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The Evolution of the General Accounting Office: From Voucher Audits to Program Evaluations

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Preface

Harry S. Havens, Assistant Comptroller General of the United States since 1980, spoke on November 3, 1989, at the Annual Conference of the Association for Public Policy Analysis and Management about the historical evolution of the General Accounting Office (GAO). In addition to providing an interesting perspective on the main eras in GAO's development from 1921 to the present, Mr. Havens provides a perceptive analysis of change in GAO's organization and work over the last 25 years. During this period, GAO shifted from an organization basically concerned with operational auditing to one also using policy analysis and program evaluation. In this way, GAO could provide decisionmakers with key information for use in dealing with major issues of the day. Mr. Havens also provides insight on such topics as GAO's relations with the Congress, utilization of staff resources, professional training and development, and GAO's institutional credibility.

GAO is publishing Mr. Havens's important speech to make it available to a wider audience. Copies of this publication are available to GAO officials and staff and other interested persons.



Charles A. Bowsher
Comptroller General
of the United States

Harry S. Havens



Harry S. Havens

Biographical Information

Harry S. Havens was appointed Assistant Comptroller General in the United States General Accounting Office on April 18, 1980. He has handled a variety of special assignments for the Comptroller General, including heading GAO's work under the Gramm-Rudman-Hollings legislation and GAO's study of the 1987 stock market crash. Mr. Havens also serves on a number of internal management boards and committees.

Prior to his present assignment, Mr. Havens served in the U.S. Navy from 1957 to 1964, with the Bureau of the Budget (now the Office of Management and Budget) from 1964 to 1974, and as Director of GAO's Program Analysis Division from 1974 to 1980.

Mr. Havens graduated magna cum laude from Duke University in 1957 with a B.A. in economics. He attended University College, Oxford, England, from 1957 to 1959 as a Rhodes Scholar, receiving a B.A. in politics and economics in 1959 and an M.A. in 1963.

Mr. Havens received the Comptroller General's Award in 1978, 1981, and 1986 and the Comptroller General's Certificate of Merit in 1981; he was awarded the rank of Meritorious Executive in 1983. He received the Roger W. Jones Award for executive leadership in 1980 and was elected a Fellow of the National Academy of Public Administration in 1981.

Mr. Havens has published a number of articles on program evaluation, budgeting, and financial management.

The Evolution of the General Accounting Office: From Voucher Audits to Program Evaluations¹ by Harry S. Havens, Assistant Comptroller General of the United States

The United States General Accounting Office is a nonpartisan agency in the legislative branch of government. It was created by the Budget and Accounting Act of 1921² with the statutory responsibility (among other things) to "...investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds...."

To understand the GAO of today, it is necessary to reflect on the origins of the institution and its evolution over the seven decades of its existence. To recognize what GAO is today, and why, one must know from whence GAO came.³

Origins and Early Years

The creation of GAO was an outgrowth of the same "good government" era in the United States that gave rise to the executive budget at the federal level and the creation of the U.S. Bureau of the Budget. Indeed, they were established in the same legislative act. Moreover, it seems clear that one of the primary motivations for including GAO in the package was the congressional view that if the President was to have the enhanced power flowing from control over budget proposals and the creation of "his" Budget Bureau, the Congress needed to have a counterweight in the form of enhanced ability to see how the money that it appropriated was being spent. This counterweight was to be GAO.

The context in which GAO was created greatly influenced its early history and development. The audit function had a long history in the executive branch, where the Comptrollers of the Treasury, GAO's predecessors, had existed since the earliest days of the Constitution. The Congress, however, was suspicious of any arrangement leaving the auditor subservient to the President. Accordingly, the 1921 act included strong protections for the independence of GAO, of which the most important are those relating to the tenure of its leader, the Comptroller General of the United States.

¹This paper was originally presented at the Annual Conference of the Association for Public Policy Analysis and Management, Arlington, Virginia, Nov. 3, 1989.

²Public Law 67-13, approved June 10, 1921.

³For a more detailed examination of the history of GAO, see The GAO: The Quest for Accountability in American Government (Boulder, Colorado: Westview Press, 1979) and A Tale of Two Agencies (Baton Rouge, Louisiana: Louisiana State University Press, 1984), both by Frederick C. Mosher. Mosher's work is the primary basis for the historical discussion in this paper. Another valuable source is May Hunter Wilbur's An Early History of the General Accounting Office, 1921-1943, written in 1943 but first published in Mar. 1988 (GAO/OP-1-HP).

The office of the Comptroller General is unique for the head of an agency. The President appoints the Comptroller General, subject to Senate confirmation.⁴ Once confirmed, the Comptroller General serves a fixed term of 15 years, from which he is removable only by impeachment or by joint resolution. Neither removal procedure has ever been attempted. Upon completion of his term, the Comptroller General may not be reappointed and retires with full salary. The effect of these arrangements is to insulate the Comptroller General and GAO to a very substantial degree from improper external influence.

At the beginning and for the next two decades, the Comptroller General's independence from the President was a contentious issue. Wilson vetoed the first version of the act in 1920, arguing that the Comptroller General should be removable at the pleasure of the President. The Congress disagreed and, after minor changes, resubmitted the bill to Harding, who approved it.

Initially, GAO's location in the structure of government was ambiguous. Clearly, GAO was created at the instigation of the Congress, to satisfy its wishes for an independent auditor to whom it could look for information. At the same time, the presidential appointment of the Comptroller General, together with GAO's inheritance from Treasury of some arguably executive functions, led some to conclude that GAO straddled the executive/legislative boundary, having a foot in both camps. Only 65 years later was the issue settled once and for all.

GAO has gone through three distinct eras since its creation in 1921. The first lasted until the end of World War II. In this period, GAO's work consisted largely of detailed auditing of individual vouchers. It was characterized by a highly formal, legalistic review of each voucher, with approval for payment and the settlement of the affected accounts being dependent on the payment's conforming to an elaborate set of rules governing the use of public funds.

This control-focused, quasi-judicial interpretation of the audit function was typical in the 19th and early 20th centuries. In many nations, the government audit agency is called the Court of Accounts, indicative of

⁴Under a new procedure, instituted by the General Accounting Office Act of 1980 (Public Law 96-226, approved Apr. 3, 1980), the President is expected to select from a list prepared by a special bipartisan congressional commission. It would be constitutionally impermissible to require the President to select from such a list. Thus, the statute provides that the President may ask the commission to suggest additional names and, at least in principle, the President could nominate someone who did not appear on any list. However, in the one case in which this procedure was used (the appointment of the present Comptroller General), President Reagan accepted the first list and selected from it.

the quasi-judicial origins, and some are still limited to reviewing the legality of transactions.

