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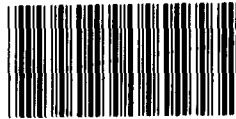
United States General Accounting Office

GAO

Transition Series

December 1992

Financial Management Issues



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United States
General Accounting Office
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**Comptroller General
of the United States**

December 1992

The Speaker of the House of Representatives
The Majority Leader of the Senate

In response to your request, this transition series report discusses major policy, management, and program issues facing the Congress and the new administration in the area of financial management. The issues include the (1) widespread financial management weaknesses that exist in government today, (2) role of the Chief Financial Officers Act of 1990 in providing a road map for reform, (3) steps needed to fully implement this act and make good financial management a reality, and (4) further actions that need to be taken.

We are also issuing a high-risk series on specific areas in the federal government that are vulnerable to waste, fraud, abuse, and mismanagement. Many of these areas are seriously affected by financial management shortcomings.

The GAO products upon which this transition series report is based are listed at the end of this report.

We are also sending copies of this report to the President-elect, the Republican leadership of the Congress, the appropriate congressional committees, the Secretary-designate of the Department of the Treasury, and the Director-designate of the Office of Management and Budget.

Charles A. Bowsher

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Reaching for Financial Management Reform

Widespread financial management weaknesses are crippling the ability of our leaders to effectively run the federal government. Reducing the federal deficit requires monumentally difficult decisions. If our government is to make these decisions in an informed manner, it must have better financial information. Our citizens must also have access to meaningful information that allows them to judge the performance of their government and that provides fundamental accountability. Because these data are not available today, public confidence in the federal government as a financial steward has been severely undermined.

The problems are pervasive. The 17 high-risk areas in government that we have identified for special attention can trace many of their difficulties to a common source: severe, fundamental weaknesses in financial management. These weaknesses have contributed to such problems as insufficient oversight of hundreds of millions of dollars distributed under the Department of Education's guaranteed student loan programs, the Internal Revenue Service's (IRS) inability to manage billions of dollars in tax receivables, and the Department of

Defense's inadequate control over billions of dollars worth of inventory.

Poor financial management is also evident throughout the almost 100 government high-risk areas identified by the Office of Management and Budget (OMB). The Director of OMB described the federal financial management system as "essentially a primitive cash budgeting system—without satisfactory controls or audits; without accruals; without balance sheets; without a clear picture of assets, liabilities, returns on investment, or risks."

Not only does the government do an abysmal job of rudimentary bookkeeping, but it is also far from having the modern financial systems one would expect of a superpower. At present, the federal government runs the world's largest financial operation without the reliable information needed for making informed decisions. It annually spends about \$1.5 trillion—almost a quarter of the country's gross national product—using unreliable systems and ineffective controls. And it manages hundreds of programs, many of them individually larger than our nation's biggest publicly owned corporations, without adequate knowledge of their

financial condition and the results they achieve.

This devastating legacy is the product of decades of neglect. But the federal government can no longer afford to operate this way. It must address three major areas of weakness.

First, financial data are often inadequate or erroneous. Our financial audits of various agencies regularly identify tens of billions of dollars in accounting errors as well as serious gaps in information. These problems undermine the government's ability to effectively perform basic financial management functions, make informed decisions, and conduct adequate oversight of taxpayers' funds. Examples include the following:

- Our financial audits of the Army and the Air Force identified over \$200 billion in accounting adjustments needed to improve the accuracy of their financial reports. The National Aeronautics and Space Administration's (NASA) year-end financial reports to the Department of the Treasury contained over \$500 million in errors.

- Faulty information prevents the IRS from identifying the most effective strategies for pursuing billions of dollars in unpaid taxes. In addition, even after the Social Security Administration (SSA) attempted to reconcile differences in earnings data reported to it and the IRS for the 1978 to 1986 tax years, an unreconciled balance of about \$65 billion remained as of September 1992.
- Contributing to the billions of dollars in losses in the government's portfolio of over \$850 billion in loans and loan guarantees is the fact that fundamental information on lending programs is all too often lacking or unreliable.

Second, financial systems and controls are unreliable. Breakdowns in financial systems and controls not only waste billions of dollars, but also reinforce the deeply rooted public perception that the government cannot effectively manage the taxpayers' money. Examples include the following:

- Widespread weaknesses in financial controls at the Department of Defense have contributed to unneeded inventories, for which Defense paid about \$40 billion, and have significantly increased the risk of waste, loss, and theft of billions more

dollars—a source of continuing embarrassment to the government.

