The General Accounting Office (GAO), renamed the Government Accountability Office in 2004, has evolved dramatically over its 85-year history. Yet, the comptroller general’s essential responsibility remains as specified by the Budget and Accounting Act of 1921: “The Comptroller General shall investigate, at the seat of government or elsewhere, all matters relating to the receipt, disbursement, and application of public funds....” The Comptroller General of the United States is GAO’s chief executive officer and in that role serves as the chief accountability officer of the federal government. Seven comptrollers general have served the American people throughout GAO’s history; just three survive. To follow the development of GAO into an agency focusing on complex program evaluation, risk assessment and broad financial management issues, accounting professor Donald Tidrick, Ph.D., of Northern Illinois University, has interviewed Elmer B. Staats, Charles A. Bowsher, and current Comptroller General of the United States David M. Walker. This article, the third in a series, features background on Walker and an interview in which he discusses his term thus far as comptroller general. Since 1998, Walker has continued to transform GAO through comprehensive strategic planning to address broad-based issues important to government and America in the 21st century, thereby focusing on both the current and long-range needs of Congress.
are apparent. Within two months of taking office, GAO published the first-ever “performance and accountability” series for the federal government that identified major management challenges and program risks affecting the government. During his initial year, he became the first comptroller general to sign the audit report, a disclaimer of opinion, on the federal government’s consolidated financial statements.

Defense issues continue to be a GAO priority. In an interview published in 2000, Walker said, “The Department of Defense is probably the biggest single impediment to our expression of an opinion on the consolidated financial statements of the federal government.” In a subsequent interview, Walker commented pointedly, “While our military has no peer in the world and is clearly an ‘A’ in terms of effectiveness, DoD is just as clearly a ‘D’ in terms of economy, efficiency, and accountability.... Implementing adequate financial management systems and transforming DoD may take every day of the balance of my term.”

An initial priority, in light of budgetary cutbacks and downsizing prior to his appointment, was to better position GAO for the future by focusing on process improvement, human resources and work force planning, technology and relationship-building with Congress. Another priority was to commit GAO to the discipline of a comprehensive strategic plan, which GAO completed for the first time in 2000. The fundamental purpose was to create a framework for systematically directing GAO resources to maximum effect and to best serve the needs of Congress. Building on that strategic plan, GAO has identified a wide range of existing and emerging trends and challenges relevant to the federal government going forward, both domestically and internationally.

Major national events naturally tend to impact GAO’s work. For example, GAO’s work was affected by the September 11, 2001 terrorist attacks and a series of corporate scandals, including Enron and WorldCom, that undermined confidence in capital markets. In addition to generating extensive reports and testifying about homeland security issues, GAO also provided significant support to the 9/11 Commission, including commenting on challenges affecting the intelligence community and offering advice on which of the commission’s recommendations would require legislation and which might be implemented by executive order.

Other GAO activities have specifically affected practitioners of the “accountability profession.” On January 25, 2002 (preceding the Sarbanes-Oxley Act), GAO issued a revised standard on auditor independence applicable to audits under the Yellow Book, including audits of federal, state, county and city governments, as well as to many not-for-profit and for-profit entities that receive federal and some state grants and assistance. GAO’s revised “principles-based” independence standard imposed additional scope-of-service restrictions on auditors, potentially forcing them to choose between auditing an entity and providing certain non-audit services. Further revisions to the Yellow Book involved technical updates and clarifications of governmental auditing standards. GAO has worked on numerous projects related to the Sarbanes-Oxley Act, and it is reasonable to expect that Congress will request additional work going forward. Walker took the initiative to get the Public Company Accounting Oversight Board and the American Institute of CPAs to join GAO in creating the U.S. Joint Auditing Standards Coordinating Forum in an effort to coordinate the various standards issued by the three U.S. audit standard-setting bodies.