For GAO, this concept of auditing included functions that remain part of its mission. These include reviewing the validity of government contracts (a responsibility now embodied in the Competition in Contracting Act⁵) and providing advisory opinions to executive branch officials on the legality of expenditures. Usually these activities receive little notice, but occasionally they attract attention, as when the Navy seeks to pass the buck to the Comptroller General in deciding if it is legal for Lieutenant Colonel Oliver North, of Iran Contra fame, to continue receiving pay as a retired officer after his conviction for improperly destroying government documents.⁶

Officially, GAO in the early years took no responsibility for judging the wisdom of a particular expenditure, only its legality. However, the conservative leanings of the first Comptroller General (J. Raymond McCarl, who served out his full 15-year term from 1921 to 1936) brought him into frequent conflict with Roosevelt's New Deal, which McCarl saw as full of wasteful spending. In one now humorous incident, GAO questioned how the Interior Department intended to use a camera it had purchased. The penciled response to the auditors from Secretary Harold Ickes was brief and to the point, "To take pictures, you damned fool."

McCarl's retirement in 1936 created a special opportunity to reassess GAO's status. But this was not a new question. Harding, who had initially signed the 1921 act, almost immediately changed his mind and wanted to move GAO back to Treasury. In like vein, Hoover sought to strip GAO of functions deemed executive in character. Roosevelt was of a similar view. The landmark Brownlow Committee⁷ recommended a major revamping of GAO that would have limited GAO exclusively to a postaudit role. All these proposals were rejected by the Congress, which refused to countenance any tinkering by the President with its GAO.

⁵Enacted as part of the Deficit Reduction Act of 1984, Public Law 98-369, approved July 18, 1984. The Competition in Contracting Act appears at 98 Stat. 1175.

⁶For technical reasons, GAO did not issue a formal opinion in this case. In a letter responding to the Navy, however, the GAO General Counsel pointed out the long-standing interpretation of law that reduced pay for retired officers (commonly called retired pay) is for continued service as an officer with reduced responsibilities. North was convicted under a statute for which one of the prescribed penalties is a prohibition on serving in any public office. Service as a commissioned officer, even in retired status, falls within this prohibition.

⁷Report of the President's Committee on Administrative Management (Washington, D.C.: U.S. Government Printing Office, 1937).

When Roosevelt finally accepted this outcome, he selected a Comptroller General whom he expected to be more politically sympathetic. Thus, Lindsay Warren, a Congressman from North Carolina, became, in effect, the second Comptroller General. (Fred Brown, appointed in 1939, was officially the second but served barely a year before resigning for health reasons.)

The ideological conflict between GAO and the New Deal, which had incurred Roosevelt's wrath during the McCarl era, never surfaced with Warren. With the advent of World War II and the crushing burden of mobilization on all the institutions of government, ideological issues evaporated. Instead, Warren, who served from 1940 to 1954, eventually presided over the first great institutional transformation of GAO.

The Second GAO

The voucher audit process, which had begun to creak badly under the weight of a growing government during the New Deal, utterly collapsed in World War II. Even with a staff of over 14,000, of whom most were auditing clerks, GAO could not begin to keep up with the waves of paper. The GAO annual report for 1945, for example, reported a backlog of 35 million unaudited vouchers.

Comptroller General Warren recognized the futility of trying to return to the old ways. Thus, in 1947, after the end of the war, he joined with Treasury Secretary John Snyder and Budget Director James Webb to design a new approach to financial management and auditing. The departments and agencies would do their own voucher checking and accounting; GAO would concentrate on prescribing accounting principles and checking the adequacy of financial management procedures and controls. This concept was subsequently endorsed by the First Hoover Commission and embodied in the Accounting and Auditing Act of 1950 (title II of the Budget and Accounting Procedures Act of 1950).⁸

This first transformation of GAO was traumatic. From a total staff of almost 15,000 at the end of the war, GAO shrank to only about 6,000 by the end of the Warren era. The actual numbers who left GAO during this period was even larger than this would imply. The new GAO had no use for the army of auditing clerks who had populated the organization before and during the war. Instead, GAO needed—and hired—the new-style auditors (trained in accounting) who were required for the new mission.

⁸Public Law 81-874, approved Sept. 12, 1950.

Under the leadership of Warren and Joseph Campbell, who was appointed by Eisenhower, served from 1954 to 1965, and was the first certified public accountant (CPA) to hold the office of Comptroller General, the GAO of the 1950s and 1960s was modeled on the public accounting firms of the time, which had, themselves, changed dramatically since the Great Depression. It was increasingly staffed by professional accountants, many being CPAs, and a significant number of GAO's leaders in this era were recruited directly from public accounting firms.

The shifting composition of the GAO staff under Campbell extended the trends begun under Warren. The size of the staff continued to decline and was barely 4,000 when Campbell left office. By then, well over half the staff had college or university training in accountancy and very few of the auditing clerks remained. (One vestige of the earlier GAO—the transportation rate audits—remained until the mid-1970s.)

Even in the Campbell era, with its emphasis on replicating the model of the CPA firm, GAO never confined itself exclusively to financial reporting matters. A good deal of effort was still devoted to reviewing the legality of agency activities. While this was not the old-style voucher auditing, the underlying attitudes had much in common in that both involved what some observers characterized as a nit-picking search for improprieties. Therein lay the seeds of a problem for GAO.

In the early 1960s, GAO had grown increasingly shrill in its criticism of the defense contracting community, repeatedly issuing public reports alleging overpayment and demanding that individually named contractors make voluntary refunds. This incurred the wrath of the defense contractors. The controversy culminated in 1965 in what GAOers still call the Holifield Hearings, named after the Chairman of the Military Operations Subcommittee of the House Committee on Government Operations, a Congressman from southern California.

Chairman Chet Holifield's district was not heavily defense industry oriented. According to at least one observer,⁹ Mr. Holifield was ambivalent about the issue but was under pressure from other members of the California delegation (urged on by the contractors and, some believe, by the

⁹Mr. Alex Silva, currently with GAO, was on the staff of Congressman Ronald Cameron of California at the time of the Holifield hearings.

Defense Department) to use his position to force GAO to end its aggressive audits.¹⁰ In any event, Chairman Holifield severely castigated GAO for its supposedly unfair treatment of the defense industry.

These criticisms of GAO were not unanimously supported within Chairman Holifield's own Subcommittee. There was some strong opposition, most notably in the person of a future Chairman of the full Committee, Congressman Jack Brooks. Nevertheless, in the Committee's report,¹¹ Chairman Holifield prevailed. Whether or not his criticism was justified, the episode had two effects. First, it almost certainly hastened the retirement of Campbell for reasons of health and, second, it probably caused GAO to become much less aggressive in its audits of defense contracts.¹²

The Modern GAO

Lyndon Johnson chose Elmer Staats as Campbell's successor. Staats was an economist and a career civil servant with almost 30 years' experience in the Bureau of the Budget, including service as Deputy Director under four Presidents. This set the stage for the second great transformation of GAO. While less traumatic in outward appearances than the shift from voucher auditing to the CPA model of the late 1940s and early 1950s, the transformation begun by Staats was no less substantial in its effects.

