GAO’s Role in Addressing Major Challenges Facing the Nation

AICPA Governmental Accounting and Auditing Update Conference

August 17, 2020

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Comptroller General of the United States
• Mission
• Scope
• Products and services
• Impact
Overview

• COVID-19 response work
• Science and technology trends
• Trends affecting government and society
COVID-19 response work

United States Government Accountability Office
Report to the Congress
June 2020

COVID-19
Opportunities to Improve Federal Response and Recovery Efforts
Appropriations for COVID-19 Response from COVID-19 Relief Laws Enacted as of May 31, 2020

Total appropriations amount: $2,574 billion [B]

- $670B (26%)
- $500B (19%)
- $375B (15%)
- $282B (11%)
- $232B (9%)
- $150B (6%)
- $365B (14%)

Notes: COVID-19 relief laws enacted as of May 31, 2020 includes Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, Pub. L. No. 116-123, 134 Stat. 146; Families First Coronavirus Response Act, Pub. L. No. 116-127, 134 Stat. 178 (2020); CARES Act, Pub. L. No. 116-136, 134 Stat. 281 (2020); Paycheck Protection Program and Health Care Enhancement Act, Pub. L. No. 116-139, 134 Stat. 620 (2020). These amounts represent appropriation warrants issued as of May 31, 2020, by the Department of the Treasury to agencies in response to appropriations made by COVID-19 relief laws. A warrant is an official document issued upon enactment of an appropriation that establishes the amount of money authorized to be withdrawn from the Treasury. These amounts could increase in the future for programs with indefinite appropriations. In addition, this figure does not represent transfers of funds that agencies may make between accounts or transfers of funds they may make to other agencies, to the extent authorized by law.
June 25 report (GAO-20-625) major findings and recommendations

- Viral testing
- Distribution of supplies
- Paycheck Protection Program
- Economic impact payments
- Unemployment Insurance
- Aviation-preparedness plan
Public health indicators

Note: The data presented are through June 20, 2020, and reflect data available as of July 16, 2020.

Source: GAO analysis of Centers for Disease Control and Prevention (CDC)/National Center for Health Statistics (NCHS) data.
Economic indicators

Initial regular unemployment claims (in millions)


Source: GAO, Department of Labor Employment and Training Administration.
COVID-19 science and technology spotlights

**GAO Science & Technology Spotlight: COVID-19 Vaccine Development**

May 2021

The coronavirus pandemic has had a devastating impact on global health, economy, and society. Vaccines are seen as a key tool in controlling the outbreak. This report highlights the technology and innovations that are being used to develop COVID-19 vaccines.

**GAO Science & Technology Spotlight: COVID-19 Testing**

May 2021

Testing is crucial in controlling the spread of COVID-19. This report discusses the technology and innovations that are being used to develop and improve COVID-19 testing methods.

**GAO Science & Technology Spotlight: Social Distancing During Pandemics**

May 2021

Social distancing is a key measure in controlling the spread of COVID-19. This report discusses the technology and innovations that are being used to implement social distancing measures.

**GAO Science & Technology Spotlight: Contact Tracing Apps**

July 2020

Contact tracing is a key measure in controlling the spread of COVID-19. This report discusses the technology and innovations that are being used to develop and improve contact tracing apps.

**GAO Science & Technology Spotlight: Herd Immunity for COVID-19**

July 2020

Herd immunity is a key concept in controlling the spread of COVID-19. This report discusses the technology and innovations that are being used to achieve herd immunity.

**GAO Science & Technology Spotlight: COVID-19 Modeling**

June 2020

Modeling is a key tool in understanding the spread of COVID-19. This report discusses the technology and innovations that are being used to develop COVID-19 models.
Examples of ongoing pandemic related work

• Vaccines and therapeutics
• Strategic National Stockpile
• Use of the Defense Production Act
• Small business programs
• Child welfare and education
• Worker safety
• Homeowner and renter protections
COVID-19 International Coordination

INTOSAI PFAC COVID-19 INITIATIVE
WEBSITE NOW ONLINE

The International Organization of Supreme Audit Institutions (INTOSAI) President, Transparency, and Accountability Committee (MAC) COVID-19 Initiative recently launched a website to help INTOSAI and Supreme Audit Institutions (SAIs) coordinate and share risk information and good practices in the prevention and mitigation of the COVID-19 pandemic.

As a response to the global effects of the pandemic, the USAID, UN, World Bank, and others have launched several initiatives to coordinate and share information and resources. The MAC COVID-19 Initiative is one of several initiatives that have been launched to help SAIs coordinate and share information and resources.