Walker has focused GAO attention on assisting Congress in taking a long-range perspective on major issues facing the country, and he has consistently been an articulate voice warning of the consequences of continuing down the path of fiscal imbalances. In a recent interview, Walker said,

Our financial condition is worse than advertised. We face a large and growing structural deficit due in large part to known demographic trends and rising healthcare costs. It has gotten a lot worse just in the past year. Our current unfunded commitments have increased by more than $10 trillion in the last year alone and most of that is attributable to Medicare.... Based on total outstanding debt and unfunded commitments on an accrual basis, the burden is now approximately $140,000 for every man, woman, and child in the United States. Put another way, that’s about $330,000 for every full-time worker in the U.S.3
GAO has announced a major project, titled 21st Century Challenges: Reexamining the Base of the Federal Government, to frame the federal government’s consideration of an enormous range of issues in light of relevant constraints. The preface (p. 1) states, “Continuing on this unsustainable path will gradually erode, if not suddenly damage, our economy, our standard of living and ultimately our national security. Addressing the nation’s long-term fiscal imbalances constitutes a major transformational challenge that may take a generation to resolve.”

Walker is a frequent speaker at civic, professional and governmental conferences. His speeches tend to convey a distinct sense of stewardship in striving to enhance the performance of government generally, in addition to his agency specifically. An articulate advocate of fiscal responsibility, Walker is committed to leaving government and the nation better positioned than when his term began. For example, in July 2005, he said,

“To be successful we will need more leaders with the courage, integrity and innovative ability to meet our many current and future challenges. Specifically, we need more leaders who have the courage to state the facts, speak the truth and do the right thing even though it may not be popular. We need more leaders with the integrity to practice what they preach and to lead by example. We need more leaders who have the ability to take charge in re-examining the base of the federal government, can see new ways of addressing old problems and can help others to see the way forward. Each of us should do what we can to rise to meet this leadership challenge within our respective organizations, professions, industries and communities. We should also seek to identify, encourage and support others who can help to meet our nation's leadership needs. To be successful, we'll need many more leaders to join the cause.”

Under Walker’s direction, GAO has also focused attention and resources on identifying and developing key national performance indicators to assess the nation's performance on a variety of dimensions—economic, social, environmental, security, and so forth. In effect, the goal is to develop a balanced scorecard of outcome-based metrics to better measure the performance of government. GAO has coordinated with other interested organizations on this issue, domestically and internationally, including, for example, the National Academy of Sciences and the Organization for Economic Cooperation and Development. Walker has said, “I am cautiously optimistic that by continuing to work with others, both in the U.S. and around the world, we will have a set of key national indicators before the end of my term.”

In July 2004, GAO officially changed its name from General Accounting Office to Government Accountability Office. The name change better reflects GAO’s modern organizational purpose, while retaining its well-recognized acronym.

**Interview**

**Q: What surrounding circumstances led to your selection as comptroller general?**

**A:** I believe there were three primary reasons for my selection. First, I had significant leadership experience in both the public and private sectors. My track record of success in both sectors helped make the case for me. Second, I had a reputation for taking a professional and nonpartisan approach in my public sector responsibilities. Third, I had strong bipartisan support. The Republicans, in particular, seemed to want a change-agent from outside of government to transform GAO. At the same time, the Democrats wanted a public-service-oriented individual who was nonpartisan and non-ideological. The experience I had in the private sector involved change management and human capital transformation, which are very relevant to the challenges currently facing the government and GAO. Having been a trustee for Social Security and Medicare was something of a bonus, since those programs are major issues that likely will have to be addressed during my term.

**Q: As you began your service as comptroller general, what did you perceive to be the major challenges before you, and how would you characterize the major accomplishments during your term?**

**A:** I identified three primary goals when I became comptroller general. First, I wanted GAO to be the model federal agency and a world-class professional services organization that leads by example. During my first month at GAO, I introduced the concept “leading by example,” which is a simple, yet powerful idea. It has driven a lot of what we have done, internally and externally, and our people have rallied to that theme. We strive to excel in strategic planning, organizational alignment, financial management, human capital strategy, information technology, change management, knowledge management, and so forth. For example, we have received a lot of external recognition for our strategic plan and performance and accountability
report. In addition, we are clearly viewed as leading the federal government in human capital strategy, and we have been rated among the top 100 public and private sector entities for information technology each of the past two years. In short, I think we have accomplished that objective, and we have received recognition by entities outside of GAO. Of course, now we must maintain that status going forward, which is sometimes more challenging than initially reaching such a level.