Staats, who served a full term as Comptroller General from 1966 to 1981, brought with him from the Budget Bureau the analytical approaches that were gaining currency in the executive branch as part of the planning, programming, budgeting system (PPBS), a highly structured, analytically based framework for decision-making. Staats believed, and quickly convinced others, that the forms of analysis employed in PPBS would be useful to the Congress in overseeing federal programs and that providing them would be a logical extension of GAO's auditing function.

¹⁰Mr. Holifield, in an oral history interview two decades later, had little memory of the events that loom so large in GAO's history. This would be consistent with the view that the impetus for the hearings came from elsewhere. See Chet Holifield (GAO/OP-5-OH, Apr. 1988).

¹¹U.S. Congress, House, Defense Contract Audits, House Rept. 1132, 90th Cong., 2nd sess., Mar. 23, 1966.

¹²Other factors undoubtedly contributed to GAO's lessened interest in contract auditing, including the creation of the Defense Contract Audit Agency (DCAA), an organization devoted exclusively to that task.

These new GAO responsibilities were soon given a statutory foundation in the Legislative Reorganization Act of 1970¹³ and then reenacted in expanded form in the Congressional Budget and Impoundment Control Act of 1974.¹⁴ Introducing these concepts of policy-oriented analysis into GAO would ultimately involve changing the character of the organization.

Initially, the Staats initiatives required grafting onto the existing CPA and management audit functions the new roles of program evaluation and policy analysis, together with a staff having the training and the technical skills needed for this work. Over the longer run, the new functions (and the people performing them) had to be integrated into the mainstream operations of the institution, creating a truly interdisciplinary organization capable of carrying out the full range of audits, management reviews, evaluations, and other studies of widely varying complexity demanded of it by the modern Congress.

Introducing Program Evaluation

In 1967, only a year after Staats took office, GAO was asked to make its first major program evaluation. Senator Winston Prouty sponsored a provision of the Economic Opportunity Act Amendments requiring GAO to review the effectiveness of the poverty programs. This work, performed by GAO staff with the assistance of a number of consultants, culminated in one overall report in early 1969¹⁵ and numerous separate reports on issues and problems at the particular sites reviewed by GAO.

The success of GAO's efforts under the Prouty Amendments demonstrated that we could examine complex issues affecting politically sensitive programs without great risk to the institution, so long as the work was done carefully and professionally. These were standards with which the GAO staff could be very comfortable, even though they were still learning how to apply those standards to a new type of work.

Success in GAO breeds emulation, and as GAO moved into the 1970s, program evaluations (usually called program results audits) became an increasingly common activity for the organization. GAO reviewed the effectiveness of the municipal waste water treatment construction grant program and the New Jersey negative income tax experiment. By the

¹³Public Law 91-510, approved Oct. 26, 1970.

¹⁴Public Law 93-344, approved July 12, 1974.

¹⁵Review of Economic Opportunity Programs (B-130515, Mar. 18, 1969).

mid-1970s, GAO's growing capacity for this type of work was touching on issues as diverse as income tax withholding for military personnel, planned bed capacity of Defense Department hospitals, the cost-effectiveness of automobile safety devices, and the interchange of data among agencies administering welfare benefits.

The Vietnam War

Ventures into the field of program evaluation were not the only new directions for GAO in this era. The troubles in Southeast Asia touched GAO as they did the rest of the nation. As the U.S. buildup of forces proceeded, the Congress began asking questions about how the money was being spent; it became apparent that a GAO presence was needed. Accordingly, for several years, GAO maintained an office in Saigon with up to 30 permanent staff, often augmented by staff from other locations on temporary duty.

GAO's work in Vietnam focused not on the actual conduct of the war but on the closely related issues of supply and logistics. Questions involved everything from how U.S. assistance for the Vietnamese government was being spent, to the wisdom of the huge construction projects to support the U.S. involvement, the appropriateness of inventory levels, and the efficiency with which material was shipped from the United States and other points of origin. An army's ability to wage war depends on its supply lines, so some of the issues were vital to the war effort. In other cases, GAO was simply going about its traditional task of trying to save money. One veteran of that effort, for example, recalled a report questioning why it was deemed necessary to ship table tennis balls from the United States by air freight.¹⁶ In addition to examining matters directly related to the military effort, GAO also became involved in assessing the problems of refugees, an area of continued GAO attention today.

The Energy Crisis

Trouble in Vietnam was followed by trouble at home, and the oil supply disruption of 1973 was a major factor in GAO's movement into policy analysis. As the gas lines lengthened, the Congress turned to GAO for reliable information on what was happening. In a relatively traditional

¹⁶Defense-Related Audits, 1937-1975 (GAO/OP-9-OH, Feb. 1989), p. 58.

role, GAO began assessing the quality of available data. This was formalized in several pieces of legislation, culminating in the Energy Conservation and Production Act,¹⁷ which requires GAO to review, on a regular cycle, the quality of data produced by the Energy Information Agency.

In addition to seeking reliable data, however, the Congress also sought advice on how to deal with some of the critical issues of the day. This reflected a growing distrust of the executive branch after the experience of Vietnam and Watergate. GAO responded at several levels. One involved looking at energy supply and demand, leading GAO to develop forecasts of future conditions. Another involved looking at some of the proposed "solutions" to the energy shortage. An example was the program to develop breeder reactors, designed to produce more fuel (in the form of plutonium) than they consumed (in the form of enriched uranium).

The breeder reactor concept emerged in the 1960s, when nuclear power was assumed to be a major future source of energy in the United States and there was concern about the long-term adequacy of the uranium fuel supply. As part of the program to develop the Liquid Metal Fast Breeder Reactor (LMFBR), one of several possible breeder reactors, the Nixon administration proposed building a demonstration plant, the Clinch River Breeder Reactor (CRBR). The project was soon mired in controversy.

Opponents argued that breeder reactors were unneeded because of the declining public acceptance and deteriorating economics of nuclear energy. They also emphasized the risks of nuclear proliferation implicit in the plutonium fuel cycle. Supporters pointed to the need to keep available the nuclear power option, which would ultimately require developing the breeder concept. The Carter administration tried to kill the CRBR; the Congress kept it alive but without enough money to complete the project.

Throughout the 1970s, GAO issued numerous reports on the LMFBR program and the CRBR project, discussing problems and progress, or the lack thereof. Finally, in 1980 and 1981, GAO advised the Congress to "fish or cut bait."¹⁸ GAO favored retaining the nuclear option and continued research on the breeder concept, including completion of the CRBR

¹⁷Public Law 94-385, approved Aug. 14, 1976.

