	(29,900)
<b>Unexpended Appropriations, end of fiscal year</b>	<u>\$119,892</u>	<u>\$122,852</u>
<b>Cumulative Results of Operations:</b>		
<b>Cumulative Results of Operations, beginning of fiscal year</b>	\$104,870	\$111,934
Appropriations used	824,849	841,057
Imputed financing - cost imputed to GAO ( <a href="#">Note 5</a> )	72,397	57,648
Transfers in/(out) and other	(1)	(5)
Net cost of operations	<u>(939,586)</u>	<u>(905,764)</u>
<b>Net Change in Cumulative Results of Operations</b>	(42,341)	(7,064)
<b>Cumulative Results of Operations, end of fiscal year</b>	<u>\$62,529</u>	<u>\$104,870</u>
<b>Net Position</b>	<u><u>\$182,421</u></u>	<u><u>\$227,722</u></u>

The accompanying notes are an integral part of these financial statements.

**Financial Statements**  
**U.S. Government Accountability Office**  
**Statements of Budgetary Resources**  
**For the FYs Ended September 30, 2025 and 2024**  
(Dollars in thousands)

	<b><u>2025</u></b>	<b><u>2024</u></b>
<b>Budgetary Resources (Note 10)</b>		
Unobligated balance from prior year budget authority, net	\$203,703	\$220,250
Appropriations	821,894	811,894
Spending authority from offsetting collections	31,716	36,333
<b>Total Budgetary Resources</b>	<b><u>\$1,057,313</u></b>	<b><u>\$1,068,477</u></b>
<b>Status of Budgetary Resources</b>		
New obligations and upward adjustments	\$942,745	\$902,447
Unobligated balance, end of year:		
Apportioned, unexpired account	7,852	1,579
Unapportioned, unexpired accounts	93,425	154,870
Unexpired unobligated balance, end of year	101,277	156,449
Expired unobligated balance, end of year	13,291	9,581
Total unobligated balance, end of year	114,568	166,030
<b>Total Budgetary Resources</b>	<b><u>\$1,057,313</u></b>	<b><u>\$1,068,477</u></b>
<b>Outlays, Net</b>		
Outlays, net	\$874,101	\$866,593
Distributed offsetting receipts	(22)	(24)
<b>Agency Outlays, Net</b>	<b><u>\$874,079</u></b>	<b><u>\$866,569</u></b>

The accompanying notes are an integral part of these financial statements.

# Notes to Financial Statements

## Note 1. Summary of Significant Accounting Policies

### *Reporting Entity*

GAO, an agency in the legislative branch of the federal government, supports the Congress in carrying out its constitutional responsibilities. GAO carries out its mission primarily by conducting audits, evaluations, analyses, research, and investigations and providing the information from that work to the Congress and the public in a variety of forms. The financial activity presented relates primarily to the execution of GAO's statutorily enacted budget. GAO's budget consists of annual and supplemental appropriations covering salaries and expenses as well as revenue from reimbursable audit services and rental income. The revenue from audit services and rental income is presented as "reimbursable services" on the statements of net cost and included as part of "spending authority from offsetting collections" on the statements of budgetary resources. Revenue from audit services is recognized when earned. Certain goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity.

Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the component reporting entity are recognized as imputed cost in the Statements of Net Cost, and as imputed financing sources in the Statements of Changes in Net Position. Such imputed costs and financing sources relate to employee benefits.

However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

The reporting entity is a component of the U.S. Government. By accounting convention, intragovernmental assets and liabilities are eliminated in the consolidation process for the U.S. Government's consolidated financial statements. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

### *Basis of Accounting and Reporting*

GAO's financial statements have been prepared on the accrual basis and the budgetary basis of accounting in conformity with generally accepted accounting principles for the federal government. Accordingly, on the accrual basis, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. These principles differ from budgetary reporting principles used to prepare the statements of budgetary resources. The differences relate primarily to the capitalization and depreciation of property, plant and equipment, as well as the recognition of other long-term assets and liabilities.

### *Leases*

In FY 2024, GAO implemented Statement of Federal Financial Accounting Standards (SFFAS) 54: *Leases*. For intragovernmental leases, lease expense and lease income are recognized based on (i) the payment provisions of the contract or agreement and (ii) standards regarding recognition of accounts payable/receivable and other related amounts.



## ***Intragovernmental Assets***

Intragovernmental assets are those assets that arise from transactions with other federal entities. Funds that are held and managed by Treasury comprise the majority of intragovernmental assets on GAO's balance sheets.

### ***Fund Balance with Treasury***

Treasury processes GAO's receipts and disbursements. Fund Balance with Treasury represents appropriated funds from which GAO is authorized to pay liabilities and make other expenditures.

### ***Accounts Receivable***

GAO's accounts receivable are due principally from federal entities for reimbursable services. GAO does not recognize any allowance for loss on intragovernmental accounts receivable as they are considered fully collectible.

### ***Property, Plant, and Equipment (PP&E), Net***

The GAO HQ building qualifies as a multi-use heritage asset. It is GAO's only heritage asset and is reported as part of PP&E on the balance sheets. The building's designation as a multi-use heritage asset is a result of both being listed in the National Register of Historic Places and being used in general government operations. SFFAS 29 requires accounting for multi-use heritage assets as general PP&E to be included in the balance sheet and depreciated. The building was depreciated on a straight-line basis over 25 years and is fully depreciated.

Generally, PP&E individually costing more than \$15,000, and a minimum expected life of 2 years, are capitalized at cost. Building improvements and leasehold improvements are capitalized when the cost is \$25,000 or greater. Bulk purchases of lesser-value items that aggregate more than \$150,000 are also capitalized at cost. Assets are depreciated on a straight-line basis over the estimated useful life of the property as follows: building improvements, 10 years; equipment and software, ranging from 3 to 20 years; and leasehold improvements, the shorter of 5 years or the term of the lease. GAO's PP&E have no restrictions as to use or convertibility except for the restrictions related to the GAO HQ building being registered in the National Register of Historic Places.

## ***Liabilities***

Liabilities represent amounts that will be paid by GAO as a result of transactions that have already occurred. Intragovernmental liabilities are those liabilities that arise from transactions with other federal entities.

### ***Accounts Payable***

Accounts payable consists of amounts owed to commercial vendors for goods and services received.

### ***Federal Employee Benefits***

GAO recognizes its share of the cost of providing future pension benefits to eligible employees over the period that they render services to GAO. The pension expense recognized in the financial statements equals the current service cost for GAO's employees for the accounting period, less the amount contributed by the employees. OPM, the administrator of the plan, supplies GAO with factors to apply in the calculation of the

service cost. These factors are derived through actuarial cost methods and assumptions. The liabilities associated with these pension costs are reported by OPM, who ultimately pays the pension benefits. The excess of the recognized pension expense over the amount contributed by GAO and employees represents the amount being financed directly through the government-wide Civil Service Retirement and Disability Fund administered by OPM. This amount is considered imputed financing to GAO (see [Note 5](#)).

Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose deaths are attributable to job-related injury or occupational disease. Claims incurred for benefits for GAO employees under FECA are administered by DOL and are paid, ultimately, by GAO (see [Notes 7](#) and [8](#)).

GAO recognizes a current-period expense for the future cost of post-employment health benefits and life insurance for its employees while they are still working. GAO accounts for and reports this expense in its financial statements in a manner similar to that used for pensions, with the exception that employees and GAO do not make current contributions to fund these future benefits. Federal employee benefit costs incurred by OPM and imputed to GAO are reported as a financing source on the statements of changes in net position and included as a component of net cost by goal on the Statements of Net Cost.

### ***Annual, Sick, and Other Leave***

Annual leave is recognized as an expense and a liability as it is earned; the liability is reduced as leave is taken. The accrued leave liability is principally long term in nature. Sick leave and other types of leave are expensed as leave is taken. For budgetary purposes, all leave is funded when taken (see [Note 6](#)).

### ***Contingencies***

GAO has certain claims and litigation pending against it. GAO recognizes a contingent liability in the financial statements for any losses considered probable and reasonably estimable. Management believes that the likelihood of losses from such claims and litigation are remote and, therefore, no provision for losses or disclosure is included in the financial statements.

### ***Estimates***

Management has made certain estimates and assumptions when reporting assets, liabilities, revenue, expenses, and note disclosures. Actual results could differ from these estimates. Estimates used include certain liability balances, such as actuarial estimates for FECA liabilities and unbilled payables based on historical data.

### ***Change in Presentation***

Certain prior year amounts in the financial statements and notes have been reclassified to conform to the current year presentation.

### ***Classified Activities***

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

## Note 2. Intragovernmental Assets

### *Fund Balance with Treasury*

GAO's Fund Balance with Treasury consists of only appropriated funds. The status of these funds as of September 30, 2025, and September 30, 2024, is as follows:

#### Dollars in Thousands

<b>Fund Balance with Treasury</b>	<b>2025</b>	<b>2024</b>
Status of Fund Balance with Treasury		
Unobligated balance	\$96,404	\$146,088
Obligated balance not yet disbursed	137,944	140,472
Total Fund Balance with Treasury	<u>\$234,348</u>	<u>\$286,560</u>

### *Accounts Receivable*

The majority of the balance of intragovernmental accounts receivable consists of billings for certain program and financial audits of federal entities performed by GAO, as well as for training and technical assistance services provided by the Center for Audit Excellence.