Second, I wanted to help modernize the accountability model and profession for the 21st century. We have done a lot of work trying to improve accounting and reporting for the federal government, and trying to modernize attest and assurance practices, including, but not limited to, Yellow Book audits. We have done a lot both domestically and internationally to help take the accountability model and the profession to the next level. For example, we led the effort to develop first-ever strategic plans for INTOSAI and the U.S. National Intergovernmental Audit Forum. In addition, we helped to create the U.S. Joint Auditing Standards Coordinating Forum. We still have a ways to go, but we are clearly making progress on this objective.

Third, I wanted to facilitate a fundamental reexamination of the proper role of the federal government in the 21st century, including what the government should do, how the government should do business, and who should do that business. In February 2005, GAO published a 90-page booklet [GAO-05-325SP], titled 21st Century Challenges: Reexamining the Base of the Federal Government, that details more than 200 specific questions relevant to the role of government across 12 major domains:

- national defense;
- education and employment;
- financial regulation and housing;
- health care;
- homeland security;
- international affairs;
- natural resources, energy, and the environment;
- retirement and disability policy;
- scientific and technological innovation;
- transportation;
- governance; and
- tax system.

We are in the early stages of this third goal, and I expect to spend a great deal of the remainder of my term focusing on these issues. But these are not just GAO challenges—we will have to reach out to a consortium of other stakeholders to make progress on the many important issues facing the government and our country. Ultimately, GAO’s role is to support the Congress. We also want to put the Congress in a position where they can make more timely and informed decisions in light of 21st century realities. Right now, the federal government is on an imprudent and unsustainable fiscal path, and time is working against us. Our long-term fiscal imbalance is getting worse every day. There is too much fixation on short-term conditions in the United States, both in the public and private sectors. We have some serious long-term challenges that cry out for attention, and the time to start is now.

Q: Were there any surprises relative to your expectations coming into the job as CG?

A: The biggest surprise to me was that many of the cultural challenges one might associate with much larger federal agencies also existed within GAO. For example, there were a number of similarities between the Pentagon and GAO—which may seem hard to believe—both were inwardly focused, very hierarchical, stove-piped and process-oriented. The mentality was more “reactive” than “proactive.” So we had to engage in a cultural transformation at GAO. Transformation typically starts both at the top with the leadership and at the bottom with the new people and over time works toward the middle. When I joined GAO, less than 5 percent of GAO’s staff had been hired within the preceding five years. The agency had been downsized about 40 percent and had imposed a virtual hiring freeze spanning several years. Currently, over 40 percent of the people at GAO have been hired since I became comptroller general. “New blood” helps facilitate the transformation process and improves morale.

Q: How did you go about getting up to speed about GAO activities and history when you came into the role of CG?

A: I read the available books about GAO history, which Elmer and Chuck had commissioned during their terms. I also researched GAO’s website for useful information, and I had personal conversations with both of my predecessors and others having GAO experience. Even prior to being nominated, I had conducted my own “due diligence” with a number of members of Congress and key staff on the Hill, and I increased those efforts after being nominated. By the time I was sworn into office, I had conducted a great deal of research about GAO and the position of comptroller general, as well as a significant amount of personal outreach. This enabled me to get a quick start.
The responsibilities of GAO, generally, and the comptroller general, specifically, have become increasingly strategic, broad-based and proactive in nature. Our work falls into three fundamental categories: oversight, insight and foresight.