¹⁸U.S. Fast Breeder Reactor Program Needs Direction (GAO/EMD-80-81, Sept. 22, 1980) and letter to various members (B-199272, May 4, 1981).

project. But the current situation was a waste of hundreds of millions of dollars each year without any visible progress toward completion of the project. GAO recommended that the Congress either require the Department of Energy to complete the CRBR or terminate it. Shortly thereafter, the Congress terminated the CRBR.

Reemphasizing Defense in the '80s

The direction of GAO's evolution as established under Staats, with its growing emphasis on policy-oriented evaluation and analysis and a close working relationship with the Congress, was further intensified under Charles Bowsher, the current Comptroller General, who was appointed by President Reagan and assumed office in 1981. Bowsher was the second CPA to hold the position.

This continuing evolution can be seen in GAO's work relating to defense. The Holifield hearings of 1965 had put a damper on that work, but only temporarily and, even then, on only one component—the audits of defense contractors. In the 1970s, GAO relied primarily on DCAA to do the detailed contract audits. Meanwhile, GAO (in addition to doing its work in Vietnam) emphasized broader issues concerning logistics; communications; personnel management; and—most prominently—the cost, the schedule, and the performance of major weapon systems in development and production. The experience gained in this work provided a strong base for expansion in the 1980s in response to the defense buildup begun by President Carter and accelerated dramatically under President Reagan.

In common with the rest of GAO, the defense work in the 1980s involved a steadily widening mix of issues extending from the very detailed to the very broad. Routine assignments ranged from reviewing problems in the way the military orders spare parts to assessing the problems in the B-1 bomber avionics systems and the resulting implications for the B-1's ability to perform its assigned strategic mission. In GAO defense work, however, the "widening" process was particularly dramatic in both directions. For example, GAO returned to detailed auditing of individual defense contracts, but with a very different purpose than was seen in the 1950s and 1960s. The focus was on the systemic causes of contract overpricing and cost overruns. Revelation of abuses was not an end in itself, but a way of dramatizing the systemic problems.

While reimmersing itself in some of the details of contract auditing, GAO broadened its range of defense work in the other direction as well. The "big" issues became bigger and broader. GAO went from looking at the

ability of the Aegis cruiser to perform its assigned mission to examining the vaunted 600-ship Navy, assessing potential financial and operational implications of the mismatch between the composition of the fleet and the maritime strategy it was supposed to carry out in time of war.

Financial Management and the Budget

The expanding scope of GAO's activities in the 1980s is also exemplified by GAO's increasingly outspoken concern about the financial condition of the federal government and the fiscal policy it was pursuing and by the role that the Congress sought to assign GAO under the Gramm-Rudman-Hollings (GRH) deficit reduction mechanism.

In the Congressional Budget Act of 1974, the Congress assigned most of the responsibilities for supporting the congressional budget process to the newly created Congressional Budget Office. However, GAO was given an oversight and assistance role with respect to budget systems and concepts and the quality of budget information. In addition, GAO retained its responsibilities for overseeing the government's accounting systems. In the 1970s, GAO pursued these responsibilities in a low-key manner. As the 1980s unfolded, however, GAO became increasingly concerned about the government's finances.

While recognizing that the underlying problems of fiscal policy in the 1980s were grounded in unresolved political and ideological conflict, GAO nevertheless concluded that inadequacies in budget presentation and process were significant contributing factors. At the same time, archaic accounting and management information systems often made it impossible to obtain reliable information as a basis for managerial decisions and policy oversight, while weak internal controls created a breeding ground for the type of fraud and mismanagement that engulfed the Department of Housing and Urban Development (HUD).

These concerns culminated in the 1985 publication of the first in a series of GAO "white papers" on the federal government's financial management system.¹⁹ GAO assessed the problems of the current structure and suggested a conceptual framework for a new financial management system embodying an integrated approach to the budget and accounting components.

¹⁹Managing the Cost of Government: Building an Effective Financial Management Structure (GAO/AFMD-85-35 and 35A—two vols.—Feb. 1985).

Complementing this, GAO renewed its emphasis on financial auditing. GAO urged the departments and agencies to produce meaningful annual financial statements and to ensure the reliability of those statements through independent audit. Those views gained increasing acceptance, to the point where GAO, in 1989, audited the financial statements of the U.S. Air Force, an effort whose scope exceeded that of any previous financial audit in history.

Meanwhile, the continued inability of the Congress and the President to agree on an acceptable budget policy set the stage for enactment of the GRH legislation.²⁰ For reasons that remain obscure, the Congress chose GAO as the agency to judge whether or not the deficit was going to exceed the statutory thresholds and, if so, for allocating the required spending reductions.²¹

The Supreme Court, however, ruled that GAO's involvement in the GRH arrangement was unconstitutional.²² The Court, pointing to the joint resolution procedure for removing the Comptroller General, concluded that GAO was a legislative branch agency. The functions involved in implementing GRH were of an executive nature and therefore could not be assigned to the Comptroller General.

Many observers question putting so much weight on a provision that has never been used (or even threatened), as well as the very rigid view of the separation of powers adopted by the Court. Nevertheless, the Court was clearly correct in recognizing that, whatever the original intent, GAO's evolution over the past 40 years had moved the institution much closer to the Congress; it is now overwhelmingly a legislative branch agency. The Court finally resolved the issue that had troubled GAO from its early years.

GAO was removed from the GRH operating mechanism after pulling the trigger once and stepped back to its more accustomed role of monitoring the operation and reporting on results. Even without an operational role

²⁰The Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177, approved Dec. 12, 1985. For a more detailed discussion of this episode, see this author's "Gramm-Rudman-Hollings: Origins and Implementation," *Public Budgeting and Finance*, vol. 6, no. 3 (autumn 1986).

²¹The decision was made in a late night session of the conference committee, and there is no formal record of the discussion. Most observers believe the principal consideration was a legacy of distrust of the executive branch and especially of what was seen as a politicized Office of Management and Budget.

²²*Bowsher v. Synar*, 106 Sup. Ct. 3181 (1986).

under GRH, however, GAO remains an active participant in certain aspects of the budget debate. In a series of reports prepared for the 1988-1989 presidential and congressional transition, for example, the Comptroller General took a particularly strong position on the urgent need to deal with the substance of the deficit,²³ accompanied by a renewed call to reexamine the way the budget is presented.²⁴

In 1989, these positions were further developed in a report on the implications of the accumulating Social Security Trust fund surpluses²⁵ and in another "white paper" on the need to overhaul the budget structure and process.²⁶ Involvement with the budget, as with the rest of the financial management system, is assuredly part of GAO's future.