### *Advances and Prepayments*

GAO's advances and prepayments consists primarily of a prepaid interagency agreement with the National Institutes of Health for the development of software.

## Note 3. Property, Plant, and Equipment, Net

The composition of PP&E as of September 30, 2025, is as follows:

#### Dollars in Thousands

<b>Classes of PP&amp;E</b>	<b>Acquisition value</b>	<b>Accumulated depreciation</b>	<b>Book value</b>
Land	\$1,191	—	\$1,191
Building and improvements	147,695	\$110,266	37,429
Equipment and software	64,020	52,763	11,257
Leasehold improvements	2,285	2,138	147
Total PP&E	<u>\$215,191</u>	<u>\$165,167</u>	<u>\$50,024</u>

Depreciation expense for PP&E for FY 2025 is \$6,017,000.

The composition of PP&E as of September 30, 2024, is as follows:

#### Dollars in Thousands

<b>Classes of PP&amp;E</b>	<b>Acquisition value</b>	<b>Accumulated depreciation</b>	<b>Book value</b>
Land	\$1,191	—	\$1,191
Building and improvements	151,246	\$122,409	28,837
Equipment and software	60,917	51,185	9,732
Leasehold improvements	3,061	2,771	290
Total PP&E	<u>\$216,415</u>	<u>\$176,365</u>	<u>\$40,050</u>

Depreciation expense for PP&E for FY 2024 is \$5,703,000.

Information concerning deferred maintenance and repairs and estimated land acreage is discussed in the unaudited required supplementary information.

## Note 4. Liabilities Not Covered by Budgetary Resources

The liabilities on GAO's balance sheets include liabilities not covered by budgetary resources. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities. The composition of liabilities not covered by budgetary resources as of September 30, 2025, and September 30, 2024, is as follows:

### Dollars in Thousands

Liabilities	2025	2024
Intragovernmental liabilities—FECA liability*	\$1,549	\$1,536
Liabilities With the Public-Federal employee benefits payable		
Comptrollers' General retirement plan*	3,407	3,141
Accrued leave**	50,662	49,184
Actuarial FECA liability*	9,835	10,700
Total liabilities not covered by budgetary resources	65,453	64,561
 Total liabilities not requiring budgetary resources	 87	 87
Total liabilities covered by budgetary resources	43,195	42,455
Total liabilities	\$108,735	\$107,103

\* See Note 7 and 8 for further discussion of FECA liabilities and Comptrollers' General retirement plan.

\*\* See Note 6 for further discussion of Accrued leave.

## Note 5. Employer Contributions and Payroll Taxes Payable

All permanent employees participate in either the contributory Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). Temporary employees and employees participating in FERS are covered under the Federal Insurance Contributions Act (FICA). To the extent that employees are covered by FICA, the taxes they pay to the program and the benefits they will eventually receive are not recognized in GAO's financial statements. GAO makes contributions for CSRS and FERS to the Office of Personnel Management (OPM) and for FICA to the IRS. These payments are recognized as operating expenses.

Amounts due to the IRS and OPM as of September 30, 2025, and September 30, 2024, are \$4,648,000, and \$3,856,000, respectively, for FEHBP, FEGLI, FICA, FERS, and CSRS contributions and are shown on the balance sheets as intragovernmental employer contributions and payroll taxes payable.

### Dollars in Thousands

Employer Contributions and Payroll Taxes Payable	2025	2024
Employer Tax Contributions to IRS	\$1,048	\$887
Employer Contributions to OPM:		
Retirement	2,562	2,149
Health Insurance	1,013	799
Life Insurance	25	21
Total Employer Contributions and Payroll Taxes Payable	\$4,648	\$3,856



In addition, all permanent employees are eligible to participate in the contributory Federal Employees' Health Benefits Program (FEHBP) and the Federal Employees' Group Life Insurance (FEGLI) Program and may continue to participate after retirement. GAO makes contributions through OPM to FEHBP and FEGLI for active employees to pay for their current benefits. GAO's contributions for active employees are recognized as operating expenses. Using the cost factors supplied by OPM, GAO has also recognized an expense in its financial statements for the estimated future cost of post-employment health benefits and life insurance for its employees. These costs are financed by OPM and imputed to GAO.

Details of the major components of GAO's federal employee benefit costs for the fiscal years ended September 30, 2025, and September 30, 2024, are as follows:

**Dollars in Thousands**

<b>Federal Employee Benefits Costs</b>	<b>2025</b>	<b>2024</b>
Imputed financing - cost imputed to GAO relating to retirement benefits:		
Estimated future pension costs (CSRS/FERS)	\$39,079	\$29,268
Estimated future post-employment health and life insurance (FEHBP/FEGLI)	33,318	28,380
Total	<u>\$72,397</u>	<u>\$57,648</u>
Pension expenses (CSRS/FERS) not including imputed benefit costs	\$95,563	\$91,513
Health and life insurance expenses (FEHBP/FEGLI) not including imputed benefit costs	\$37,973	\$35,096
FICA and Medicare payments made by GAO	\$39,487	\$37,857

## Note 6. Federal Employee Salary, Leave, and Benefits Payable

Accrued funded payroll and leave is the amount earned, but not yet paid out, to employees based on the number of days at the end of the accounting period. Unfunded annual leave is the balance of unused annual leave earned by employees. This leave is unfunded until it is used by employees. Other unfunded is composed of credit hours and compensatory time earned by employees. GAO matches certain contributions to the Thrift Savings plan component of the FERS. The agency contributes 1 percent of employees' salary automatically, and up to an additional 4 percent as a matching contribution if the employee contributes as well. Details of the composition of Federal Employee Salary, Leave, and Benefits Payable as of September 30, 2025, and 2024, are as follows:

**Dollars in Thousands**

<b>Federal Employee Salary , Leave, and Benefits Payable</b>	<b>2025</b>	<b>2024</b>
Accrued funded payroll and leave	\$16,824	\$16,352
Unfunded leave liability		
Unfunded annual leave	50,131	48,568
Other unfunded leave	532	615
Employer TSP contribution liability	<u>692</u>	<u>580</u>
Total Federal employee salary, leave, and benefits payable	<u>\$68,179</u>	<u>\$66,115</u>

## Note 7. Pension and Post-Employment Benefits Payable

GAO utilizes the services of an independent actuarial firm to calculate its actuarial FECA liability for claims incurred but not reported as of September 30, 2025, and September 30, 2024, which is expected to be paid in future periods. This estimated liability, along with the Comptrollers General retirement plan (further described below the table) and the Voluntary Separation Incentive Program (VSIP), are reported on GAO's balance sheets as components of pension and post-employment benefits payable. In FY 2025, GAO offered VSIP to those employees eligible for regular retirement as well as those eligible and approved for early retirement.

### Dollars in Thousands

<b>Pension and Post-Employment Benefits Payable</b>	<b>2025</b>	<b>2024</b>
Actuarial FECA liability	\$9,835	\$10,700
Comptrollers General Retirement liability	3,407	3,141
Voluntary Separation Incentive Program	3,050	-
Total Pension and Post-Employment benefits payable	<u>\$16,292</u>	<u>\$13,841</u>

Comptrollers General and their surviving beneficiaries who qualify and elect to participate are paid retirement benefits by GAO under a separate retirement plan. These benefits are paid from current year appropriations. Because GAO is responsible for future payments under this plan, the estimated present value of accumulated plan benefits are \$3,407,000 as of September 30, 2025, and \$3,141,000 as of September 30, 2024. The following table summarizes the changes in the actuarial liability for the current plan year:

### Dollars in Thousands

Actuarial liability as of September 30, 2024	\$3,141
Expense:	
Normal cost	214
Interest on the liability balance	86
Actuarial loss	
From experience	31
From assumption changes	(2)
Total expense	329
Less benefits paid	(63)
Actuarial liability as of September 30, 2025	<u>\$3,407</u>

## Note 8. Other Liabilities

The components of other liabilities as of September 30, 2025, and September 30, 2024, are as follows:

### Dollars in Thousands

Other Liabilities	2025	2024
Intragovernmental Other Liabilities		
Other liabilities with related budgetary obligations	\$1,633	\$1,579
Liability to the General Fund of the U.S. Government for custodial and other non-entity assets	87	87
Other post-employment benefits due and payable	-	18
Unfunded FECA liability	<u>1,549</u>	<u>1,536</u>
Total Intragovernmental Other Liabilities	3,269	3,220
Other Liabilities With the Public		
Other liabilities with related budgetary obligations	12,357	10,977
Other deferred revenue	<u>12</u>	<u>12</u>
Total Other Liabilities With the Public	12,369	10,989
Total Other Liabilities	<u>\$15,638</u>	<u>\$14,209</u>

Other liabilities with related budgetary obligations, both intragovernmental and with the public, present accrued liability estimated against budgetary obligations based on historical payment data, performance periods, and relevant financial information that are expected to be paid in the following fiscal year. Unfunded FECA liability represents a recorded liability for amounts paid to claimants by DOL.