Our oversight work involves examining federal expenditures to determine whether they have been made for the intended purposes, as authorized, and in compliance with applicable laws and regulations. For many years, GAO’s focus was exclusively on oversight. Elmer Staats steered GAO into the insight business by focusing on program evaluation—that is, determining whether federal programs were effective in accomplishing their intended purposes. Chuck Bowsher guided GAO into the foresight business by identifying emerging problems, especially related to fiscal issues and the budget process. We continue to do work in all three areas (oversight, insight and foresight), but we do much more insight and foresight work now than ever before. This work is likely to increase in the future.

The modern GAO is very proactive, which is somewhat ironic. As Elmer mentioned, when he became comptroller general in 1966, he decided over 90 percent of the work that GAO was going to do; in other words, less than 10 percent of GAO’s work was mandated or requested by Congress. When Chuck became comptroller general in 1981, about two-thirds of GAO’s work was determined by Congress. So the big change occurred during Elmer’s term, which reflects his goal of better serving the needs of Congress at that time. When I became comptroller general, 96 percent of GAO’s workload was driven by legislative requirements or congressional requests, which was too much. Today, about 10 percent of GAO’s work is chosen at my authority, and that work is very strategically focused.

We developed GAO’s first strategic plan in January 2000, which has helped target our limited discretionary resources to maximum effect, while improving the quality of requests from the Congress. Our strategic plan has had a profound, positive effect on GAO—everything we do ties back to that plan. Naturally, Congress tends to focus on rather short-term issues, and committees tend to confine their inquiries to their particular jurisdictions. So we need to allocate a portion of GAO’s resources across the various silos and over a longer time horizon in order to address issues more strategically and comprehensively, and before they become crises. If the projects that are initiated under the comptroller general’s authority are valuable, we will receive requests for appropriate follow-up work from Congress. As a result, we do not have to allocate much more than 10 percent of our resources for such “research and development” work.

We have slightly fewer people at GAO than when I started, yet our outcome-based results in most categories have increased, if not doubled, over the past six years. For the fiscal year ended September 30, 2005, we generated financial benefits for the American people 83 times our annual appropriation.

Q: How has the “job description” of GAO and the comptroller general changed over time?

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Q: How do you insulate GAO’s work so that it does not become politicized? And have there been instances where your activities have become somewhat politicized anyway?

A: I have kept a running tally of noteworthy milestones at GAO since I began my term. In 1998 (when I had been comptroller general for only two months), I had just two entries on that list. The very first one dealt with establishing the “core values” that GAO has adopted. The law and professional standards represent the minimum standards of acceptable behavior, but core values represent a higher calling and serve as institutional and personal beliefs and boundaries. Having a well-defined set of core values that GAO people embrace has been a very powerful force within the agency and outside of GAO. It also helps me make decisions more quickly and more effectively when I can filter them through our core values. GAO has three essential core values: accountability, integrity and reliability. Accountability describes what we do: We do audits, investigations, policy analysis, program evaluations, legal research, adjudications, etcetera. Integrity describes our people and how they do our work—professional, objective, fact-based, nonpartisan, non-ideological, fair and balanced. Reliability is how we want our work to be received—timely, accurate, useful, clear and candid. These core values represent an organizational compass and are an essential part of avoiding or mitigating political pressures.

GAO is in the fact business and facts are nonpartisan—people are certainly entitled to their own opinions, but not their own facts. When we are dealing with policy-oriented issues, we try to get the facts and provide professional, nonpartisan, non-ideological analysis to provide a frame-
work for decision-making. We do not make specific recommendations as to what policy should be adopted, although we may develop policy options; and, if we do, we typically discuss pros and cons of those various options. However, when we are dealing with government operations, involving efficiency and effectiveness issues, we do make specific recommendations. Distinguishing between policy-oriented issues and government operations also helps insulate GAO from political pressures.