The MAC COVID-19 Initiative was launched on April 23, 2020, to help SAIs coordinate and share information and resources. The Initiative includes a website, which will be updated regularly with information on the latest developments. The website includes information on the latest developments, including case studies, tools, and resources.

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COVID-19 Discussion
Science and technology trends

- Genome editing
- AI and automation
- Quantum information science
- Brain-computer interfaces and augmented reality
- Cryptocurrencies and blockchain
Technology assessments on artificial intelligence (AI)
• Innovation Lab to enhance audit capability (analytics, big data, algorithms)

• Comptroller General Forum on AI Governance
Trends affecting government and society

GLOBAL SECURITY

DEBT AND FISCAL OUTLOOK

ECONOMICS, TRADE, AND CONNECTEDNESS

EDUCATION AND EMPLOYMENT
Major cybersecurity challenges

**Major challenges**
- Establishing a comprehensive cybersecurity strategy and performing effective oversight

**Critical actions needed**
- Develop and execute a more comprehensive federal strategy for national cybersecurity and global cyberspace.
- Mitigate global supply chain risks (e.g., installation of malicious software or hardware).
- Address cybersecurity workforce management challenges.
- Ensure the security of emerging technologies (e.g., artificial intelligence and Internet of Things).
Major cybersecurity challenges

- **Securing federal systems and information**: Improve implementation of government-wide cybersecurity initiatives.
- **Address weaknesses in federal agency information security programs.**
- **Enhance the federal response to cyber incidents.**

- **Protecting cyber critical infrastructure**: Strengthen the federal role in protecting the cybersecurity of critical infrastructure (e.g., electricity grid and telecommunications networks).

- **Protecting privacy and sensitive data**: Improve federal efforts to protect privacy and sensitive data.
- **Appropriately limit the collection and use of personal information and ensure that it is obtained with appropriate knowledge or consent.**
The Nation’s Fiscal Health

Action Is Needed to Address the Federal Government’s Fiscal Future
Key Dates for Major Programs and Future Debt

Calendar year when key programs are depleted

2025  
Pension Benefit Guaranty Corporation multiemployer trust fund depleted:  
Projected premiums insufficient to  
pay benefits on insolvent plans

2026  
Medicare Hospital Insurance Trust  
Fund depleted: Revenues sufficient  
to pay 89 percent of hospital-related Medicare spending

2034  
Social Security Old-Age and Survivors  
Insurance Trust Fund depleted:  
Revenues sufficient to pay 77 percent of scheduled benefits

Fiscal year when debt held by the  
public surpasses historical high of  
106 percent of GDP according to:

2031  
GAO’s alternative  
simulation

2032  
2019 Financial Report  
projections

2033  
CBO’s January 2020 long-term  
extended baseline projection

2034  
GAO’s baseline  
simulation

Growth in Major Areas of Federal Spending

Note: Data based on GAO’s 2020 alternative simulations. GAO’s simulation holds discretionary spending and other mandatory spending constant as a share of gross domestic product in the long term. Health care spending on major federal health care programs consists of Medicare, Medicaid, the Children’s Health Insurance Program, and federal subsidies for health insurance purchased through the marketplaces established by the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, 124 Stat. 119 (2010), and related spending.
The U.S. retirement system faces major challenges
Trends affecting government and society
Daily Average Number of People Turning 65

Source: GAO analysis of U.S. Census Bureau information. | GAO-20-403SP

Note: Census data estimates of population are as of July 1 in each year.
Federal Spending on Major Health Care Programs Grows Faster Than GDP

Cumulative real growth since 2004 (percentage)

Source: GAO analysis of Congressional Budget Office and Bureau of Economic Analysis data. | GAO-20-403SP
CFO Act of 1990: Substantial Progress Made and Opportunities for Enhancement

Inspectors General: Independence Principles and Considerations for Reform
GAO’s disaster oversight work

- GAO’s evaluations of the response to the 2017 and 2018 hurricanes, wildfires, typhoons, earthquakes and volcanic eruptions.
- 47 reports on disaster oversight
- 98 recommendations and 2 matters for congressional consideration directed to 14 agencies and their components (e.g., DHS, FEMA, HUD, EPA)

Damage in Florida after Hurricane Michael
GAO’s ongoing disaster oversight work

23 engagements underway, including:

• Disaster housing assistance
• Recovery of K-12 schools
• Effects of COVID-19 on response and recovery efforts

Damage in Northern California after Wildfires
• Since 1980, weather disasters in the U.S. have caused more than $1.6 trillion in damage

• Weather events, and federal spending on them, are expected to increase

• Federal efforts to promote disaster resilience can help limit damage—and cost
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