## Note 9. Intragovernmental Leases

### Lessor

In FY 2021, GAO entered into a lease agreement with the U.S. Army Corps of Engineers (USACE) to continue leasing the entire third floor, and part of the sixth floor, of the GAO HQ building with annual options to renew through FY 2030. Total rental revenue to GAO includes a fixed base rent plus operating expense reimbursements, with escalation clauses each year, if the option years are exercised by USACE. In October 2022, USACE provided a notice of relinquishment of part of their third-floor space, which they did effective February 28, 2023.

In FY 2019, space on the sixth floor of the GAO HQ building was leased to the Department of Justice (DOJ). This lease began in September 2019 and DOJ has an option to renew annually through FY 2029. In FY 2022, GAO renewed a separate lease agreement with DOJ to lease part of the first and sixth floors. This lease agreement currently extends through FY 2032.

Rental revenue from space leased at the GAO HQ building for FY 2025 and FY 204 was \$12,849,000 and \$12,690,000, respectively. These intergovernmental leases are cancelable annually. These amounts are included on the Statements of Net Cost as a major component of "Reimbursable services not attributable to above cost categories." Future lease payments through the end of these leases are as follows:

**Dollars in Thousands**

<b>FY ending September 30</b>	
2026	\$13,086
2027	13,427
2028	13,778
2029	14,138
2030	11,481
2031 and thereafter	<u>6,944</u>
Total	<u>\$72,854</u>

If options to renew are exercised.

**Lessee**

GAO leases field office space from GSA with terms ranging from 1 to 8 years. Lease costs for this space for FYs 2025 and 2024 amounted to approximately \$6,114,000 and \$6,399,000, respectively. Annual lease costs are included as components of net cost in the Statements of Net Cost.

**Note 10. Net Cost of Operations**

GAO's total gross cost of operations for FY 2025, and FY 2024, amounted to \$973,304,000 and \$939,129,000, respectively. The Statements of Net Cost show revenues from reimbursable services of \$33,718,000 in FY 2025, and \$33,365,000 in FY 2024, as a reduction of the total costs by goal to arrive at net costs of \$939,586,000 and \$905,764,000 for FYs 2025 and 2024, respectively. Earned revenues that cannot be associated with a major goal or other cost category are shown in total as "Reimbursable services not attributable to above cost categories," the largest component of which is rental revenue from the lease of space in the GAO HQ building.

The largest cost item for GAO is salary and benefits expense. This expense includes post-employment benefit costs paid by OPM and imputed to GAO. The salary and benefits expense funding breakout for FYs ending September 30, 2025, and 2024, is as follows:

**Dollars in Thousands**

<b>Salary and Benefits Expense Funding</b>	<b>2025</b>	<b>Percent of total costs of operations</b>	<b>2024</b>	<b>Percent of total costs of operations</b>
GAO salary and benefits	\$754,146	77.5%	\$730,921	77.8%
Benefits incurred by OPM	<u>72,397</u>	7.4%	<u>57,648</u>	6.2%
Total salary and benefits expense	<u>\$826,543</u>	84.9%	<u>\$788,569</u>	84.0%

Other costs in support of the Congress represent the cost of work that directly supports Congress - the fulfillment of GAO's statutory responsibilities which are not engagement specific. Examples of this work include support of the FASAB, General Counsel statutory bid protest decision writing function, recommendation follow-up work, and other direct support to the Congress.

Costs not assigned to programs are made up of non-recurring VSIP costs that are considered other postemployment benefit and non-production costs.



The net cost of operations represents GAO’s operating costs that must be funded by financing sources other than revenues earned from reimbursable services. These financing sources are presented in the Statements of Changes in Net Position.

### Note 11. Budgetary Resources

Budgetary resources available to GAO during FY 2025, and FY 2024, included current year appropriations, appropriations from the Inflation Reduction Act of 2022 (P.L. 117-169) and the Infrastructure Investment and Jobs Act (PL 117-58) to support the oversight of those acts, and supplemental appropriations for oversight of COVID-19 spending, Ukraine assistance, and disaster relief emergency assistance. Also included are prior years’ unobligated balances, reimbursements earned by GAO from providing goods and services to other federal entities for a fee (reimbursable services), and cost-sharing arrangements with other federal entities.

Reimbursements earned consist primarily of rent collected from USACE and DOJ for lease of space and related services in the GAO HQ building, fees collected for training and technical assistance services provided by the CAE and OGC, bid protest fees collected through GAO’s Electronic Protest Docketing System (EPDS), as well as certain program and financial audits of federal entities, including components of the Treasury, U.S. Securities and Exchange Commission, Federal Deposit Insurance Corporation, Consumer Financial Protection Bureau, and Federal Housing Finance Agency.

Reimbursements earned from GAO building rent are available indefinitely, subject to annual obligation ceilings, and must be used to offset the cost of operating and maintaining the GAO HQ building. CAE and EPDS collections are used to offset those particular program costs. Reimbursements from program and financial audits are available without limitations on their use and may be subject to annual obligation ceilings. GAO’s pricing policy for reimbursable services is to seek reimbursement for actual costs incurred, including overhead costs, consistent with applicable law.

A comparison of GAO’s FY 2024 Statement of Budgetary Resources with the corresponding information presented in the FY 2026 President’s Budget, is as follows:

Dollars in Thousands			
	Budgetary resources	Obligations incurred	Net outlays
<b>FY 2024 Statement of Budgetary Resources</b>	<b>\$1,068,477</b>	<b>\$902,447</b>	<b>\$866,593</b>
Obligation adjustments, expired accounts	-	(8,164)	-
Unobligated balances, beginning of year (funds activity, expired accounts)	(6,610)	-	-
Recoveries of prior year unpaid obligations	(8,192)	-	-
Permanently not available	737		
Recoveries of prior year paid obligations (expired accounts)	(3,716)	-	-
Other – rounding in President’s Budget	304	(283)	407
<b>FY 2026 President’s Budget – FY 2024, actual</b>	<b>\$1,051,000</b>	<b>\$894,000</b>	<b>\$867,000</b>

As the FY 2027 President’s Budget will not be published until February 2026, a comparison between the FY 2025 data reflected on the statement of budgetary resources and FY 2025 data in the President’s Budget cannot be performed; however, we expect similar differences will exist. The FY 2027 President’s Budget will be available on the OMB’s website and directly from the U.S. Government Publishing Office.

Budgetary resources obligated for undelivered orders at the end of FY 2025 and FY 2024 totaled \$97,365,000 and \$102,860,000, respectively. For FY 2025, undelivered orders consists of \$7,197,000 unpaid and \$2,602,000 paid with federal trading partners and \$87,566,000 unpaid with the public. For FY 2024, undelivered orders consists of \$8,760,000 unpaid and \$4,831,000 paid with federal trading partners and \$89,269,000 unpaid with the public.

The Statements of Budgetary Resources ending unobligated balance for the prior year is adjusted for recoveries to arrive at the beginning unobligated balance for the current year. This is shown in the current year column of the table below:

Dollars in Thousands		
Unobligated Balance – Roll Forward	2025	2024
Total unobligated balance, end of (prior) year	\$166,030	\$202,280
Adjustments to budgetary resources made during current year:		
Recoveries of prior year unpaid obligations	17,851	8,978
Recoveries of prior year paid obligations	<u>19,822</u>	<u>8,992</u>
Unobligated balance from prior year budget authority, net	<u>\$203,703</u>	<u>\$220,250</u>

## Note 12. Reconciliation of Net Operating Costs to Net Outlays

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the federal government’s financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and accrual information. The reconciliation below lists the key differences between net cost and net outlays. Details of the relationship between net costs of operations and net outlays for the fiscal years ending September 30, 2025, and September 30, 2024, are as follows:

## Dollars in Thousands

Reconciliation of Net Operating Costs to Net Outlays	2025	2024
Net Operating Cost	\$939,586	\$905,764
Components of Net Operating Cost Not Part of the Net Outlays		
PP&E depreciation, disposal and revaluation	(6,079)	(5,838)
Increase/(decrease) in assets:		
Accounts receivable	(243)	79
Advances and prepayments	(2,229)	(2,040)
Other assets	(140)	(400)
(Increase)/decrease in liabilities not affecting net outlays:		
Accounts payable	6,130	(5,439)
Payroll benefits and liabilities	(4,846)	2,904
Other liabilities	(1,891)	16,338
Other financing sources:		
Imputed financing - cost imputed to GAO relating to retirement benefits*	(72,397)	(57,648)
Other	<u>2</u>	<u>5</u>
Total Components of Net Operating Cost Not Part of Net Outlays	<u>(81,693)</u>	<u>(52,039)</u>
Components of the Net Outlays That Are Not Part of Net Operating Cost		
Acquisition of capital assets	16,052	12,689
Acquisition of inventory	156	179
Distributed offsetting receipts	<u>(22)</u>	<u>(24)</u>
Total Components of the Net Outlays That Are Not Part of Net Operating Cost	<u>16,186</u>	<u>12,844</u>
Agency Outlays, Net	<u>\$874,079</u>	<u>\$866,569</u>

\*See table in [Note 5](#) for breakdown.