- The government's accounting control over the almost \$2 billion Indian Trust Fund has been so poor that it has been unable to reconcile accounts for over half a century, and the Fund has incurred millions of dollars in unnecessary losses.
- Reduced funding for Medicare payment safeguards and inadequate program oversight have led to government contractors not recovering an estimated \$2 billion in claims that should have been paid by other insurers, not collecting over \$170 million in overpayments, and allowing complaints of fraud to go uninvestigated.

Third, results-oriented reports on financial condition and operating performance are largely nonexistent. While the government has a flood of cash-based information, it has collected few data to monitor the cost of programs and measure their performance. This makes it extremely difficult to manage effectively, determine results achieved with

public funds, and establish reasonable spending priorities. For example:

- While the Congress is asked to authorize billions of dollars for weapons systems without reliable cost information and performance data, the Department of Defense routinely buys weapons systems that fail to work as intended, cost more than expected, and take years longer than expected to field.
- The State Department, which owns and leases billions of dollars worth of property worldwide, cannot track building costs or determine operating costs in order to manage its programs effectively.
- Because the Department of Veterans Affairs lacks information on the operating costs of its 172 hospitals, program managers cannot determine which facilities are working well and where procedures are or are not cost-effective.

Providing the Road Map to Reform

A growing consensus on the seriousness of the problems outlined above culminated in enactment of the Chief Financial Officers (CFO) Act in November 1990. This landmark law, which we called for in our November 1988 transition report, represents the most far-reaching financial legislation in 40 years and provides an excellent blueprint for reform.

To address the historic lack of priority given to financial management, the act established a much-needed leadership structure consisting of a new Deputy Director for Management and a Controller in OMB and professionally qualified chief financial officers in all major agencies. These CFOs are to report directly to agency heads and are to be given broad authority for financial management. The act also establishes a CFO Council to address common issues.

To improve the reliability of financial information and to overhaul financial systems and controls, the act

- requires the preparation of financial statements for all government revolving and trust funds and commercial operations, and for 10 pilot agencies;

- calls on inspectors general (IG) to perform financial audits to verify information and underlying controls;
- ties the reporting of internal control weaknesses under the Federal Managers' Financial Integrity Act (FMFIA) to reporting by the CFOs;
- mandates that OMB devise a 5-year improvement plan and that each agency provide a comprehensive plan that translates OMB's plan into meaningful change; and
- gives the CFOs responsibility for asset management, covering such things as credit and inventory management.

To ensure that financial reporting focuses on results, the act

- requires that the agencies' CFOs oversee budget execution—how money is spent in carrying out programs and operations;
- requires the systematic measurement of performance and the development of cost information; and
- mandates an annual financial management status report by each CFO that shows where

the agency stands financially, what it has achieved, and what the future holds in financial terms.

Making Good Financial Management a Reality

While many important initiatives are under way and planned, only limited concrete results have been achieved during the 2 years since the act's enactment. Certain good initial steps have been taken, but much more effort will be required if the act's full potential to greatly improve government management and accountability is to be achieved. The next few years will be pivotal in determining whether good financial management becomes a reality or whether the federal government will miss an unprecedented opportunity to make a lasting improvement in management.

Urgent, sustained action is required to accomplish the act's objectives and help solve the government's high-risk problems. These actions include

- establishing strong financial management leadership and commitment within the agencies and OMB;
- improving existing systems and controls by properly following established policies and procedures and making interim enhancements;
- expanding the program of financial statement preparation and auditing to ensure

reliable data and adequate controls;

- attracting and retaining qualified financial management personnel;
- strengthening financial management systems by simplifying and reengineering business processes and developing modern systems that integrate accounting, budgeting, and program information; and
- developing useful and relevant financial reports that emphasize accountability and operating performance.

**Establishing
Strong
Leadership**

The CFO Act simply will not work without qualified, effective leadership, starting with the Deputy Director for Management and the Controller at OMB. Agency heads must also give high priority to financial reform, and highly qualified CFOs need to be appointed in every major agency. The Congress required in the act that CFOs "possess demonstrated ability in general management of, and knowledge of and extensive practical experience in financial management practices in large governmental or business entities."