Relations With the Congress

GAO's recent history shows a clear pattern of continuing evolution in response to the evident needs of the Congress. New responsibilities are assigned, sometimes by statute, often through a pattern of committee requests and occasionally on GAO's own initiative. Once the responsibilities are accepted and the capacity to meet them is built, they rarely disappear. Rather, they become further accretions to GAO's accumulating mission.

As the mission of the agency evolved, it was inevitable—indeed, it was intended—that GAO's relationship with the Congress would also be transformed. GAO sought to make its work more immediately relevant to the legislative policy process and, as a result, the Congress and its committees became more directly interested in the scope, the nature, and the timing of that work.

²³The Budget Deficit (GAO/OCG-89-1TR, Nov. 1988).

²⁴Financial Management Issues (GAO/OCG-89-7TR, Nov. 1988).

²⁵Social Security: The Trust Fund Reserve Accumulation, the Economy, and the Federal Budget (GAO/HRD-89-44, Jan. 1989).

²⁶Managing the Cost of Government: Proposals for Reforming Federal Budgeting Practices (GAO/AFMD-90-1, Oct. 1989).

From its beginnings under the 1921 act, GAO was required to perform investigations and other studies requested by the Congress and its committees.²⁷ For the first half century, however, that mandate was of relatively little consequence. Until the 1970s, virtually all of GAO's work responded to GAO's own sense of need and priorities. As late as 1969, for example, it is estimated that no more than 10 percent of GAO's reports were in response to congressional requests, and GAO officials (almost exclusively the Comptroller General, himself) testified only 24 times.

By fiscal year 1977, congressional requests and statutorily mandated audits and reviews were absorbing 35 percent of GAO staff resources and GAO officials (including the division directors as well as the Comptroller General and the Deputy Comptroller General) testified 111 times. The trend, once established, was irreversible. In fiscal year 1988, fully 80 to 100 percent (depending on the subject area) of GAO's resources were involved in responding to specific congressional requests and GAO officials testified at committee hearings well over 200 times. To handle the work load of testifying, GAO now relies heavily on the third major management echelon, the issue area directors (formerly titled associate directors).

Staff Resources

The effects on GAO and its staff of the second great transformation have been pervasive. These changes, however, while cumulatively dramatic, did not usually seem so at the time. For the most part, new ideas, new responsibilities, and new ways of doing business were introduced incrementally. Because the mission changed through gradual accretion, rather than sudden changes in direction, the shifts were much less threatening to the staff. Unlike the Warren-era changes, the Staats/Bowsher transformation did not require the wholesale dismissal and replacement of staff that was probably inescapable in the earlier period.

Nevertheless, while less traumatic for the organization than the virtual revolution of the Warren/Campbell era, the changes introduced by Staats and extended by Bowsher clearly have affected the staff in several respects. The first evident change was to reverse the decline in total numbers. From a low point of about 4,100 in the mid-1960s, GAO grew to

²⁷Section 310(b) of the 1921 act provides "[The Comptroller General] shall make such investigations and reports as shall be ordered by either House of the Congress, or by any committee of either House having jurisdiction over revenue, appropriations, or expenditures." The language has been modified slightly over the years, but the basic point has not been changed. Interestingly, the act also requires GAO to respond to requests from the President. No one can recall receiving such a request in recent times, but data for earlier periods is ambiguous. Some reports were submitted to the President, but whether or not he was the source of the inquiries is unclear.

a peak of about 5,300 in the late 1970s, then settled back to the 5,000-5,100 range, where it has been for the decade of the 1980s. But the composition of the staff has continued to evolve, as can be seen in the changing nature and background of the people being recruited.

Among Staats' first initiatives were efforts to expand the base of recruiting and to introduce outsiders into the GAO leadership structure. On recruiting, Staats first expanded the base to include business administration graduates without substantial training in accounting. He soon broadened the effort to include such disciplines as public administration, operations research, engineering, statistics, and economics. Bowsher continued this trend and, by the mid-1980s to late 1980s, there was no longer any "standard" GAO recruit. Today, the largest single group comes with a background in public administration or public policy and a strong base of quantitative skills, but virtually every academic discipline is now represented in the GAO staff. In addition, the staff includes people with advanced academic training and line experience in virtually every substantive field touched by government, from defense to health care, energy, and tax law.

GAO still recruits accountants in significant numbers, but most of them are hired specifically to do our accounting and financial auditing work. Similarly, GAO recruits economists to perform our economic analysis work, computer scientists to review computer systems, and trained criminal investigators to pursue allegations of corruption.

In practical terms, GAO's recruiting philosophy has shifted dramatically over the past 25 years. Once GAO recruited people for the professional staff who came from a uniform background and then trained them to do the variety of assignments that faced GAO. That strategy was doomed to failure as the diversity of GAO's work grew and the complexity of that work increased exponentially. Today, GAO starts with a systematic assessment of the sort of work it expects to be doing over the next decade or so and then recruits the people whose skills it thinks will best match that work.

This strategy is also reflected in some relaxation of the "promote from within" tradition established in the Campbell era. A large majority of the GAO management structure is composed of people who have made their careers in the organization, and that pattern, characteristic of most large professional organizations, seems likely to continue. Significantly, however, almost a quarter of GAO's Senior Executive Service (SES) incumbents had substantial professional experience with other organizations

before joining GAO. And that ratio is even higher at the top. Of the 13 most senior positions in GAO,²⁸ more than half have prior experience in other government agencies or in the private sector. And of these positions, only one—that of Comptroller General—is filled by what some would consider a political appointment. Every other position in GAO is filled through a merit-based competitive selection process, from new entry-level recruits to the top of the SES.²⁹

Staffing the modern GAO, however, has meant much more than changing the mix of skills. In the mid-1960s, the professional staff was uniformly composed of white males. In common with most public agencies of the day, GAO was slow to recognize that this was a serious problem and early efforts to deal with it were not very successful. Society as a whole was struggling with the question of how to close the gap between rhetoric and reality, and GAO experienced that struggle in microcosm. As the commitment of top leadership became increasingly evident, however, GAO began to learn what works. Over time, the successes have been incorporated into an aggressive equal opportunity and affirmative action program affecting all aspects of human resource management, from entry-level recruitment to promotion into the SES.

One of the important advantages of the 15-year term of the Comptroller General is the ability to establish long-term agency policy directions and to sustain those directions for an extended period of time. The effects can be seen in this area, one of the most difficult internal management problems facing any agency over the last three decades. The GAO work force is not yet as balanced as it would like at the more senior levels, but GAO's goals are ambitious and it is moving firmly toward them.

Professional Development and Training

The increasing diversity of GAO's work and of the staff doing that work has lent added importance in recent years to GAO's training and staff development functions. There are two main threads running through these functions. One is the traditional training function found in most large professional organizations, that of assuring that the staff acquires the knowledge, the skills, and the abilities needed to perform the jobs to

²⁸The Comptroller General, the Special Assistant to the Comptroller General, the General Counsel, and 10 Assistant Comptrollers General.