## Note 13. Net Position

Net position on the balance sheets comprises unexpended appropriations and cumulative results of operations. Unexpended appropriations are the sum of the total unobligated appropriations and undelivered goods and services for funds directly appropriated to GAO. Cumulative results of operations represent the difference between financing sources and expenses since inception. Details of the components of GAO's cumulative results of operations for the fiscal years ended September 30, 2025, and 2024, are as follows:

## Dollars in Thousands

Cumulative Results of Operations	2025	2024
Investment in PP&E, net	\$50,024	\$40,050
Net reimbursable funds activity	77,843	129,282
Supplies inventory and accounts receivable with the public	202	186
Liabilities not covered by, nor requiring, budgetary resources*	<u>(65,540)</u>	<u>(64,648)</u>
Cumulative results of operations	<u>\$65,529</u>	<u>\$104,870</u>

\*See [Note 4](#) for components.

# Required Supplementary Information

## *Deferred Maintenance and Repairs*

*Statement of Federal Financial Accounting Standards (SFFAS) 42, Deferred Maintenance and Repairs: Amending SFFAS 6,14, 29, and 32*, defines deferred maintenance and repairs as maintenance and repairs that were not performed when they should have been or were scheduled to be and are put off or delayed for a future period. SFFAS No. 42 requires disclosure of deferred maintenance details as required supplementary information for all general PP&E.

GAO operates and maintains an approximately two million square foot HQ facility and approximately six acres of associated grounds in downtown Washington, DC. The HQ facility is predominantly used for office space. GAO is responsible for ensuring the facilities entrusted to its care remain in a safe and suitable condition for the current and future needs of the agency and tenant organizations. GAO defines its acceptable level of condition of PP&E to be “poor to fair” based on the Facility Condition Index (FCI). The FCI is based on GAO facility condition assessments, which are updated every 3 to 5 years and identify deferred maintenance. PP&E in less than “fair” condition increases risk to continuity of operations and often requires significantly more maintenance than PP&E in better condition.

GAO’s deferred maintenance and repairs relate to capitalized general PP&E and to non-capitalized or fully depreciated general PP&E.<sup>1</sup> Maintenance and repair needs are first prioritized based on health, safety, and regulatory considerations. Once this is accomplished, needs are then ranked based on the condition ratings and condition category ratings obtained during the condition assessment site survey. Rankings are generally adjusted to consider current capital improvement efforts underway, future capital improvement plans, asset disposal plans, and budgetary funding outlook.

GAO’s latest and formal Facility Condition Assessment (FCA) was completed in FY 2023, which included architectural, structural, and electrical items - along with infrastructure elements. Facilities management staff continue to perform data validation of the information provided by the Architectural Engineering (AE) firm. GAO facilities staff and their contractors assess the building on a continuous basis to modernize and create energy-efficient spaces. The AE’s facility assessment and GAO’s continuous assessment has determined that additional deferred maintenance amount is needed for several areas, including interior finishes, windows upgrade, electrical upgrades, and HVAC upgrades. GAO is in the process of procuring the design phases of our electrical upgrades and rest room restoration.

In FY 2025, GAO continued to refresh several of the building interiors to include office and meeting spaces and is continuing to replace and modernize the mechanical and architectural systems. GAO is executing the construction phase of several other HVAC projects and is scheduled to complete in FY 2026, assuming there are no delays or unforeseen conditions. GAO’s updated estimate of the amount of accumulated deferred maintenance and repair work required to bring facilities to a “fair” condition, based on the latest FCA, ongoing cost validation, inflation, limited funding, and in-house assessments, is approximately \$80.7 million, as of the fiscal year that ended on September 30, 2025. The decrease in cost stems from the fact that the windows were reevaluated and determined to be in fair condition as opposed to poor condition as previously reported, resulting in a reduction in the deferred maintenance balance.

<sup>1</sup>For IT assets, GAO has a fully funded technology maintenance contract and manages the maintenance requirements annually through the budget process, reviewing all maintenance requirements to ensure all assets are covered for the new fiscal year. For IT assets, an acceptable asset condition is met by a vendor-supported version which is no more than two versions behind.



Dollars in Thousands

Deferred Maintenance and Repair Costs	September 30, 2025	September 30, 2024
General PP&E	\$80,787	\$189,569

Land

For FY 2025, and FY 2024, GAO owns a single 6.4 acre parcel of land in Washington, DC where its HQ is located. The land’s predominant use is for operational purposes.

The background of the entire page is a photograph of an American flag, with its stars and stripes clearly visible. The flag is draped over a classical building facade, with large, fluted columns and a pediment visible in the background. The lighting is warm, suggesting an indoor or shaded outdoor setting.

SERVING CONGRESS AND THE NATION

# PART IV

## **Inspector General's View of GAO's Management Challenges**

# Inspector General's Statement



**O I G**  
Office of Inspector General  
U.S. Government Accountability Office

**Date:** December 15, 2025  
**To:** Comptroller General Gene L. Dodaro  
**From:** Inspector General L. Nancy Birnbaum /s/  
**Subject:** GAO Management Challenges

This memo continues the OIG's longstanding practice of commenting on GAO's assessment of its management challenges. Each year, the OIG comments on GAO's identification of its management challenges and its performance, progress, and transparency in addressing these challenges. Although GAO's approach varies from that of executive branch agencies and their OIGs, the requirements that apply to the executive branch do not apply to GAO. GAO's approach adheres to the spirit of the requirements applicable to executive branch agencies in that both the agency and the agency's OIG provide information regarding the agency's management challenges. The OIG recognizes the importance of addressing these challenges and shares its observations to promote the economy, efficiency, and effectiveness of GAO.

GAO's mission is to support Congress and help ensure accountability, integrity, and reliability in the federal government. To serve this role and function, GAO recognizes that there are opportunities to improve its own efficiency and effectiveness. For FY 2025, GAO recognized that meeting its information technology (IT) needs remains a management challenge. GAO also modified its management challenges by adding two new categories that it identified as encompassing the previous two challenges from FY 2024. GAO stated that its prior challenges of managing a quality workforce and improving the efficiency of engagements and operations are incorporated in the new challenges of managing change and real property. Although its focus has shifted, GAO may want to consider addressing why it no longer separately addresses these challenges as it has for the last decade.

The OIG continues to work with GAO on assessing the impact of its ongoing challenges. This year, GAO addressed the OIG's previous comments regarding its challenges by continually providing IT updates on its implementation of a new document management system to the entire workforce. GAO also updated the OIG on its budget, workforce planning, and use of physical spaces in response to OIG requests. While formal OIG engagements in the specific areas listed below were not conducted this fiscal year, the OIG is providing its comments on GAO's identified management challenges in continuation of its regular practice.

## Managing Change

### **Budget Uncertainty**

This year, budget uncertainty emerged as a new management challenge for GAO. According to GAO, with a reduced budget and fewer entry-level employees to replace attrition, the agency is at increased risk of delays in addressing congressional priorities. GAO took some steps to reduce its anticipated costs. GAO scaled back its Professional Development Program, a 2-year development program for entry-level GAO staff, hiring fewer employees into the program compared to last year. In addition, in July 2025, GAO offered Voluntary

# Inspector General's Statement *(continued)*



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Separation Incentive Payment (VSIP) and Voluntary Early Retirement (VERA) opportunities. GAO stated that the VSIP and VERA programs will help it adjust to the current budget environment; GAO will also need to ensure the transition of institutional knowledge and reduce the impact of the loss of experienced employees on its continuity of operations.

While GAO has taken some steps to reduce the impact of budget uncertainty, it has continued some staffing initiatives unchanged. For example, GAO continued its student intern program in FY 2025 and hired student interns for fall 2025, which will incur costs predominantly in FY 2026, allocating time and resources to recruit, interview, on-board, and train student interns who are permitted to work for a program cycle of, at most, 640 hours. GAO also promoted over 5 percent of its current workforce and hired more than 40 new employees. In addition, GAO continued its executive candidate assessment and development program, which increases costs in terms of personnel, training, and time. Greater understanding may be needed regarding the potential impact on existing staff and the prudence of incurring the costs of these staffing decisions given the budget uncertainty.

## **Agencywide IT Rollouts**

GAO implemented several major IT initiatives in FY 2025 and acknowledged the process was both successful and challenging. GAO enhanced its employee outreach regarding the implementation of its new document management system by providing status updates at monthly townhall meetings, issuing written notices with scheduled rollout dates, and publicizing training opportunities. GAO also made efforts to deploy upgraded laptops and operating systems agencywide and is targeting completion of the rollout in the first quarter of FY 2026. Additionally, it is in the process of issuing Personal Identity Verification credentials to all employees.

Although GAO made strides in the above areas, it encountered considerable delays in deploying its new time and attendance system. Initially, the system was to be rolled out in October 2024, and training for the system was made available at that time. Then, in May 2025, the system was scheduled to be implemented agencywide on a single day at the end of a pay period. However, the launch encountered complications; as a result, employees were required to input their hours in the legacy system with little notice. Many employees had already spent a substantial amount of time determining how to use and populate the new system. The transition was then postponed until the next pay period. Deploying new technology without sufficient time to adapt to the changes can result in staff frustration and loss of work time.

## **Meeting IT Needs**

### **Protecting Data and Information**

GAO receives confidential and sensitive data and information from other agencies. To responsibly conduct its oversight work, GAO must have secure IT systems. GAO continues to prioritize the protection of its IT systems from escalating cyberthreats by allocating resources to improve cybersecurity. Investing in enhanced cybersecurity software will assist GAO in defending against and withstanding more sophisticated attacks.