This standard was fully met in the appointment of the first Controller of OMB's Office of Federal Financial Management. This person, who is key to leading the governmentwide financial reform effort, has an extensive financial management background and a strong record of successful leadership in reforming state government finances. This appointment, as well as the selection of an effective Deputy Director for Management who aggressively pushed for the act's implementation, were an important signal of OMB's commitment to making the CFO Act work.

In the year in which the new Controller has served, we have noted effective initial steps. OMB's 5-year improvement plan, for example, provides a good long-term approach for implementing the CFO Act and developing expanded financial reporting objectives and auditing requirements. In addition, the composition and qualifications of OMB's financial management staff in the Office of Federal Financial Management have improved, enabling the office to be better prepared to serve as a catalyst for change.

But OMB still has woefully limited resources committed to this office. When the CFO Act was being considered, we supported locating

financial management leadership in OMB rather than in the Treasury Department, with the caveat that OMB provide sufficient resources to get the job done. While the overall capabilities of OMB's team have improved, the size of the financial management staff has only increased from 26 to 32 people since the CFO Act's passage. To have proper impact, it would seem that OMB needs some multiple of this level of financial management staffing. We believe it will be important that the Office of Federal Financial Management have the necessary resources to adequately tackle the difficult challenges posed by the CFO Act.

At the agency level, we are seeing signs of greater management attention to financial management. For example, our ongoing or recently completed audits at the IRS, the U.S. Customs Service, the Departments of Education and State, and the Army have found top-level support for meaningful change. While this support will not automatically solve existing weaknesses—which are pervasive and severe—these agencies have recognized the extent of their problems and have begun to address them.

We are concerned, however, that a number of the agencies' CFO appointments are not following the example set in selecting the Controller in OMB. For nine major agencies, whose combined budgets this past year exceeded \$700 billion, the CFO designation was added to the position of the assistant secretary for management or administration—positions that have very broad responsibilities. This is basically the way financial management responsibilities were structured before passage of the CFO Act, and that approach did not work. Its continued use, in cases in which the CFO has a large number of responsibilities beyond areas such as budgeting and financial management, could dilute the CFO's role and thereby not foster the needed urgency and undivided attention.

Also, although it is too early to draw conclusions on the effectiveness of individual CFOs, several of them—especially in some of the major agencies—did not have much experience in financial management when selected. In our view, adherence to the act's qualification requirements and OMB's implementing standards is needed. The selection of only highly qualified financial managers to serve in this position will be crucial to successfully achieving the act's

objective. OMB's Deputy Director for Management and Controller need to play an integral role in advising on the selection of the agencies' CFOs, as the CFO Act requires.

The strong commitment of the IGS will also be important to successful implementation of the CFO Act and to achievement of the full benefits possible through audited financial statements. In this regard, the Inspector General Act provides that IGS are to be appointed without regard to political affiliation and solely on the basis of integrity and demonstrated ability. While the President has authority to appoint new IGS, consideration should be given to retaining IGS on the basis of their individual performance records. At the same time, for the 23 agencies covered by the CFO Act, very few of the IGS came to the job with extensive auditing backgrounds. In our view, it will be important in considering future IG appointments to pay particular attention to increasing the number of IGS with strong auditing backgrounds.

**Improving
Existing Systems
and Controls**

Data accuracy can be improved immediately simply by following existing policies and procedures, such as accurate transaction processing and routine account

reconciliations. Time and time again, we have found that failure to perform such basic, straightforward steps results in tens of billions of dollars in accounting errors, severely undermines any semblance of accountability, and leaves managers woefully short of reliable information. This lack of discipline in accounting for taxpayers' dollars is inexcusable and should not be tolerated. Fixing this part of the problem does not require investment in new systems or studies to determine the most appropriate long-range solutions.

Agencies must also fix a myriad of long-standing control weaknesses that make them extremely vulnerable to criticism and undermine public confidence. Since 1983, agencies have reported under FMFIA over 3,000 weaknesses they consider to be significant problems, and they have made some progress in solving them. Yet, almost a decade later, we continue to see the same kinds of problems emerging on our and OMB's high-risk lists. Moreover, in three recent reports covering the Air Force, NASA, and the Army, we cited a lack of candor in reporting serious control and accounting problems, as required by FMFIA.

