AGA Atlanta
Modeling Accountability: Key Elements for Success

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Key Elements

• Transparency – clear rules of the road
• Building in Quality
• Goals/Targets/Measures (consistent)
• Oversight – Internal/External
• Public reporting of use of funds and results
GAO’s Congressional Protocols

- GAO’s Congressional Protocols provide a means to hold GAO accountable for commitments made to the Congress
- The congressional protocols are intended to provide the Congress and GAO staff policies and procedures that are:
  - clearly defined,
  - consistently applied,
  - well documented, and
  - transparent
- Ensure equitable treatment of all requesters
GAO Workforce

- Staffing is about 2983
  - 2120 in headquarters
  - 863 in 11 field offices
- Staff educational backgrounds are diverse
  - public policy, public administration, social science
  - business administration, accounting, operations research, agricultural economics, international affairs, health policy, terrorism and security
  - computer security, security studies, criminal justice, data analytics, law, etc.
  - Most have graduate degrees.
- Technical expertise includes
  - economics
  - technology and engineering
  - design, methods, and analysis
  - computing and telecommunications
  - and evaluation methods.
- GAO has technical chiefs for accounting, actuarial science, economics, science, and technology.

GAO’s Work Addresses:

There are laws, programs, or activities around all—which require: audits, assessments, and evaluations.
- Public safety
- Security
- Economic well-being
- Tax policy
- Education
- The environment
- Transportation
- Food safety

All products, except for classified, are publically available at www.gao.gov.
Federal Government’s Reach vs. GAO Resources

Federal Government
• $3,854 billion in federal outlays in FY 2016
• 1,500+ federal programs—OMB 2013 Federal Program Inventory
• 2,300+ domestic assistance programs

GAO
• $0.5 billion annual budget
• ~2,200 performance and financial auditing staff
• 650+ audit products per year

Strategic Plan

GAO
MISSION
Serving the Congress and the Nation
GAO’s Strategic Plan Framework

OBJECTIVES

GAO seeks to support Congress in meeting its constitutional responsibilities and
providing the American people with the best possible government services,
programs, and information.

Values
Accountability
Integrity
Reliability

MORAL, ETHICAL, AND PROFESSIONAL
PRINCIPLES

GOALS

Trends Shaping the United States and Its Place in the World

CORE VALUES

Resources and Economic Growth

Core Goals

1. Build a Knowledge-Based Society in the 21st Century
2. Ensure a Modern, Secure, and Competitive Federal Enterprise
3. Achieve Effective Government Through Improved Governance
4. Resolve the Challenges of Globalization

Supporting Goals

1. Build a Knowledge-Based Society in the 21st Century
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Supporting Objectives

1. Build a Knowledge-Based Society in the 21st Century
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Strategic Plan - Description

- The plan describes our proposed goals and strategies for supporting the Congress and the nation.
- We have identified seven trends that provide context for our strategic plan:
  1) threats confronting U.S. national security interests;
  2) fiscal sustainability and debt challenges;
  3) changing dynamics of global interdependence and multilateral cooperation;
  4) trends in science, technology, engineering, and mathematics;
  5) advances in communication networks and information technologies;
  6) shifting roles in government and governance; and
  7) demographic and societal changes.

Priorities Framework

- Mission team management meets on an annual basis with GAO’s Executive Committee to discuss and prioritize the queue of work areas

- For each work area:
  - prioritization/status is determined (emphasize, maintain, deemphasize), and
  - Justification for the prioritization/status is provided.
Overarching Approach To Our Work

• Tone at the Top
• Core values—accountability, integrity, reliability
• Approach our work with objectivity
• Conduct work that is in line with our authority
• Execute our work with independence
• Build in quality
• Monitor compliance

One Quality Assurance System

• While GAO undertakes a wide variety of engagements—using many different approaches and methodologies and a wide range of specialized skills—we have one quality assurance system.

• The quality assurance system
  ✓ Is comprised of a comprehensive set of clearly defined, well-documented, and transparent standards and control procedures, and
  ✓ Assures compliance with Government Auditing Standards
Getting It Right: Building In Quality

**Engagement Acceptance Meeting**
- Authority
- Independence
- Risk Level
- Cost
- Complexity
- Controversy
- Priority
- Internal Controls
- Stakeholders (expertise)

**Engagement Review Meeting**
- Design
- Resource Decisions
- Agency/Third Party Views
- Other issues (i.e., access, independence)

**Product Review**
- Final product check
- Reviews all medium- and high-risk products (96%)

**Weekly Meeting**

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**GOA’s Quality Assurance Framework for Assuring Compliance With Government Auditing Standards**

- **Leadership**
  - Mission, Standards, & Core Values
  - Tone at the Top
  - Independence
  - Strategic Planning
  - Portfolio & Risk Management
  - Congressional Protocols
  - Agency Protocols

- **Human Capital**
  - Recruiting/ Hiring
  - Assigning Staff
  - Professional Development
  - Performance Management
  - Advancement

- **Engagement Performance**
  - Engagement Planning
  - Consultations with Experts and Specialists
  - Stakeholder Involvement
  - Supervision and Review
  - Evidence
  - Message Agreement

- **Monitoring / Policy Review**
  - Referencing
  - Partner Concurrence
  - Agency Comments & Third-Party Views
  - Engagement Documentation
  - Public Reporting
  - Annual Inspections
  - External Audit/ Audit Committee
  - Peer Review
  - Internal Audit
  - Quality Assurance Assessments
  - Professional Practices Advisory Committee

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Specific Categories of Work

- Performance audits, which include
  - Program effectiveness and results audits, economy and efficiency audits, internal control assessments
  - Prospective analyses to assess program or policy alternatives, advantages or disadvantages of proposals, develop best practices
  - Assurance engagements to establish the status or condition of a program or activity

- Financial audits and attestation engagements

- Nonaudit work, such as
  - legal opinions
  - bid protest adjudications
  - technology assessments
  - budget justification reviews

Recommendations

- GAO staff make recommendations—
  - for actions to correct identified problems and to improve programs and operations;
  - when the potential for improvement in programs, operations, and performance is substantiated by the reported findings and conclusions; or
  - to improve compliance with laws and regulations and improve internal controls.