Obviously, it was widely reported when I filed suit against Vice President Cheney for access to information about the subject matters that were discussed in connection with the National Energy Policy Development Group, chaired by the Vice President. All we requested was who met with whom, when, about what, and at what cost. Our request for information was entirely reasonable. That was the first time in the history of GAO that we have sued another federal official, but the administration completely stonewalled us and was very public about it. I tried very hard to avoid litigation. Not surprisingly, congressional reaction essentially followed along party lines. Although it was controversial, I believe we did the right thing on both occasions—first, in bringing the suit and, second, in deciding not to appeal when the District Court ruled against our position, despite a legitimate basis for appeal. If we had not filed our suit, I am convinced that we would have faced a proliferation of records-access problems throughout government. The bottom line is that we have not had any similar problems subsequently—we haven’t even had to issue a demand letter since that time. It is important to recognize that our suit was not politically motivated. The Vice President is a public servant and a man of principle, and so am I.

**Q:** Recent U.S. history seems to be defined by 9/11 and the war against terrorism. How has the threat of terrorism impacted the work of GAO?

**A:** Of course, the global war on terrorism and homeland security issues have affected GAO’s workload, but we were already well ahead of the curve on those issues. Prior to September 11, 2001, we had issued more than 100 reports and testimonies on the general topic of homeland security,
and we had already recommended the creation of an Office of Homeland Security to coordinate relevant activities. Our 2000 strategic plan identified key trends and challenges facing the United States, at home and around the world—and one of those identified challenges was the changing nature of security threats in a post-Cold War environment. Had we not already been engaged in forward-looking strategic planning, the war on terrorism and homeland security issues would have had a much larger impact on GAO and our nation.

Q: Are you aware of any sort of legacy that you have inherited from your predecessors?

A: GAO has always had great people and a good brand name, which, I believe, is the primary legacy I inherited from my predecessors. In particular, Elmer Staats and Chuck Bowsher made many, many significant and enduring contributions to GAO that influence our activities to this day. They have something else in common—they are each members of the prestigious Accounting Hall of Fame, located at The Ohio State University. Elmer Staats truly is a unique public servant, who continues to be very highly respected, although his mobility is somewhat limited now due to his advanced years. He is still very sharp and his memory is unbelievable. Elmer was the number two guy at the Bureau of Budget, now known as the Office of Management and Budget, and got the top job at GAO, where he charted a new course that we substantially follow to this day. He had exposure to the whole federal government both in the executive branch and the legislative branch, and his high-level service to the federal government spanned the administrations of President Truman to President Reagan.

Elmer’s term as comptroller general might be characterized by the following, to name just three significant accomplishments: modernizing and diversifying GAO’s mission and professional staff; leading GAO into the international community through his participation in and leadership of INTOSAI; and publishing the first “Yellow Book” that established standards for auditing governmental entities.

Chuck Bowsher has also had a significant impact on GAO and the United States government. Some of his noteworthy accomplishments, again to name just three, are: helping achieve the enactment of the CFO Act; creating GAO’s “High Risk List” to maintain focus on priority issues; and conducting the first financial statement audits of major federal agencies, such as the Government Services Administration and the Social Security Administration.

Both Elmer and Chuck are remembered affectionately and with great respect by the people at GAO and throughout the government.

Q: It must seem like a remarkable fraternity to be one of only seven comptrollers general. Do you gentlemen manage to stay in touch?

A: We talk on the phone periodically, and the three of us get together for lunch several times a year. Not surprisingly, I get to see Chuck more frequently than Elmer, because Chuck is more mobile. I invite them when we have CG forums during the year, so I might get to see one or both of them as many as 10 times a year. They give me excellent advice and counsel, and I have tremendous respect for both of them. Elmer and Chuck are both dedicated public servants and great Americans, in my view.

End Notes
8. The citation for Staats’ induction into the Accounting Hall of Fame can be viewed at http://fisher.osu.edu/Departments/Accounting-and-MIS/Hall-of-Fame/Membership-in-Hall/Elmer-Boyd-Staats. The citation for Bowsher’s induction into the Accounting Hall of Fame can be viewed at http://fisher.osu.edu/Departments/Accounting-and-MIS/Hall-of-Fame/Membership-in-Hall/Charles-A.-Bowsher.

Donald E. Tidrick, Ph.D., CPA, CMA, CIA, is the Deloitte Professor of Accountancy at Northern Illinois University in DeKalb, IL.