Federal managers also have not paid adequate attention to implementing auditors' recommendations. We continue to find that managers do not always ensure that corrective actions have been completed before claiming that the problem is solved. There should be strict accountability for clearing up exceptions raised by auditors.

The Army's initial response to our August 1992 financial audit report is a good example of prompt management action to set the proper tone for addressing problems. The Secretary of the Army's August letter to all major commanders noted that reporting under FMFIA must improve and that everyone must understand that internal controls are an inherent part of the job. He also established a senior-level action group to underscore the need for immediate action and to emphasize that the problems we identified would not be acceptable in the future.

Unfortunately, quick management action to address problems is not always forthcoming. For example, in February 1990, we reported massive accounting and internal control problems in the Air Force. In May 1991, we found that only limited progress had been made in addressing the problems we had

previously reported, and we noted that greater Air Force management action was needed. In February 1992, we again reported pervasive financial management and internal control weaknesses, noting that little effective action had been taken. Today, over 2-1/2 years after we first reported on Air Force financial management deficiencies, we have still not seen a strong commitment by Air Force management to effectively act on the problems.

**Expanding the
Auditing Program**

A sound auditing program is an essential component of ensuring reliable financial information and adequate controls. The IGS have the primary responsibility to conduct annual financial audits under the CFO Act, but they will have to further develop their capability to do such audits and make these audits an integral part of their overall audit strategy. Decisionmakers and CFOs need to know on a continuing basis whether financial information is sound, performance measures are accurate, and controls are operating as intended. Moreover, agency managers can greatly benefit from recommendations for improvement.

The IGS, GAO, and public accounting firms undertook about 68 agency-related financial

audits mandated by the CFO Act for fiscal year 1991. These audits cover 51 trust and revolving funds and commercial functions, 10 government corporations—such as the Federal Housing Administration—that are part of an agency covered by the CFO Act, and 7 pilot agencies—the Army, the Departments of Agriculture, Housing and Urban Development, Labor, and Veterans Affairs, the Social Security Administration, and the General Services Administration. The 7 pilot agencies alone expended about \$500 billion in fiscal year 1991, and the other 61 audits covered expenditures of additional tens of billions of dollars.

The Congress appropriated about \$57 million in funding for the preparation and audit of the fiscal year 1991 financial statements—about two-thirds of the amount requested by the administration. For fiscal year 1992 reporting, about 148 financial audits are planned. Continued congressional funding and strong support for audited financial statements are essential.

To date, such audits have called attention to major financial management problems and resulted in a host of recommendations for improving financial reporting and internal controls. For example, the Secretary of the

Army, in commenting on our recently completed pilot financial audit, stated the following:

"We assess the 'pilot project' financial statements and audit as positive elements in the Army's long-range program for improved financial responsibility. The audit has framed a number of important issues about management of the Army. Some of these issues were well known within the Army; others were not. The financial audit has identified them for appropriate management attention."

The Secretary went on to say that some of the more significant long-range benefits of the CFO Act to the Army are likely to be (1) greater focus on integrating financial and logistical systems, (2) better review of the budget execution process, (3) improved decision-making through use of more accurate financial data, (4) enhanced capability to assess problems in both financial and operational terms, and (5) better ability to assess performance and allocate resources.

These benefits are typical of what we believe can be achieved throughout government. OMB is required under the act to report on the benefits and costs of the financial audits by June 30, 1993, and it is presently analyzing the first-year results. We believe strongly in

the need to expand the requirement for audited financial statements to every agency and to the government as a whole. Audited financial statements are essential to establishing financial accountability and fixing high-risk problems.

**Attracting and
Retaining
Qualified
Personnel**

CFOs must address immediately the serious problem of attracting and retaining well-qualified financial management personnel. In April 1992, OMB reported that well over half the agencies' CFOs pinpointed a significant need to strengthen staff capabilities in the areas of financial systems, financial operations, and financial policy. If staffing problems are not dealt with effectively, progress in all areas will languish.

In June 1992, the Association of Government Accountants (AGA) made 30 recommendations covering all facets of the financial personnel challenge, from recruiting talented staff to reducing turnover. OMB is considering adoption of these recommendations, and a CFO Council committee is now developing an implementation strategy.

