

**GAO**

**Testimony**

Before the Subcommittee on Federal  
Workforce, Postal Service, and the District of  
Columbia, Committee on Oversight and  
Government Reform, House of Representatives

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**DIVERSITY AT GAO**

**Sustained Attention Needed  
to Build on Gains in SES  
and Managers**

Statement of Frances Garcia  
Inspector General, GAO



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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss the results of my review of GAO's diversity programs and to participate in this hearing with the other legislative branch Inspectors General (IG) examining diversity at the top levels of five legislative branch agencies. As you know, in today's multicultural workforce, diversity can be an organizational strength that can bring a wide variety of perspectives and approaches to bear on policy development and implementation, strategic planning, and decision making. Organizations that promote and achieve a diverse workplace can attract and retain high-quality employees. GAO—similar to other federal agencies—faces both opportunities and challenges in increasing the diversity of its top leadership and workforce. The bottom line is that diversity makes good business sense.

Because of your interest in the effectiveness of diversity program offices and the underrepresentation of women and minorities in legislative branch agencies, my testimony today addresses (1) whether GAO's diversity programs and initiatives are achieving better representation of women and minorities in the agency's Senior Executive Service (SES) and managerial ranks (GS-15), and their equivalents;<sup>1</sup> (2) the accuracy and completeness of the fiscal year 2007 complaint and discrimination data reported to Congress; and (3) the independent authority and reporting relationships of the Managing Director of GAO's Office of Opportunity and Inclusiveness (OOI). As you know, my testimony today is based on a report requested by you and released today.<sup>2</sup>

To address our first objective, we identified and compared GAO's diversity management practices against those identified by the U.S. Equal Employment Opportunity Commission (EEOC) Management Directive 715 (MD-715)<sup>3</sup> and nine expert-identified leading diversity management

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<sup>1</sup>In GAO, SES positions and their equivalents are SES, Senior Level, and executive schedule positions. GAO has few actual GS-15 positions; their equivalents within GAO's pay systems are Band III analysts and specialists (Assistant Directors), Level II managerial and supervisory positions, Level-IV professional technical specialists, and Band III attorneys (equivalent to Band II Attorneys in 2002-2004).

<sup>2</sup>GAO, *Diversity at GAO: Sustained Attention Needed to Build on Gains in SES and Managers*, GAO-08-1098 (Washington, D.C.: Sept. 10, 2008).

<sup>3</sup>EEOC, MD-715 Section I: *The Model EEO Program*.

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practices.<sup>4</sup> In addition, we analyzed fiscal years 2002 through 2007 data on the number of women and minorities in SES and managerial positions, and their equivalents. For the second objective, we reviewed relevant GAO orders and procedures, including those on processing discrimination complaints and internal controls regarding data quality. We also analyzed supporting documentation for the fiscal year 2007 complaint and discrimination data and interviewed key staff and managers. For the third objective, we examined GAO's organizational structure, policies and procedures; reviewed related reports, and interviewed officials in GAO's Personnel Appeals Board (PAB), OOI, and General Counsel. Our work did not include a detailed analysis of OOI to determine what, if any, effect the consolidation of two administrative functions (complaint processing and diversity management responsibilities) into one office has had. We conducted our work from March 2008 to September 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Summary

Between fiscal years 2002 and 2007, GAO increased the diversity of both its SES and managerial ranks. Moreover, GAO's SES and managers in fiscal year 2007 were generally more diverse in comparison with executive branch agencies and the civilian labor force.<sup>5</sup> The agency's top management has made a commitment to diversity management, and our review showed that the agency uses a number of leading diversity management practices to recruit, hire, promote, and retain its employees. In addition, the agency has taken recent steps to identify and address potential barriers<sup>6</sup> to the advancement and hiring of women, minorities, and individuals with disabilities. In June 2008 GAO issued its

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<sup>4</sup>GAO, *Diversity Management: Expert-Identified Leading Practices and Agency Examples*, GAO-05-90 (Washington, D.C.: Jan. 14, 2005)

<sup>5</sup>The civilian labor force is defined as those 16 and older (including the federal workforce), regardless of citizenship, who are employed or looking for work and are not in the military or institutionalized. A minimum age of 18 is required for most federal employment.