# Inspector General's Statement (*continued*)



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GAO is committed to educating its employees regarding the importance of protecting GAO information, and leadership continued to remind employees of their responsibility to protect sensitive information. Based on the results of OIG investigations, GAO counseled multiple employees who failed to safeguard sensitive government information. GAO updated and enhanced its annual mandatory training on safeguarding GAO information for employees. However, the new course was not available until early August with required completion by September 19, 2025. Providing timely training options could help ensure GAO employees protect sensitive information.

## **Leveraging Modern Technology**

GAO recognizes it must leverage technology and keep pace with rapidly-changing technological advances to fulfill its roles and responsibilities to Congress. GAO's efforts to modernize its IT infrastructure and systems can result in increased efficiencies to meet the high demand for its work. GAO's transition to a modern enterprise content management system, a cloud-based environment, and an updated operating system are targeted for completion in the second quarter of FY 2026. Accomplishing these goals could streamline and transform operations, foster collaboration, and improve employee performance and productivity.

GAO continues to report on developments involving artificial intelligence (AI) in the federal government. GAO has reported on agencies' use of AI and made recommendations to improve oversight. Its continued efforts to identify risks and vulnerabilities are vital to ensuring effective oversight of AI usage. This year, GAO issued its fourth report on generative AI and reviewed AI requirements identified in federal laws, executive orders, and guidance.<sup>1</sup> Internally, GAO has policies and guidance on the use of AI. GAO's work on AI can support stakeholders as the use of AI expands across the federal government.

## **Managing Real Property**

### **Optimizing Headquarters**

GAO continues to evaluate the optimal use of its headquarters (HQ) building and leased offices around the country. Nearly one-third of GAO's workforce is fully remote.<sup>2</sup> By consolidating and optimizing its space, GAO has opportunities to offset its expenses. In the summer of 2024, GAO moved from permanent offices to hoteling workspaces for its HQ employees who work in the building infrequently. Due to GAO's reduced need for office space in HQ, GAO also secured agreements with additional tenants to offset its costs for the next fiscal year, and GAO has sufficient space to continue seeking more rental revenue. GAO is taking steps to reopen its cafeteria, which has been closed since early 2020. Access to both the cafeteria and the parking garage makes GAO's space attractive to future tenants. Also, GAO is reviewing its security measures in anticipation of the new tenants in the HQ building, who are also potential GAO auditees.

<sup>1</sup> GAO, *Artificial Intelligence: Generative AI Use and Management at Federal Agencies*, GAO-25-107653 (Washington, D.C.: Jul. 29, 2025); GAO, *Artificial Intelligence: Federal Efforts Guided by Requirements and Advisory Groups*, GAO-25-107933 (Washington, D.C.: Sept. 9, 2025).

<sup>2</sup> Remote employees are not expected to perform work at a GAO location on a regular and recurring or intermittent basis.

# Inspector General's Statement *(continued)*



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Because GAO handles sensitive information regarding its auditees, additional security may be necessary to protect sensitive documents and information involving tenants and other auditees.

Moreover, GAO has identified critical building maintenance needed for safety and reliability that has not been addressed due to budgetary constraints. Effectively managing the HQ space and seeking increased revenue could assist in offsetting these operating and maintenance expenses.

## **Managing Field Office Space**

Over 700 GAO employees, representing almost 20 percent of staff, work in 11 field offices. GAO leasing costs for its field offices amounted to about \$6 million in FY 2025, a decrease from approximately \$6.4 million in FY 2024 and \$6.5 million in FY 2023. GAO indicated it is reducing the footprint of three field offices in the next few months and working to reduce space in two additional field offices. GAO also shared with staff plans to optimize field office space and potential office relocation efforts. Overall, GAO plans to reduce its field office footprint by 80 percent or more, anticipating approximately \$5 million in annual cost savings in the future.

Providing projected timelines and specific details as they become available can ease this transition. In addition, GAO's request for independent leasing authority from Congress could result in greater efficiencies and oversight over GAO's management of its field office space and leases. Reducing its office space footprint and having independent leasing authority could enable GAO to better manage its current field office expenses.

The OIG looks forward to collaborating with GAO to address these challenging areas.

The background of the entire page is a photograph of an American flag draped over the facade of a classical building with large columns. The flag's stars and stripes are clearly visible. A red rectangular frame is superimposed on the image, enclosing the text at the top and the title at the bottom.

SERVING CONGRESS AND THE NATION

# PART V

## Appendixes

# Appendix I: Abbreviations

AE	Architectural Engineering
AGA	Association of Government Accountants
AI	Artificial Intelligence
APQA	Audit Policy and Quality Assurance
ATC	Air Traffic Control
BIE	Bureau of Indian Education
BOP	Bureau of Prisons
CAE	Center for Audit Excellence
CAO	Chief Administrative Office
CBO	Congressional Budget Office
CBP	Customs and Border Protection
CEAR	Certificate of Excellence in Accountability Reporting
CIO	Chief Information Officer
CFO	Chief Financial Officer
CR	Congressional Relations
CRA	Congressional Review Act
CSRS	Civil Service Retirement System
DEA	Drug Enforcement Administration
DHS	Department of Homeland Security
DOD	Department of Defense
DOE	Department of Energy
DOJ	Department of Justice
DOL	Department of Labor
DPM	designated performance manager
Education	Department of Education
EES	Employee Experience Survey
EPA	Environmental Protection Agency
EPDS	Electronic Payment Docketing System
FAA	Federal Aviation Administration
FAIS	Forensic Audits and Investigative Service
FASAB	Federal Accounting Standards Advisory Board
FBI	Federal Bureau of Investigation
FCA	Facility Condition Assessment
FCC	Federal Communications Commission
FCI	Facility Condition Index
FDA	Food and Drug Administration
FECA	Federal Employees' Compensation Act
FEDRAMP	Federal Risk and Authorization Management Program
FEGLI	Federal Employees' Group Life Insurance Program
FEHBP	Federal Employees' Health Benefits Program
FEMA	Federal Emergency Management Administration
FERS	Federal Employees' Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FICA	Federal Insurance Contributions Act



FISMA	Federal Information Security Modernization Act of 2014
FMFIA	Federal Managers' Financial Integrity Act of 1982
FTE	full-time equivalents
FY	fiscal year
GAO	Government Accountability Office
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GPRA	Government Performance and Results Act of 1993
GPRAMA	GPRA Modernization Act of 2010
GSA	General Services Administration
HHS	Department of Health and Human Services
HTML	hyper text markup language
HQ	headquarters
HVAC	heating, ventilation, and air conditioning
ICA	Impoundment Control Act of 1974
IG	Inspector General
IHS	Indian Health Service
INTOSAI	International Organization of Supreme Audit Institutions
IRS	Internal Revenue Service
ISTS	Information Systems and Technology Services
IT	Information Technology
LBFMS	Legislative Branch Financial Management System
NASA	National Aeronautics and Space Administration
NHTSA	National Highway Traffic Safety Administration
NFC	National Finance Center
NFIP	National Flood Insurance Program
NTIA	National Telecommunications and Information Administration
ODNI	Office of the Director of National Intelligence
OECD	Organization for Economic Cooperation and Development
OGC	Office of the General Counsel
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPA	Office of Public Affairs
OPM	Office of Personnel Management
PAR	Performance and Accountability Report
PDF	portable document format
PIIA	Payment Integrity Information Act
PIV	Personal Identity Verification
PP&E	Property, Plant, and Equipment
ROI	return on investment
RPS-AM	Results Phase System—Accomplishments Module
SAI	Supreme Audit Institution
SBA	Small Business Administration
SFFAS	Statement of Federal Financial Accounting Standards
SNAP	Supplemental Nutrition Assistance Program
SPEL	Strategic Planning and External Liaison

SSA	Social Security Administration
STAA	Science, Technology Assessment, and Analytics
SWO	Surface Warfare Officers
TANF	Temporary Assistance for Needy Families
UI	Unemployment Insurance
U.S.	United States
U.S.C.	United States Code
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USPS	U.S. Postal Service
VA	Department of Veterans Affairs
VHA	Veterans Health Administration
VSIP	Voluntary Separation Incentive Program

# Appendix II: Data Quality

## Verifying and Validating Performance Data

Each year, we measure our performance in four areas: (1) the results of our work, (2) client service, (3) people measures, and (4) internal operations. To assess our performance, we use actual, rather than projected, data for almost all of our performance measures. We believe the data are complete and reliable based on our verification and validation procedures to ensure quality. The specific sources of the data for our annual performance measures, procedures for independently verifying and validating these data, and the limitations of these data are described in [table 26](#). (See [Setting Performance Targets](#) for related information.)