Financial managers must also upgrade their training efforts. In its report accompanying the CFO Act, the House Committee on Government Operations said that investments must be made in training to ensure that financial management personnel increase their professional skills to keep pace with emerging technology and developments in financial management. Among the most important recommendations in the AGA's report is a call for greatly expanding the number of financial management training courses.

To place greater priority on training efforts, we also suggest that financial management personnel be required to participate in a minimum amount of continuing professional education. Government auditors are required to attain 80 hours of continuing professional education every 2 years, and this requirement has helped ensure audit quality and professionalism.

**Strengthening
Financial
Management
Systems**

Interim improvements do not eliminate the crucial, long-term need to overhaul agencies' financial management systems. The current systems are in extremely poor condition. Sixteen of the 23 agencies covered by the

CFO Act have problems related to their financial systems on OMB's high-risk list.

Financial management systems are generally incompatible, costly to operate, and woefully out of date. Because their basic structures were laid out shortly after World War II, present financial systems have little connection to the operating systems used by today's program managers. Billions of dollars have been spent on efforts to upgrade systems, but to little avail. Improvements have been largely uncoordinated and piecemeal, without an adequate governmentwide framework and enough top management attention to make them work.

To be successful, agencies must translate OMB's 5-year plan into first-rate financial management systems. Modern systems are essential to enable agencies to better focus on results through meaningful reporting on financial condition and operating performance.

Reform cannot be viewed as just further automating existing processes. Rather, those processes must be simplified, redirected, and reengineered. Equally important is to break down traditional barriers between

program and financial management. Too often, financial management is thought of as simply bookkeeping. Consequently, program managers rely not on hard financial data but on less formal or less reliable information. Financial management's goal should be to support programs, missions, and business lines. Achieving this goal will require integrating many systems.

The Department of Defense, for example, is reassessing virtually every operation in light of planned reductions in spending and a recognition that more businesslike practices are needed. Defense is focusing on standardizing cost information and systems across the military services and is having teams from program functions, such as logistics and procurement, work together with financial managers to develop new management approaches.

This type of basic reassessment is needed throughout government. In our transition series report Government Management Issues (GAO/OCG-93-3TR, Dec. 1992), we outline the key elements of a framework for government management improvement, of which financial management is an important element. Whether ongoing improvement initiatives work in Defense will depend on a

continuing push from the Secretary of Defense, as well as the commitment of top management and middle managers in the military services, who will have to make substantial changes in the way they have traditionally viewed financial management.

Past efforts to develop new financial systems have repeatedly failed. Until agencies instill management discipline, these expensive and time-consuming failures will continue. The government's chronic failure to develop new information systems, including financial systems, is discussed in detail in our transition series report Information Management and Technology Issues (GAO/OCG-93-5TR, Dec. 1992).

The development of successful financial systems will present enormous challenges. The need to ensure that financial systems can exchange and share data is particularly important. One contributing problem we have identified at several agencies involves instances in which, because of a lack of systems integration, data must be entered separately into different systems or even into different parts of the same system. These situations result in tremendous inefficiency and introduce problems of reconciling erroneous and omitted data. For example,

differences totalling billions of dollars exist between Defense inventory records and general ledger data in the accounting system because information is kept in separate, incompatible systems.

The CFO Act tries to address such problems by requiring the development of integrated systems. For the long term, agencies should look to developing a systems framework that links accounting, budgeting, and program information. We discuss the conceptual framework for such a system in our 1985 report Managing the Cost of Government (GAO/AFMD-85-35 and 35-A, Feb. 1985).

The CFO Act also calls for eliminating unnecessary systems and developing standard ones. Both GAO and OMB strongly support this approach. The government could also benefit from more cross-servicing, in which one agency provides financial services to another agency. Today, for instance, the Department of Agriculture provides payroll services to about 40 other agencies.

**Developing
Useful Financial
Reports**

Although everyone agrees that the federal government owes its citizens an accounting of financial results, reports on financial

condition and program performance are largely unavailable. Where these reports exist, they usually are of dubious reliability and lack cost information. Once a budget has been enacted, the financial focus shifts primarily to the next year's budget. How the money was spent and what results were achieved are secondary.

Since the CFO Act's passage, much has been done to define user needs and to explore new content and presentation to make financial reports more useful and relevant. The Federal Accounting Standards Advisory Board (FASAB) was established in late 1990 to advise the Comptroller General, the Director of OMB, and the Secretary of the Treasury on the proper accounting standards for the federal government. FASAB is developing new accounting standards and financial reporting objectives, and its continuing work is important.