²⁹The position of Deputy Comptroller General is filled by presidential appointment, in a process similar to that for the Comptroller General. The Deputy position is currently vacant, but Mr. Milton Socolar, a career civil servant and former General Counsel of GAO, has served as Special Assistant to the Comptroller General and de facto Deputy Comptroller General since 1981.

which they are to be assigned; the other function is aimed at acculturating the individual to the agency's core values and mission. The multidisciplinary nature of the work and the team-style operating environment of the modern GAO puts a special burden on both elements of training.

It is obviously impractical to try to give everyone the equivalent of a terminal degree in every discipline that may be relevant to the work. What GAO aspires to do, rather, is to give everyone sufficient exposure to other disciplines to understand the contribution those disciplines can make to the work and to ensure that the staffer can interact effectively with experts in those disciplines. In addition, the continually changing nature of GAO's work means that GAO must provide supplemental training for experienced staff so they can direct and manage new kinds of work, involving people with new kinds of expertise.

This, however, is only part of the training regimen. As GAO staff develop along their career paths, they must also have or acquire sound communication skills, involving both written and oral presentation. These skills are important for the production of reports and other written products and are vital for briefing congressional staff and providing formal testimony, an increasingly important mode of communication for GAO. Broader management skills also take on greater importance, both in terms of managing and motivating staff and in terms of directing projects to meet tight congressional deadlines.

The other main thread of the training function centers on "socialization." GAO is an institution, not just a collection of individuals. Its products carry the organization's imprimatur and are vouchsafed by its institutional stature. Yet, those products are developed by several thousand individuals in a geographically and organizationally decentralized environment, often working as temporarily assembled audit teams.

For such an organization to succeed, the staff must share a common body of institutional norms relating to such matters as standards of evidence, operating procedures, and rules of ethical behavior. Thus, the training and staff development function must inculcate in the staff the GAO ethic of accuracy, independence, and objectivity; an understanding of what those concepts mean in the GAO environment; and a practical recognition of how to apply them in the day-to-day work of the office.

One measure of the importance GAO attaches to training and the continued development of its staff is the investment it makes in this area. In

fiscal year 1988, for example, GAO invested almost \$2 million in formal training. The pace of this investment seems certain to rise. One stimulus is the establishment of the GAO Training Institute, an organization dedicated to meeting GAO's training needs. The Institute manages the training function and delivers most of the formal classroom training. The other major impetus for increased training is the requirement that all professional staff obtain at least 80 hours of continuing professional education in each 2-year period or risk losing the qualification needed to perform the general work of the Office and to advance in their careers.

It is difficult to characterize in simple terms all the changes that have constituted the second great transformation of GAO. Indeed, the changes themselves are continuing today, as can be seen from the evolving recruitment patterns and training strategies. Other changes are too numerous and diverse to catalog and often too subtle to capture in a few words. Their cumulative effect, however, has been to create an organization in which diversity and the capacity for further change and development are themselves the norms—diversity and change in discipline, subject matter, analytical approach, data-gathering technique, and reporting method.

This diversity and capacity for adaptation are the keys to GAO's ability to respond to congressional requests for audits, evaluations, and other studies over an enormous range of issues. But this diversity operates within a set of institutional values emphasizing accuracy, independence, and objectivity that have changed little, if at all, over the past two decades and that provide a unifying force across the entire organization.

What Makes GAO Work Special?

GAO is not the only organization looking at important questions of public policy and management. Within the legislative branch, the Congressional Research Service, the Congressional Budget Office, and the Office of Technology Assessment also examine such issues. What is it that makes GAO's reports different, beyond the fact that they are published in blue covers?

There are several special characteristics of GAO work and of the reports it produces. One relates to GAO's problem-solving approach to issues. When GAO identifies a problem in the design or the implementation of a program, there is a strong institutional bias in favor of finding and proposing a solution to the problem. Thus, a significant part of most assignments involves developing solutions to the problems that are revealed and GAO reports routinely contain recommendations addressed to the

Congress or to the administering agency. The recommendations range from modest adjustments in operating procedures to major shifts in national policies.

Moreover, GAO's recommendations, and the analysis supporting them, become public knowledge. All GAO reports, unless classified for national security reasons, are available to the press and the public immediately upon issuance or within a few weeks.

Other special characteristics of GAO center on its field structure and its access to data. In addition to having its headquarters organization in Washington, GAO has 14 regional offices in the continental United States and 2 overseas offices. If GAO is asked to examine a matter, it is not limited to using information filtered by others. When necessary, GAO can place its staff on location, permitting direct observation of events and collection of any raw data that may be required to answer the question posed by the Congress.

To carry out its fieldwork, GAO has a statutory right of access to virtually any records or other information in the possession of government agencies. In addition, GAO's reputation for objectivity and for the care with which it handles data means that the staff can often gain voluntary access to data outside government that may be unavailable to other researchers.

The access to information and the field staff that can examine matters at the site give GAO reports a special quality. For example, when questions arose about the condition of the nation's nuclear weapons complex or about progress in cleaning up toxic waste dumps, GAO could back up its analysis of the problems with dramatic pictures and other hard evidence, coupled with testimony based on firsthand observation.

The emphasis on "hard" evidence is characteristic of GAO. Very little of GAO's work involves speculation about the unknown, and GAO rarely relies on expert opinion as the principal support for conclusions and recommendations. The usual GAO report relies heavily on data that GAO has either gathered itself or tested to assure its reliability.

This approach reflects the fact that GAO's culture is grounded in the auditing profession. One of the central themes of that profession—indeed, its very reason for existence—is that the reliability of data must be assured before it is used for decision-making. Thus, GAO is quite comfortable using existing data in its work so long as the quality of that

data can be established with reasonable confidence. In its program audits and evaluations, for example, GAO is a frequent user of the large-scale data bases maintained by the departments and agencies and, when needed, those maintained outside government. When necessary, however, GAO will invest substantial time and effort in testing the data before using it or in collecting original data when the existing data is inadequate.

In one recent case, GAO was asked to assess the effect on air fares of increasing concentration in the airline industry. In particular, GAO was asked to examine the consequences of one or two airlines' achieving dominance in serving a city. GAO compared the fare per passenger mile for those enplaning in 15 airports dominated by 1 or 2 airlines with 38 airports that were not so dominated.

To make the comparison, GAO used fare data collected routinely by the Department of Transportation. In checking the reliability of that data, however, GAO discovered not only the usual random data entry errors that are found in almost any large data base but also some outdated edit controls that were systematically screening out valid fares. Once these problems were corrected, GAO was able to proceed with the analysis.³⁰ Predictably, yields were strongly and positively related to concentration. Even more revealing is the fact that yields typically rose significantly after an airline established a dominant position.