**Table 26: How We Ensure Data Quality for Our Annual Performance Measures**

Results measures	
Financial benefits	
<b>Definition and background</b>	<p>Our work—including our findings and recommendations—may produce benefits to the federal government that can be estimated in dollar terms. A financial benefit is an estimate of the federal cost reduction of agency or congressional actions. These financial benefits generally result from work that we completed over the past several years. The estimated benefit is based on actions taken in response to our work, such as reducing government expenditures, increasing revenues, or reallocating funds to other areas.</p> <p>Financial benefits included in our performance measures are net benefits—that is, estimates of financial benefits that have been reduced by the costs associated with taking the action that we recommended. For financial benefits covering 1 or more years, we convert all estimates involving past and future years to their net present value and use actual dollars to represent estimates involving only the current year. In some cases, we can claim financial benefits over multiple years based on a single agency or congressional action.</p> <p>Financial benefits are linked to specific recommendations or other work. To claim that financial benefits have been achieved, our staff must file an accomplishment report documenting that (1) the actions taken as a result of our work have been completed or substantially completed, (2) the actions generally were taken within 2 fiscal years prior to the filing of the accomplishment report, (3) a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed, and (4) estimates of financial benefits were based on information generally obtained from non-GAO sources.</p> <p>To help ensure conservative estimates of net financial benefits, (1) reductions in operating costs are typically limited to 2 years of accrued reductions, but up to 5 fiscal years of financial benefits can be claimed if the reductions are sustained over a period longer than 2 years; (2) changes in tax laws, program terminations, or sales of government assets are limited to 5 years; and (3) multi-year reductions in long-term projects are generally limited to 5 years unless total benefits are known. For financial benefits involving events that occur on a regular but infrequent basis—such as the decennial census—we may extend the measurement period until the event occurs in order to compute the associated financial benefits using our present value calculator.</p> <p>Managing directors decide when their staff can claim financial benefits. A managing director may choose to claim a financial benefit all in 1 year or over several years, if the benefit spans future years and the managing director wants greater precision as to the amount of the benefit.</p>
<b>Data sources</b>	<p>Our Results Phase System-Accomplishments Module (RPS-AM) provides the data for this measure. Teams use this web-based data system to prepare, review, and approve accomplishments and forward them to our APQA office for review. Once accomplishment reports are approved, they are loaded into our data warehouse, which feeds official reports in our Business Intelligence Analytics.</p>

<b>Verification and validation</b>	<p>Our policies and procedures require us to use RPS-AM to record the financial benefits that result from our work. They also provide guidance on estimating those financial benefits. The team identifies when a financial benefit has occurred as a result of our work. The team develops estimates based on non-GAO sources, such as the agency that acted on our work, a congressional committee, or the Congressional Budget Office, and files accomplishment reports based on those estimates. When non-GAO estimates are not readily available, GAO estimates—developed in consultation with our experts, such as the Chief Economist, Chief Actuary, or Director for the Center for Economics—are corroborated with a knowledgeable program official from the executive agency involved. The estimates are reduced by significant identifiable offsetting costs. The team develops documentation to support accomplishments with evidence that meets our evidence standard, supervisors review the documentation, and an independent person within GAO reviews the accomplishment report.</p> <p>For all financial accomplishment reports, the managing director prepares a memorandum addressed to the Chief Quality Officer attesting that the accomplishment report meets our standards for accomplishment reporting. The memorandum specifically (1) addresses how linkage to GAO is established, and (2) attests that the financial benefits are claimed in accordance with our procedures. Beginning in FY 2010, teams are also required to consult with our Center for Economics on the calculation for financial benefits of \$500 million or more. For each of the financial accomplishment reports, an economist reviews and approves the methodology for calculating the proposed financial benefit. The assessment results are documented in the accomplishment's supporting documentation and provided to the reviewers.</p> <p>The team's managing director is authorized to approve financial accomplishment reports with benefits of less than \$100 million. The team forwards the report to APQA, which reviews all accomplishment reports, and approves accomplishment reports claiming benefits of about \$100 million or more. In FY 2025, APQA approved accomplishment reports covering over 99 percent of the dollar value of financial benefits we reported.</p> <p>In FY 2025, accomplishments of \$500 million or more were also reviewed by independent second and third reviewers (reemployed GAO annuitants), who have substantial experience and knowledge of our accomplishment reporting policies and procedures. Our total for FY 2025 reported financial benefits reflects the views of the independent reviewers.</p>
<b>Data limitations</b>	<p>Not every financial benefit from our work can be readily estimated or documented as attributable to our work. As a result, the amount of financial benefits is a conservative estimate. Estimates are based primarily on information from non-GAO sources and are based on both objective and subjective data. As a result, professional judgment is required in reviewing accomplishment reports. We believe that the verification and validation steps that we take minimize any adverse impact from this limitation.</p>
<b>Other benefits</b>	
<b>Definition and background</b>	<p>Our work—including our findings and recommendations—may produce benefits to the government that cannot be estimated in dollar terms. These other benefits can result in better services to the public, changes to statutes or regulations, or improved government business operations.</p> <p>Other benefits generally result from past work that we completed. Other benefits are linked to specific recommendations or other work that we completed over several years. To claim that other benefits have been achieved, staff must file an accomplishment report that documents that (1) the actions taken as a result of our work have been completed or substantially completed, (2) the actions generally were taken within the past 2 fiscal years of filing the accomplishment report, and (3) a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed.</p>
<b>Data sources</b>	<p>Our RPS-AM provides the data for this measure. Teams use this automated system to prepare, review, and approve accomplishments and forward them to APQA for review. Once accomplishment reports are approved, they are loaded into our data warehouse, which feeds official reports in our Business Intelligence Analytics.</p>



<b>Verification and validation</b>	<p>We use RPS-AM to record the other benefits that result from our findings and recommendations. Staff in the team file accomplishment reports to claim benefits resulting from our work. The team develops documentation to support accomplishments with evidence that meets our standards. Supervisors review the documentation; an independent staff person checks the facts of the accomplishment report; and the team's managing director, director, or both approve the accomplishment report to ensure its appropriateness, including attribution to our work.</p> <p>The team forwards the report to APQA, where it is reviewed for appropriateness. APQA provides summary data on other benefits to team managers, who check the data on a regular basis to make sure that approved accomplishments from their staff have been accurately recorded.</p>
<b>Data limitations</b>	The data may be underreported because we cannot always document a direct cause-and-effect relationship between our work and the resulting benefits. Therefore, the data represent a conservative measure of our overall contribution toward improving government.
<b>Percentage of products with recommendations</b>	
<b>Definition and background</b>	<p>We measure the percentage of our written reports and numbered correspondence issued in the fiscal year that included at least one recommendation. We make recommendations that specify actions that can be taken to improve federal operations or programs. We strive to ensure that recommendations are directed at resolving the cause of identified problems; that they are addressed to parties who have the authority to act; and that they are specific, feasible, and cost effective. Some of our products are informational and do not contain recommendations.</p> <p>We track the percentage of these products that are issued during the fiscal year and contain recommendations. This indicator recognizes that our products do not always include recommendations.</p>
<b>Data sources</b>	Our Publications Database incorporates recommendations from products as they are issued. The database is updated daily.
<b>Verification and validation</b>	Our Information Management team enters data on recommendations into a "staging" system where they are reviewed for accuracy and completeness. Once reviewed, the data are posted to the Publications Database. We provide our managers with reports on the recommendations being tracked to help ensure that all recommendations have been captured and that each recommendation has been completely and accurately stated.
<b>Data limitations</b>	This measure is a conservative estimate of the extent to which we assist the Congress and federal agencies because not all products and services we provide lead to recommendations. For example, the Congress may request information on federal programs that is purely descriptive or analytical and does not lend itself to recommendations.
<b>Past recommendations implemented</b>	
<b>Definition and background</b>	<p>We make recommendations designed to improve the operations of the federal government. For our work to produce financial or other benefits, federal agencies must implement these recommendations. As part of our audit responsibilities under generally accepted government auditing standards, we follow up on recommendations we have made and report to Congress on their status. Experience has shown that it takes time for some recommendations to be implemented.</p> <p>To provide a more accurate picture of the extent to which our recommendations are being implemented, we modified our measure to include an additional year to reflect the time required for implementation in the current environment. Beginning in FY 2025, we used 5 years (instead of 4 years) to calculate the percentage of recommendations implemented. Based on historical data, we find that agencies are continuing their efforts to address our recommendations from year 4 to year 5. Therefore, the measure is the percentage rate of implementation for recommendations made 5 years prior to a given fiscal year (e.g., the FY 2025 implementation rate is the percentage of recommendations made in FY 2020 products that were implemented by the end of FY 2025).</p>
<b>Data sources</b>	Our Publications Database incorporates recommendations as products are issued. The database is updated daily. As our staff monitor implementation of recommendations, they submit updated information to the database.