To meet the act's objectives, financial reporting must, at a minimum, address

- the ways in which budgetary resources have been obtained and used;

- the full costs of providing specific goods and services;
- measures of the efficiency and effectiveness of program operations and what the citizenry received for the resources used;
- the ways in which the government's financial condition has improved or deteriorated over a specified period;
- whether future budgetary resources are likely to be sufficient to sustain public services and meet obligations; and
- whether adequate financial systems and internal controls are in place and operating effectively to safeguard assets, reduce error rates, and prevent and detect fraud, waste, and abuse.

Taking Further Actions

Pervasive financial management weaknesses are crippling the government's ability to effectively manage its operations.

Fundamental reform is urgently needed.

Without decisive action now, efforts to reform financial management and to fix current high-risk areas will falter, and the government will be increasingly vulnerable to new losses.

The framework of the CFO Act offers great hope for achieving better government management, but the government is a long way from achieving the act's objectives and fixing its high-risk problems. While some progress has been made to date, a greater sense of urgency is needed in solving the problems. The tone at the top will be very important in sustaining and building upon current improvement initiatives. Changing a government culture that has not always seen financial management as important is difficult, especially if there is not a continuity of effort or if this change is not perceived as important.

Without concerted action to implement the CFO Act, including attention by the new President and the Cabinet and the strong support of agency program managers, the government will remain devoid of

accountability, lack the public's trust, be hampered in its ability to make informed decisions, and be embarrassingly unable to explain the results achieved with trillions of dollars collected from the nation's citizens. The Congress made its expectations clear when it enacted the landmark CFO legislation as a bipartisan initiative. The Congress' continuing support and oversight will be critical.

The following actions are essential to successfully implementing needed reforms:

The President should

- make financial management reform a high priority in the administration;
- hold agency heads accountable for successfully implementing the CFO Act and for attaining good financial management, effective internal controls, and sound financial reporting that ties together financial and program information;
- sustain the present high level of financial management leadership in OMB and provide adequate resources to the Office of Federal Financial Management; and

- **appoint to the agencies' CFO positions only highly qualified individuals who (1) have extensive practical experience and demonstrated ability in financial management, as mandated by the CFO Act, and (2) meet the qualifications established by OMB.**

The Director of the Office of Management and Budget should

- **closely monitor agencies' adherence to existing accounting policies and procedures in order to improve data accuracy, and promptly take necessary remedial action when agencies are not doing the job;**
- **expand OMB's ability to oversee and, where needed, direct agencies' actions to correct long-standing internal control weaknesses and high-risk problems, especially in cases in which results have not been forthcoming;**
- **foster a strong program of financial statement auditing by supporting needed funding for IGS and audit requirements that meet the broad objectives of the CFO Act;**
- **promote and closely oversee agencies' efforts to build first-class financial**

management infrastructures—both personnel and systems;

- provide an appropriate framework for integrating accounting, program, and budget systems and data to (1) develop more useful and relevant information for decision-making and oversight and (2) break down traditional barriers between program and financial management;
- continue to work with GAO and the Department of the Treasury to develop accounting standards and concepts to meet the unique needs of the federal government;
- expand financial reporting to encompass the full range of accountability, which includes operating results, program performance measurement, and cost information; and
- establish minimum levels of continuing professional education requirements for financial management personnel and work with the CFO Council to develop and expand training programs.

The Congress should

- amend the CFO Act to require audited financial statements on an annual basis for

all major agencies and for the government overall;

- **focus closely on CFO appointments to ensure the qualifications of these individuals;**
- **conduct annual oversight hearings using the CFOs' annual reports and audited financial statements; and**
- **provide the necessary funding support for financial reform efforts through investments in modern systems, personnel development, expanded financial reporting and auditing, and a strengthened Office of Federal Financial Management.**

Related GAO Products

Financial Management: Serious Deficiencies in State's Financial Systems Require Sustained Attention (GAO/AFMD-93-9, Nov. 13, 1992).

Financial Management: NASA's Financial Reports Are Based on Unreliable Data (GAO/AFMD-93-3, Oct. 29, 1992).

Social Security: Reconciliation Improved SSA Earnings Records, but Efforts Were Incomplete (GAO/HRD-92-81, Sept. 1, 1992).