Unlike some, GAO did not view these results as warranting a call for reregulation of fares. Rather, GAO recommended (and performed) further work, centering on the barriers to entry (e.g., restricted access to limited gate capacity) and other factors that may be impeding competition.³¹

In many cases, however, existing data is inadequate to answer the questions posed by the Congress. In 1981, for example, the Congress enacted significant restrictions on eligibility and benefits in the program of Aid to Families with Dependent Children (AFDC). It then asked GAO to assess the impact of these amendments in terms of (1) AFDC caseload and cost,

³⁰Air Fares and Service and Concentrated Airports, statement by Kenneth M. Mead, GAO, before the Subcommittee on Aviation, Senate Committee on Commerce, Science, and Transportation (GAO/T-RCED-89-37, June 7, 1989).

³¹Barriers to Competition in the Airline Industry, statement by Kenneth M. Mead, GAO, before the Subcommittee on Aviation, Senate Committee on Commerce, Science, and Transportation (GAO/T-RCED-89-65, Sept. 20, 1989).

(2) work effort of affected families, and (3) economic well-being of affected families.

Initially, GAO examined the available national and state-level data, including data bases maintained by academic and other nongovernment researchers, in hopes that these would permit GAO to answer the questions relatively inexpensively. After careful consideration, GAO concluded that while the existing data provided useful insights, they were inadequate to establish the cause-and-effect relationships being sought. GAO also concluded that it would be worth the time and effort to collect original data for that purpose. Accordingly, GAO decided to supplement the available data with the results of detailed evaluations at each of five sites, chosen to reflect some of the great diversity in program characteristics, economic context, etc. At these sites, GAO collected data from thousands of case records and hundreds of interviews with people who had lost AFDC benefits because of the 1981 amendments.

The results of the analysis were communicated in two reports.³² In brief, the major conclusions were as follows:

- There was a significant, nontransient decline in AFDC caseload and cost.
- There was no indication that people quit working to regain lost AFDC benefits.
- Affected families suffered a significant loss of income.
- Some families suffered special hardship from losing Medicaid coverage.

In another recent case, the Congress asked GAO to assess the effects of the economic sanctions imposed on South Africa. Of particular interest was the effect of prohibitions on importing certain products originating in South Africa.

South Africa no longer supplies trade data in sufficient detail to be analytically useful, so GAO worked with a United Nations (UN) data base on world trading patterns. This contained data supplied by all of South Africa's principal trading partners but had never before been used for this purpose.

In assessing the reliability of the UN data, GAO was especially concerned about reports that traders were employing various methods (transshipment through third countries, etc.) to disguise the source of products

³²An Evaluation of the 1981 AFDC Changes: Initial Analysis (GAO/PEMD-84-6, Apr. 1984) and An Evaluation of the 1981 AFDC Changes: Final Report (GAO/PEMD-85-4, July 1985).

originating in South Africa. GAO used several techniques to establish that this problem, while real, was not of sufficient magnitude to threaten the credibility of the analysis. GAO then concluded that the sanctions had a clearly detectable effect, reducing by \$469 million South Africa's exports of sanctioned commodities to its principal trading partners.³³

These three examples illustrate GAO's approach to data when dealing with relatively complex analytical issues. GAO uses existing data, if its reliability can be assured. But that reliability must be tested; it cannot be assumed. If existing data cannot meet the need and GAO judges the issue worthy of the investment, it collects the original data needed to answer the question.

Assuring Institutional Credibility

GAO's reliance on hard data and its insistence on establishing the reliability of data before using it is a visible indicator of the institution's concern for its credibility. That credibility is built on GAO's cultural values of independence, objectivity, and accuracy, and it is on the line each time a report is issued or testimony is presented. But the close working relationship that has emerged between GAO and the congressional committees during the decades of the 1970s and 1980s could pose significant risks to credibility.

Independence and objectivity could be severely threatened by a committee that is convinced of the rightness of a particular policy position and wants a GAO report, not to illuminate the issue, but to support that position. Accuracy and precision could be threatened by the temptation to take short cuts in order to satisfy a committee's demand that GAO meet an unrealistic deadline. Recognizing these risks, GAO goes to great lengths to protect against them. Elaborate (and sometimes very time-consuming) safeguards are built into every stage of the performance of an assignment.

These safeguards start with the GAO strategic planning process, in which GAO defines the issues it judges to be of central importance, identifies the questions it believes should be pursued, and allocates the available staff resources among the major issues. This planning is not done in an ivory tower. The judgments about priorities within each major issue area are formed from extensive discussions both with committee staff concerning the anticipated legislative calendar and with subject matter experts and

³³South Africa: Summary Report on Trade, Lending, Investment, and Strategic Minerals (GAO/NSIAD-88-228, Sept. 1988).

agency officials (often in roundtable or panel format) about emerging trends, problems, and policy initiatives.

The dialogue, particularly with the committee staffs, is mutually beneficial. GAO learns what concerns are uppermost in the minds of committee members and staff. At the same time, GAO observations about emerging problems often lead a committee to adjust its agenda to take account of an issue of which the committee was not previously aware.³⁴ This may result in the committee's requesting an assignment that was already high on GAO's priority list—one GAO would have wanted to do, even in the absence of a request.

Not all requests, of course, fit so neatly into GAO's internal sense of relative priorities. And priorities change as external events occur and new problems emerge. In any year, GAO initiates well over a thousand new assignments. The first step, in the case of a congressional request, is for staff to meet with the committee's or member's staff to define the request. Experienced congressional staff understand this process and usually call an informal meeting before sending the official request.

In these discussions, GAO depends on its staff with experience in the subject matter to negotiate agreement on a study that can be performed in a balanced fashion (no hatchet jobs, please), is technically feasible (please do not ask GAO to count the number of illegal drug abusers), and involves a reasonable claim on GAO's very limited staff resources (GAO would rather not duplicate the efforts of the Inspectors General or DCAA.) Usually these discussions at the staff level are quite successful. In the event of problems, however, GAO is never reluctant to elevate the issue to a discussion between senior officials of GAO and the Congressman or the Senator initiating the request.

Once the request has been negotiated, the assignment goes through GAO's internal review processes before any substantial work can begin.³⁵ Each assignment (unless terminated at an early stage) is reviewed at least

³⁴Needless to say, these efforts do not always have the expected effect. For a number of years, GAO and the Inspector General of the Department of Housing and Urban Development had been warning about weak management and lax controls in HUD. For various reasons, the committees chose not to follow up on these matters until the HUD scandal broke in the spring of 1989.

³⁵In some circumstances, GAO assigns staff to work directly for a committee. In those cases, the GAO staff become staff of the committee, which decides the scope and the direction of the work and assumes responsibility for any product that may result, which would be identified as a committee product, not a GAO report.

twice by the leadership of the division in which the work will be performed and (separately) by the Comptroller General and his senior management team.