<b>Verification and validation</b>	<p>Our policies and procedures specify that our staff must verify and document that an agency's reported actions are adequately being implemented. Staff update the status of the recommendations at least once a year by September 30th. To accomplish this, our staff may interview agency officials, obtain agency documents, access agency databases, or obtain information from an agency's IG. Recommendations that are reported as implemented are reviewed by a senior executive in the team and by APQA.</p> <p>Summary data are provided to the teams that issued the recommendations. The teams check the data regularly to make sure that the recommendations they have reported as implemented have been accurately recorded. We also provide the Congress and general public with access to a <a href="#">database</a> with the status of open recommendations, which is updated daily.</p>
<b>Data limitations</b>	This data may be underreported because we only count cases where actions are completed to fully implement a recommendation and do not count cases in which a recommendation is partially implemented. Therefore, the data represent a conservative measure of our overall contribution toward improving government.
<b>Client measures</b>	
<b>Testimonies</b>	
<b>Definition and background</b>	<p>The Congress asks GAO's senior executives to provide expert testimony at hearings on various issues, and these testimonies are the basis for this measure. For purposes of this performance measure, we define senior executives as those above the GS-15 or equivalent level. Delivering testimonies is an important form of communication with the Congress. The number of testimonies that we are asked to deliver reflect the importance and value of our institutional knowledge in assisting congressional decision-making.</p> <p>When multiple senior executives are asked to testify on different aspects of GAO's work and deliver their own separate written testimony statements at a single hearing, we will count each testimony in the total count for the fiscal year. However, we do not count statements (1) as separate when two GAO teams provide a joint statement and (2) for the record when our witness does not appear.</p>
<b>Data sources</b>	The data on testimonies are compiled in our Engagement Management System managed by staff in our mission teams.
<b>Verification and validation</b>	The team responding to a request for a testimony is responsible for entering data into the Engagement Management System. After a team has testified at a hearing, the team records the date the hearing took place in the Engagement Management System. CR provides weekly status reports to unit managers, who check to make sure that the data are complete and accurate.
<b>Data limitations</b>	This measure does not include statements for the record that we prepare for congressional hearings. Also, this measure may be influenced by factors other than the quality of our performance in any specific fiscal year. The number of times that our senior executives are asked to testify at congressional hearings each year depends on the Congress's agenda, and the number of times we are asked to testify may reflect congressional interest in work in progress as well as work completed that year or the previous fiscal year. To mitigate this limitation, we may adjust our target to reflect cyclical changes in the congressional schedule. We also reach out to our clients on a continuing basis to increase their awareness of our readiness to testify at congressional hearings.
<b>Timeliness</b>	
<b>Definition and background</b>	Timeliness enhances the likelihood that the Congress and agencies will use our products. To determine whether our products are timely, we send an electronic survey to solicit feedback from our clients. With few exceptions, we send a survey for products with congressional addressees. We do not send surveys for some products, including (1) management letters; (2) legal products; (3) public versions of previously released classified or sensitive reports; (4) priority recommendation letters; (5) supplemental material issued on our website; and (6) oral briefings that do not have a public written product. A CR advisor may also determine that it is not appropriate to send a survey based on congressional staff preferences and interest.

<b>Data sources</b>	<p>GAO's Client Feedback survey system uses our Product Distribution System and a commercial survey platform called Qualtrics to send surveys and store responses. Engagement teams identify which congressional staff should receive a survey and enter that information in the system for distributing products. Engagement teams may consult with a CR advisor when identifying the appropriate survey recipients. When reviewing products scheduled for issuance, CR advisors ensure that eligible products include at least one appropriate survey recipient.</p> <p>The survey system uses this data to automatically generate and send an email with a link to the designated recipients of the respective products. The e-mail message contains a unique client identifier to ensure that a recipient is linked with the appropriate response. The survey system creates a record for each survey invitation we send and captures the responses for each completed survey we receive electronically.</p>
<b>Verification and validation</b>	We generate reports to ensure surveys were sent for the applicable products. In instances where surveys were not sent, our Congressional Relations office works with engagement teams to ensure the surveys are sent.
<b>Data limitations</b>	Increasing our survey to include all GAO products issued to the Congress (except those mentioned above) decreased our overall response rate. This was expected as the population of survey recipients grew. The response rate for the FY 2025 survey was about 2 percent, and about 96 percent of those who responded answered the timeliness question. We received at least one survey response for about 8 percent of the products for which we sent a form in FY 2025. The client feedback survey is only one of multiple methods we use to solicit feedback from our clients regarding our products and services. While the combined information from these methods provides a reasonable basis for our assessment of timeliness, we continue to explore ways to improve the response rate on our electronic survey.

### People measures

<b>New hire rate</b>	
<b>Definition and background</b>	This performance measure is the ratio of the number of people hired to the number we planned to hire. Annually, we develop a workforce plan that takes into account our strategic goals; projected workload changes; and other changes such as retirements, other attrition, promotions, and skill gaps. The workforce plan for the upcoming year specifies the number of planned hires. The Chief Operating Officer, CAO, Deputy Chief Administrative Officer, Chief Human Capital Officer, and Controller meet monthly to monitor progress toward achieving the workforce plan. Adjustments to the workforce plan are made throughout the year, if necessary, to reflect changing needs and conditions.
<b>Data sources</b>	The Executive Committee approves the workforce plan. The workforce plan is coordinated and maintained by CAO. Data on accessions—that is, new hires coming on board—is taken from a database that contains employee data from the USDA's National Finance Center (NFC) database, which handles payroll and personnel data for us and other agencies.
<b>Verification and validation</b>	CAO maintains a database that monitors and tracks all our hiring offers, declinations, and accessions. In coordination with our Human Capital Office, our CAO staff enter workforce information supporting this measure into the CAO database. While the database is updated on a daily basis, CAO staff provide monthly reports to the Chief Operating Officer and CAO, which allows them to monitor progress by unit in achieving workforce plan hiring targets. CAO continually monitors and reviews accessions maintained in the NFC database against its database to ensure consistency and to resolve discrepancies.
<b>Data limitations</b>	There is a lag of one to two pay periods (up to 4 weeks) before the NFC database reflects actual data. We generally allow sufficient time before requesting data for this measure to ensure that we get accurate results.
<b>Retention rate</b>	
<b>Definition and background</b>	We continuously strive to make GAO a place where people want to work. Once we have made an investment in hiring and training people, we would like to retain them. This measure is one indicator that we are attaining that objective and is the complement of attrition. We calculate this measure by taking 100 percent minus the attrition rate, where attrition rate is defined as the number of separations divided by the average onboard strength. We calculate this measure with and without retirements.

<b>Data sources</b>	Data on retention—that is, people who are on board at the beginning of the fiscal year and people on board at the end of the fiscal year—are taken from a CAO database that contains some data from the NFC database, which handles payroll and personnel data for us and other agencies.
<b>Verification and validation</b>	CAO staff continually monitor and review accessions and attritions against their database that contains NFC data and follow up on any discrepancies. In FY 2009, we developed standard operating procedures, which are still in effect, to document how we calculate and ensure quality control over data relevant to this measure.
<b>Data limitations</b>	See <a href="#">New hire rate</a> , <a href="#">Data limitations</a> .
<b>Staff development</b>	
<b>Definition</b>	The Staff Development metric assesses level of access to and usefulness of various types of staff training, including both informal and formal opportunities.
<b>Data sources</b>	<p>The Staff Development index score is based on staff's favorable responses to five Employee Experience Survey (ESS) items about staff development. Staff are asked to indicate the extent to which they agree or disagree with various statements about staff development on a 5-point scale, ranging from strongly agree to strongly disagree. Favorable responses include the two most positive response categories—strongly agree and agree. To increase the validity of responses, "I felt like..." was added to the survey items to ensure that only respondents that should have an opinion or are knowledgeable about a topic are provided, eliminating the need to provide an option to respond by saying "N/A" or "I don't know" or "No basis to judge" (a survey best practice is to avoid using these because it is likely to produce less valid data).</p> <p>The staff development items include the following: (1) I felt like I had access to the training I needed to do my job well; (2) I felt like the on-the-job training that I received helped me do my job well; (3) I felt like the Learning Center courses that I took (excluding the Annual Mandatory eLearning training curriculum) helped me do my job well; (4) I felt like the team-led training and/or knowledge-sharing events I participated in helped me do my job well; and (5) I felt like the external training(s) and/or conference(s) I attended helped me do my job well.</p> <p>To determine the index score, we calculated the percentage of staff selecting a favorable response across all five questions among those who selected a response on the 5-point scale.</p>
<b>Verification and validation</b>	<p>The EES gathers staff's opinions on a variety of workplace topics. Staff are provided with a unique survey link and access code. The EES instrument—including all questions and instructions, as well as the web-based design and navigation—was pre-tested in FY 2020 with staff across the agency to help ensure that the survey was clear, logical, effective, and provided a positive user experience. Where needed, questions, instructions, and design were refined through an iterative process to improve the survey quality.</p> <p>In FY 2025, the EES response rate was about 74 percent, which indicates that results are largely representative of the GAO population. In addition, work units receive their respective results, enabling them to understand or further analyze unit experiences and outcomes.</p>
<b>Data limitations</b>	<p>The results obtained from the survey reflect staff's self-reported opinions under conditions of confidentiality. Accordingly, there is no way to further validate those expressions of opinion.</p> <p>The practical difficulties of conducting any survey may introduce errors, commonly referred to as nonsampling errors. For example, these errors could result from respondents misinterpreting a question or data entry staff incorrectly entering data into a database used to analyze the survey responses. Such errors can introduce unwanted variability into the survey results. In FY 2020, we conducted multiple rounds of pre-testing for both the survey content and survey web-design to reduce the likelihood of respondents misinterpreting questions or erroneously navigating the survey. We also created a web-based survey for which respondents entered their answers directly into an electronic questionnaire, eliminating the possibility for potential errors in staff data entry.</p>
<b>Staff utilization</b>	
<b>Definition</b>	The Staff Utilization metric assesses how well employees understand the purpose and value of their work, as well as how their work engages their talents.