- Directed to those who have responsibility and authority to act on them (executive branch agency or legislative)

- Within 60 days after a GAO report with recommendations is issued, agencies are to submit written statements to Congress explaining actions taken or planned in response to our recommendations.
Recommendation Follow Up

- GAO follows up on the audited entity to determine the extent to which it has implemented GAO’s recommendations and whether benefits attributable to GAO’s work have been realized.
- The status of recommendations are reported to the Congress.
- GAO measures and report the benefits of its work using three indicators the:
  1. percentage of recommendations implemented;
  2. number of nonfinancial accomplishment reports; and

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Performance and Accountability Report

In fiscal year 2016, GAO identified $63.4 billion in financial benefits—a return of about $112 for every $1 invested in us. We also identified 1,234 ways to make the government more efficient. This report details GAO’s accomplishments and describes its strategic planning and performance measures.
## Results

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Benefits (billions)</td>
<td>$63.4</td>
</tr>
<tr>
<td>Other Benefits</td>
<td>1234</td>
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<tr>
<td>Testimonies</td>
<td>119</td>
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<tr>
<td>Past Recommendations Implemented</td>
<td>73%</td>
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<tr>
<td>Return on Investment (ROI)</td>
<td>112:1</td>
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<tr>
<td>Timeliness</td>
<td>94%</td>
</tr>
<tr>
<td>Overall Client Satisfaction</td>
<td>97%</td>
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## Top Financial Accomplishments

### Selected Fiscal Year 2016 Financial Benefits
- Reducing Medicare Advantage Improper Payments – $21.4 billion
- Increasing Use of Strategic Sourcing by the Department of Veterans Affairs – $3.6 billion
- Decreasing Program Balances for the Making Homes Affordable Program – $2.0 billion
- Improving Management of DOD’s Funds for Combatting Terrorism – $1.6 billion

Source: GAO | GAO-17-2SP

### Selected Fiscal Year 2015 Financial Benefits
- Increasing Federal Communications Commission Auction Proceeds – $32.8 billion
- Reducing Improper Payments by the Department of Health and Human Services - $3.3 billion
- Cancelling of the BioWatch Generation-3 Acquisition - $2.1 billion
- Cancelling of the Standard Missile Block IIB Program - $1.7 billion

Source: GAO | GAO-16-45P
Every 2 years, we examine federal programs and operations that are especially vulnerable to waste, fraud, abuse, and mismanagement, or that need transformative change—our High Risk List. This report reviews the status of areas on the list and outlines steps to lasting solutions.
GAO's 2017 High-Risk List

| Improving Federal Management of Programs that Serve Tribes and Their Members — NEW | Ensuring the Security of Federal Information Systems and Cyber Critical Infrastructure and Protecting the Privacy of Personally Identifiable Information |
| PPAP Recipient Census — NEW | Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests |
| Strategic Human Capital Management | Improving Federal Oversight of Food Safety |
| Managing Federal Real Property | Protecting Public Health through Enhanced Oversight of Medical Products |
| Funding the Nation’s Surface Transportation System | Transforming EPA’s Process for Assesing and Controlling Toxic Chemicals |
| Modernizing the U.S. Financial Regulatory System and the Federal Role in Housing Finance | Mitigating Gaps in Weather Satellite Data |
| Reinstating the U.S. Postal Service to Achieve Sustainable Financial Viability | DOE’s Contract Management for the National Nuclear Security Administration and Office of Environmental Management |
| Management of Federal Oil and Gas Resources | NASA Acquisition Management |
| Limiting the Federal Government’s Payout Exposures by Better Managing Climate Change Risks | DOD Contract Management |
| Improving the Management of IT Acquisitions and Operations | Enforcement of Tax Laws |
| DOD Supply Chain Management | Medicare Program |
| DOD Weapon Systems Acquisition | Medicaid Program |
| DOD Financial Management | Improving and Modernizing Federal Disability Programs |
| DOD Business Systems Modernization | Pension Benefit Guarantee Corporation Insurance Programs |
| DOD Support Infrastructure Management | National Flood Insurance Program |
| DOD Approach to Business Transformation | Managing Risks and Improving VA Health Care |

Duplication and Overlap

Improving Efficiency and Effectiveness
Since 2011, GAO has issued annual reports on opportunities to reduce fragmentation, overlap, and duplication, as well as reduce costs and increase revenue, for the federal government. These reports have resulted in $136 billion in financial benefits for the federal government. Our 2017 report, issued on April 26, identifies 29 new areas where federal agencies could achieve greater efficiency or effectiveness.
## Compliance Monitoring

### Internal Inspection
- Review of quality control system
- For products issued in a given calendar year
- Results in written report
  - Opinion
  - Suggestions for Enhancement
  - Action Plan
- May also include discussion of good practices

### External Peer Review
- External peer review conducted every 3 years to meet Government Auditing Standards
  - Provide additional assurance to Comptroller General and GAO management
  - Provide assurance to the Congress and the American people (report provided to Congress and the public)
  - Answer question, “Who audits the auditors?”
  - Practice what we preach
  - Learn from others