Financial Management: Customs Needs to Establish Adequate Accountability and Control Over Its Resources (GAO/AFMD-92-30, Aug. 25, 1992).

Financial Audit: Examination of the Army's Financial Statements for Fiscal Year 1991 (GAO/AFMD-92-83, Aug. 7, 1992).

Financial Management: Immediate Actions Needed to Improve Army Financial Operations and Controls (GAO/AFMD-92-82, Aug. 7, 1992).

Financial Management: BIA Has Made Limited Progress in Reconciling Trust Accounts and Developing a Strategic Plan (GAO/AFMD-92-38, June 18, 1992).

Audit Resolution: Strengthened Guidance
Needed to Ensure Effective Action
(GAO/AFMD-92-16, Mar. 24, 1992).

Financial Audit: Aggressive Actions Needed
for Air Force to Meet Objectives of the CFO
Act (GAO/AFMD-92-12, Feb. 19, 1992).

Government Management: Major Issues
Facing the Congress (GAO/T-AFMD-92-4, Feb. 6,
1992).

The Chief Financial Officers Act: A Mandate
for Federal Financial Management Reform
(GAO/AFMD-12.19.4, Sept. 1991).

Financial Audit: Department of Agriculture's
Financial Statements for Fiscal Year 1988
(GAO/AFMD-91-65, Aug. 13, 1991).

The Qualifications for and Role of Agency
Chief Financial Officers (GAO/T-AFMD-91-7,
June 7, 1991).

Financial Audit: Status of Air Force Actions
to Correct Deficiencies in Financial
Management Systems (GAO/AFMD-91-55,
May 16, 1991).

Financial Reporting: Framework for Analyzing Federal Agency Financial Statements (GAO/AFMD-91-19, Mar. 1991).

Financial Audit: Department of Veterans Affairs Financial Statements for Fiscal Years 1989 and 1988 (GAO/AFMD-91-6, Nov. 14, 1990).

Financial Management Reform (GAO/T-AFMD-90-31, Sept. 17, 1990).

Financial Management: Additional Actions Needed to Improve Federal Financial Management Systems (GAO/AFMD-90-14, Apr. 27, 1990).

Federal Internal Control and Financial Management Systems: Major Reform Efforts Are Needed (GAO/T-AFMD-90-14, Apr. 18, 1990).

Credit Management: Deteriorating Credit Picture Emphasizes Importance of OMB's Nine-Point Program (GAO/AFMD-90-12, Apr. 16, 1990).

Financial Audit: Air Force Does Not Effectively Account for Billions of Dollars of Resources (GAO/AFMD-90-23, Feb. 23, 1990).

Financial Integrity Act: Inadequate Controls Result in Ineffective Federal Programs and Billions in Losses (GAO/AFMD-90-10, Nov. 28, 1989).

Federal Credit and Insurance: Programs May Require Increased Federal Assistance in the Future (GAO/AFMD-90-11, Nov. 16, 1989).

Financial Management Issues (GAO/OCG-89-7TR, Nov. 1988).

Managing the Cost of Government: Building an Effective Financial Management Structure, Volumes I and II (GAO/AFMD-85-35 and GAO/AFMD-85-35-A, Feb. 1985).

Transition Series

Economics

Budget Issues (GAO/OCG-93-1TR).

Investment (GAO/OCG-93-2TR).

Management

Government Management Issues
(GAO/OCG-93-3TR).

Financial Management Issues
(GAO/OCG-93-4TR).

Information Management and Technology
Issues (GAO/OCG-93-5TR).

Program Evaluation Issues (GAO/OCG-93-6TR).

The Public Service (GAO/OCG-93-7TR).

Program Areas

Health Care Reform (GAO/OCG-93-8TR).

National Security Issues (GAO/OCG-93-9TR).

Financial Services Industry Issues
(GAO/OCG-93-10TR).

International Trade Issues (GAO/OCG-93-11TR).

Commerce Issues (GAO/OCG-93-12TR).

Energy Issues (GAO/OCG-93-13TR).

Transportation Issues (GAO/OCG-93-14TR).

Food and Agriculture Issues
(GAO/OCG-93-15TR).

Environmental Protection Issues
(GAO/OCG-93-16TR).

Natural Resources Management Issues
(GAO/OCG-93-17TR).