<b>Data sources</b>	<p>The Staff Utilization index score is based on staff's favorable responses to five EES items about staff utilization. Staff are asked to indicate the extent to which they agree or disagree with various statements about staff utilization on a 5-point scale, ranging from strongly agree to strongly disagree. Favorable responses include the two most positive response categories—strongly agree and agree.</p> <p>The Staff Utilization items include the following: (1) I felt like my talents were used well in the workplace; (2) I felt like I knew how my work relates to the agency's goals; (3) I felt like the work I did was important; (4) I felt like my workload was reasonable; and (5) I felt like I was utilized effectively, in general.</p> <p>To determine the index score, we calculated the percentage of staff selecting a favorable response across all five questions among those who selected a response on the 5-point scale.</p>
<b>Verification and validation</b>	See <a href="#">Staff development</a> , <a href="#">Verification and validation</a> .
<b>Data limitations</b>	See <a href="#">Staff development</a> , <a href="#">Data limitations</a> .
<b>Experience with supervisors</b>	
<b>Definition and background</b>	<p>The Experience with Supervisors metric focuses specifically on staff's official supervisor, referred to as the designated performance manager (DPM). This role applies to staff across the agency at all levels, and enables us to elicit consistent feedback on our key supervisor role. Our Experience with Supervisors index is therefore comprised of the core DPM questions. The question asking staff to evaluate their DPMs was excluded from the index because it uses a different scale and the items comprising the index collectively provide a robust evaluation of DPMs. The EES additionally provides staff who may have another person directing their day-to-day work an opportunity to respond about their additional supervisor. As these questions were not applicable for all staff, they are excluded from the index.</p>
<b>Data sources</b>	<p>The Experience with Supervisors index score is based on staff's favorable responses to eight EES items about staff's DPM. Staff are asked to indicate the extent to which they agree or disagree with various statements about their DPM on a 5-point scale, ranging from strongly agree to strongly disagree. Favorable responses include the two most positive response categories—strongly agree and agree.</p> <p>The Experience with Supervisors items include the following: (1) I felt like my DPM treated me fairly; (2) I felt like my DPM gave me actionable feedback on a regular basis; (3) I felt like my DPM made sufficient effort to seek out and value my perspective; (4) I felt like my DPM set clear goals and priorities for me; (5) I felt like my DPM demonstrated GAO's core values of accountability, integrity, and reliability; (6) I felt like my DPM listened to what I have to say; (7) I felt like my DPM treated me with respect; and (8) Overall, I had trust and confidence in my DPM.</p> <p>To determine the index score, we calculated the percentage of staff selecting a favorable response across all eight questions among those who responded to the questions.</p>
<b>Verification and validation</b>	See <a href="#">Staff development</a> , <a href="#">Verification and validation</a> .
<b>Data limitations</b>	See <a href="#">Staff development</a> , <a href="#">Data limitations</a> .
<b>Organizational climate</b>	
<b>Definition and background</b>	<p>The Organizational Climate metric assesses important interpersonal and communication dynamics, and staff's general experience and connection to their work. In assessing these issues, this metric includes items aligned with GAO's people core values, which include valuing, respecting, and treating staff fairly.</p>

<b>Data sources</b>	<p>The Organizational Climate index score is based on staff's favorable responses to nine EES items about the organizational climate within their work unit and at GAO more generally. Staff are asked to indicate the extent to which they agree or disagree with various statements about organizational climate on a 5-point scale, ranging from strongly agree to strongly disagree. Favorable responses include the two most positive response categories—strongly agree and agree.</p> <p>The Organizational Climate items include the following: (1) In my work unit, I felt respected by the people I work with; (2) In my work unit, others treated me fairly; (3) In my work unit, sufficient effort was made to seek out and value each person's perspectives; (4) In my work unit, it was easy to collaborate with others; (5) In my work unit, communication was effective; (6) At GAO, I knew what I needed to do to be successful in my role; (7) At GAO, I felt encouraged to come up with new and better ways of doing things; (8) At GAO, my work gave me a feeling of personal accomplishment; and (9) At GAO, I knew what was expected of me on the job.</p> <p>To determine the index score, we calculated the percentage of staff selecting a favorable response across all nine questions among those who responded to the questions.</p>
<b>Verification and validation</b>	See <a href="#">Staff development, Verification and validation</a> .
<b>Data limitations</b>	See <a href="#">Staff development, Data limitations</a> .
<b>Internal operations measures</b>	
<b>Help get job done, improve quality of work life, and IT tools</b>	
<b>Definition and background</b>	To measure how well we are delivering internal administrative services to our employees and identify areas for improvement, we conduct a self-administered, web-based Customer Satisfaction survey. The survey asks employees to indicate how much they agree with the effectiveness of services that help them get their jobs done, services that affect their quality of work life, and IT tools. We administered the survey for about 3 weeks in January. We included all employees in addition to those in the Personnel Appeals Board, Federal Accounting Standards Advisory Board, and the OIG as they also rely on our administrative services to do their jobs.
<b>Data sources</b>	<p>To determine our employee's perceived effectiveness of internal administrative services, we calculate composite scores for three measures. No weighting or other adjustments were made. The composite score calculation is made by adding all the 'Strongly Agree' and 'Agree' ratings across all the relevant services and dividing it by the number of respondents who provided any agreement rating.</p> <p>Of the three composite scores that we calculate, one measure reflects perceived effectiveness with the services that help employees get their jobs done, such as records management, IT customer support, mail services, and travel support services. The second measure reflects perceived effectiveness with services that affect quality of work life. These services include assistance related to pay and leave, building maintenance and security, and transit benefits. The third measure is for IT tools, such as our document management system, tools for working remotely, and the intranet.</p>
<b>Verification and validation</b>	<p>The survey is conducted by GAO's Business Process Analytics Group in the CAO Immediate Office. While this unit can access individual responses, it complies with the privacy statement that is posted on the website to only provide aggregated data to GAO management that cannot be used to identify responses of any individual.</p> <p>Each unit responsible for administrative services conducts follow-on work, including analyzing written comments to gain a better understanding of the information from the survey and developing action plans to address problem areas.</p>

<b>Data limitations</b>	<p>The information contained in the survey is the self-reported opinions of staff expressed under conditions of confidentiality. We do not plan any actions to remedy this limitation because we feel it would violate the pledge of confidentiality that we make to our staff regarding the survey responses.</p> <p>The practical difficulties of conducting any survey may introduce errors. These errors could result, for example, from respondents misinterpreting a question or entering their data incorrectly. Such errors can introduce unwanted variability into the survey results.</p>
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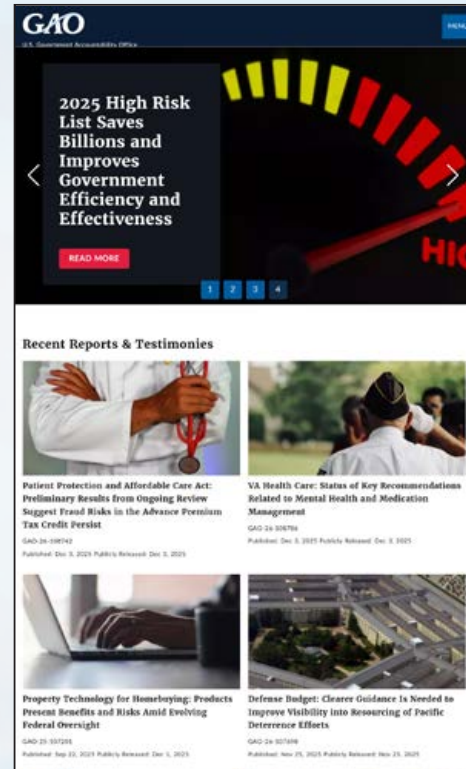
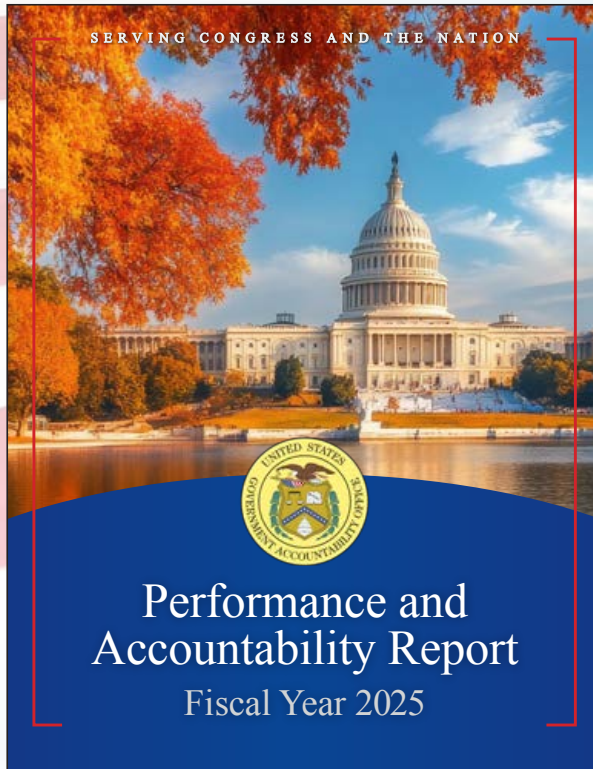
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