These reviews center on certain key considerations. Is the assignment appropriate for GAO? Questions about estimated budgetary costs, for example, would be more properly directed to the Congressional Budget Office. Is someone else already working on the issue? GAO staff are responsible for ensuring the absence of unnecessary duplication, not only between different parts of GAO but also between GAO and the other congressional support agencies—the Congressional Research Service, the Congressional Budget Office, and the Office of Technology Assessment—and the Inspectors General and internal auditors in the executive branch, as well.

Once the general appropriateness of the assignment has been established, GAO turns to different sorts of questions. Is the issue worth the resources needed to explore it? Is the right question being asked? Does GAO have an efficient and a reliable way of developing the data needed to answer the question? Is the proposed analytical approach likely to yield a valid result? Are the right people working on the assignment? Will the results be available in time to meet the anticipated need? These questions are inherently subjective, but the process of asking them and debating the answers is an essential safeguard against the waste of scarce resources and, perhaps more importantly, against the risk of starting a study that is biased or technically flawed from the outset.

The safeguards continue throughout the assignment. As the fieldwork and the analysis are being performed, there are routine supervisory reviews of the progress of the job involving senior staff from the division responsible for the work and, if applicable, from the regional office where the work is being performed. Usually, these reviews center on assessing progress against the assignment plan and on solving the inevitable problems that arise in any study (e.g., the absence or the demonstrable unreliability of key elements of data). In addition, on congressional request assignments, there is frequent contact with the requesters to ensure both that they are informed of progress and problems and that the requested work is still relevant to congressional needs.

As an assignment nears completion, the safeguards become intensified, focusing on what will be said in the written product that is expected to emerge (formal report, statement for hearings, etc.). The conceptual framework for safeguards at this stage is multiple independent reviews

before the product is permitted to be published. These reviews take several forms, but the intended cumulative effect is (1) to provide the functional equivalent of the professional peer review to which academic research is commonly subjected and (2) to apply sufficient tests to the content of the report to ensure that it meets GAO quality standards and is worthy of receiving the institutional imprimatur.

First, each draft report is subject to supervisory and technical review at several levels within GAO. The more important or complex the issue, the more reviews to which the report will be subjected. The initial draft of the report is prepared by (or under the supervision of) an evaluator-in-charge (EIC), the functional title given to the day-to-day leader of the project. If the EIC is located in a regional or an overseas office, the draft is reviewed within that office. The draft is also reviewed in the headquarters division controlling the assignment. This review involves an assistant director, the responsible issue area director, the division's director of planning and reporting, the Assistant Comptroller General heading that division, and the division's quality assurance team, as well as its editorial staff.

Second, each report is "referenced." To satisfy this requirement, a fully qualified staffer must check every number and every statement of fact in the report, identifying the source in the fieldwork or the analysis (the "workpapers" in GAO parlance) and confirming that the report accurately reflects the information in the workpapers. Any discrepancies must be corrected before the report can be published.

Third, unless explicitly prohibited by the requester, written comments on GAO's findings, conclusions, and recommendations are routinely requested by GAO from the agency on whose activities it is reporting. When these official comments are received, they are published as part of the report. (Even when a requester has directed GAO not to share the draft report with the agency, GAO staff meet with agency officials in an "exit conference" to ensure the accuracy of factual material.)

If an agency's comments indicate disagreement with the contents of the draft, the GAO staff must analyze those comments and respond to them before the report can be published. This response is also published as part of the report. If, as sometimes happens, the agency provides additional information that was previously not available to GAO, or points out flaws in the analysis or logic supporting the report, GAO reexamines its conclusions and recommendations. If GAO decides that the agency

arguments are valid, it makes an appropriate change before publishing the report.

A fourth type of independent review is used on a selective basis, with respect to reports that involve complex forms of analysis or deal with sensitive policy issues. For example, any report dealing with questions of economics or relying on economic analysis to support the conclusions must be reviewed by GAO's Chief Economist, who is independent of the operating divisions and reports directly to the Comptroller General. In addition, the Comptroller General and members of his immediate staff routinely review a substantial portion of the reports being published and always review any report in which the issues are tricky or politically sensitive. Finally, GAO often seeks review of a draft by outsiders who are expert in the subject matter of the report or in the analytical techniques being employed, to ensure that GAO has not overlooked an important point.

To ensure that safeguards on quality remain strong, GAO has instituted a mechanism for systematically reviewing its procedures for conducting studies. The Post Assignment Quality Review System (PAQRS) involves an independent staff that, each year, selects a sample of the reports that were issued and examines in detail how the assignments were planned and carried out. For each step of the assignment, actions by the GAO staff are compared with the required procedures. Any deviations are analyzed to determine why they occurred and what effect they may have had. The results of the PAQRS reviews are reported to GAO senior management both to reinforce the importance of the quality control procedures and to identify procedures that may need modification.

The laborious, tedious, and often time-consuming lengths to which GAO goes to ensure the quality of its products are a frequent source of frustration both to the GAO staff and to congressional clients. They are one of the reasons—along with the complexity of the work itself—that the average GAO assignment takes 9 to 12 months to complete. (Some especially difficult evaluations with extensive original data gathering may take as much as 2 years or more.) But GAO's investment in these safeguards is only a measure of the importance it attaches to accuracy, integrity, and objectivity.

When GAO issues a report or when GAO officials present testimony before a congressional committee, the Comptroller General and GAO as an institution stand behind that product. Conclusions and recommendations are

supported by GAO's institutional stature, not just the professional reputation of the individuals who produced them. Indeed, it is a relatively recent innovation for GAO even to identify in a report the people who worked on it. This is now being done as a means of providing individual recognition, but there has been no diminution of institutional responsibility and accountability.

Conclusion

In summary, today's GAO is an organization of about 5,000 people who take great pride in carrying out a modern version of the original mandate from the 1921 act: "...to investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of government funds...."

As the world has changed around us, the work needed to satisfy that mandate has also changed, as has the institution of GAO. The work and the staff performing it have become more technically sophisticated, more policy oriented, and more closely attuned to the needs of the Congress. In the process, change itself has become a constant. But the purpose of the mandate, GAO's central mission, has not changed. To GAO, it means always finding a way to learn the facts, no matter the issue about which the Congress has inquired, and putting those facts together in a story that is accurate and balanced, with recommendations that are appropriate for solving any identified problems, no matter whose ox may be gored.

Fulfilling that mandate is a challenge that can take GAO people anywhere in the world, from examining files and records in an agency's Washington headquarters; to observing the tests of a new weapon system and analyzing the results; to following the cash of a foreign assistance grant in the third world; to assessing the role of computer failures in the 1987 stock market crash; and to evaluating the effects of new, federally mandated procedures in a local welfare office. Wherever GAO must go to learn the facts, there you will find the GAO staff.