Education Issues (GAO/OCG-93-18TR).

Labor Issues (GAO/OCG-93-19TR).

Health and Human Services Issues
(GAO/OCG-93-20TR).

Veterans Affairs Issues (GAO/OCG-93-21TR).

Housing and Community Development
Issues (GAO/OCG-93-22TR).

Justice Issues (GAO/OCG-93-23TR).

Internal Revenue Service Issues
(GAO/OCG-93-24TR).

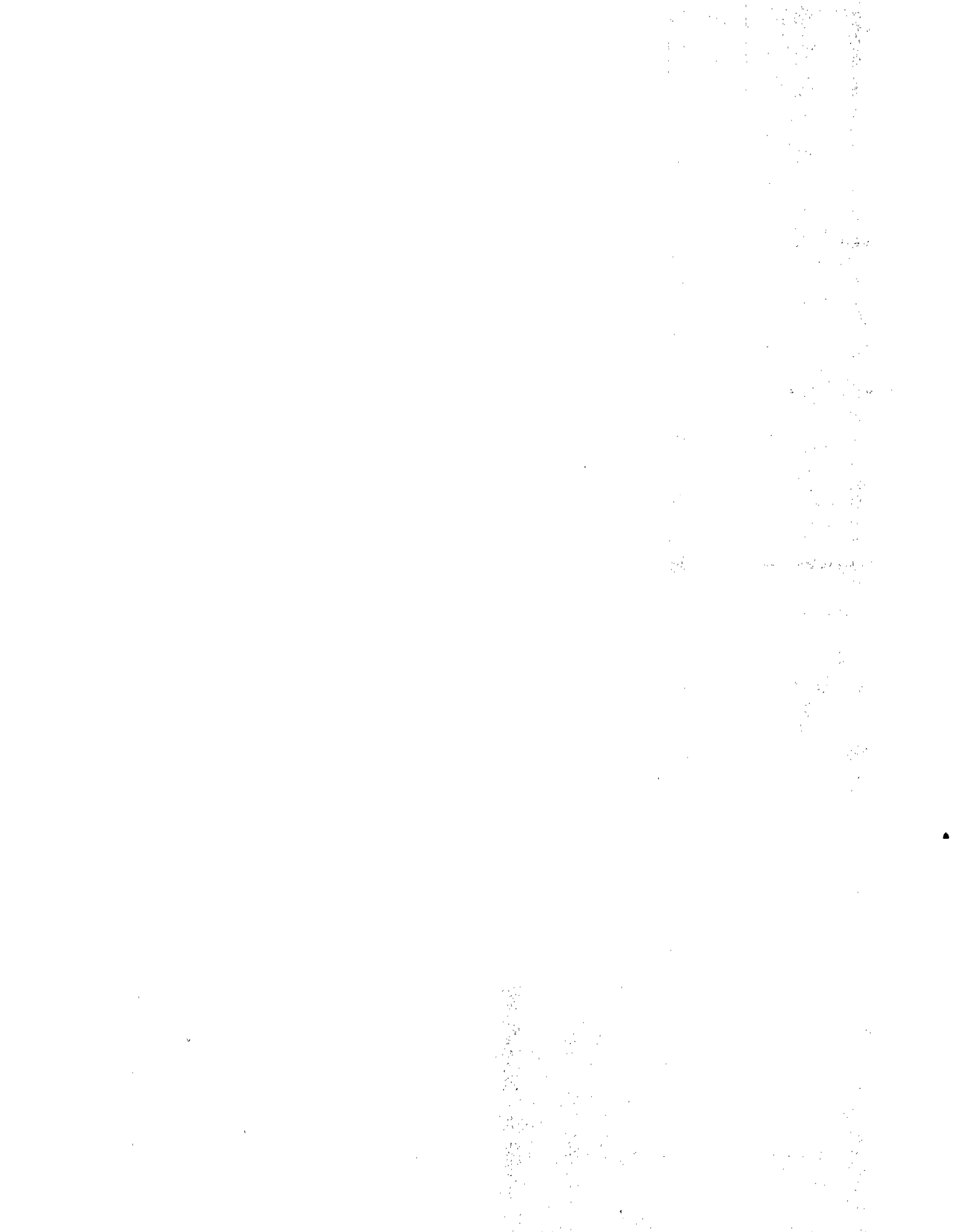
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