<sup>6</sup>EEOC defines barrier as an agency policy, principle, or practice that limits or tends to limit employment opportunities for a particular sex, race, or ethnic background, or based on an individual's disability status.

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congressionally mandated *Workforce Diversity Plan*, which assessed the representation of women, minorities, and people with disabilities throughout the agency. GAO's diversity plan did identify representational gaps in the SES, the manager level in certain job categories, and recent applicants for the SES candidate program. In response, the agency is planning to target efforts on the areas of greatest underrepresentation, such as Hispanics,<sup>7</sup> at all levels in the agency, and the Acting Comptroller General has stated his intention to have GAO prepare these plans annually.

In reviewing GAO's March 2008 annual report to Congress and its Web posting of complaint and discrimination data reported for fiscal year 2007, we found errors and could not verify the reported average number of days that GAO spent processing complaints.<sup>8</sup> For example, although agency documents show that six employees filed complaints, GAO reported seven in its annual report. In addition, GAO inadvertently posted on its intranet and Web site the wrong data—which were for the first quarter of fiscal year 2008—as if its were for the full fiscal year 2007. The wrong data understated the number of complainants by 4, the number of complaints by 13, and the number of multiple filers by 2. In general, the errors were the result of inadequate procedures for compiling and reporting all complaints and the agency not making full use of its electronic complaint software. GAO's OOI has revised the fiscal year 2007 data posted to its Web site and plans to take steps to address other problems we identified.

Although GAO is not required to comply with EEOC management directives to executive branch agencies, it has followed two of the three requirements related to independent authority and reporting relationships.<sup>9</sup> Our work identified a concern regarding the consolidation of personnel-related and discrimination complaint functions in one office. Specifically, the PAB believes that OOI's Managing Director is potentially open to charges of conflict of interest because he is responsible for processing discrimination complaints and also takes an active role in

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<sup>7</sup>Hispanics are underrepresented throughout the federal government when compared to the U.S. civilian labor force, according to OPM.

<sup>8</sup>In accordance with the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (No FEAR Act), P.L. 107-174, GAO is required to (1) annually report information related to discrimination, harassment, and related matters; and (2) post quarterly updates of these data on its Web site.

<sup>9</sup>EEOC, Equal Employment Opportunity Management Directive 110, *Federal Sector Complaints Processing Manual* (Nov. 9, 1999).

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diversity programs—programs that could themselves could be the subject of a discrimination complaint. The PAB has recommended that GAO separate these two administrative functions and create a unit exclusively for processing discrimination complaints. GAO management has not agreed to implement this recommendation, in part because the agency believes it would result in an inefficient use of resources given the small number of formal discrimination complaints filed each year. However, the annual number of formal complaints only partially reflects the office's workload. For example, in fiscal year 2007, although GAO employees filed 15 formal discrimination complaints, about 130 GAO employees informally contacted OOI about their concerns of unfair treatment.

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## Background

As you well know, GAO performs a wide range of work. It conducts audits and evaluations of executive branch agencies, resolves disputes over awards of government contracts, and sets auditing and accounting standards for the federal government. To do this work, the agency has a highly educated, multidisciplinary workforce of around 3,100 employees who work in Washington, D.C., and 11 field offices. It employs analysts, auditors, economists, lawyers, and other professionals, and more than half of the workforce has master's or doctoral degrees.

The GAO Personnel Act of 1980 gave the agency its own personnel system, separate from that of the executive branch, and it increased the agency's flexibility in hiring, paying, and managing its workforce. The act also created the Personnel Appeals Board (PAB), a body independent from GAO management, to hear GAO employee issues related to discrimination and prohibited personnel actions and to conduct oversight of Equal Employment Opportunity (EEO) programs.

In the past decade, GAO has taken steps toward diversity management, which aims to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximize their contributions to an organization's strategic goals and objectives. In 2001, GAO created its Office of Opportunity and Inclusiveness (OOI) and gave the office responsibility for: (1) helping to create a fair and inclusive work environment by incorporating diversity principles in GAO's strategic plan and throughout its human capital policies and programs, (2) handling discrimination complaints, and (3) managing the agency's EEO activities. OOI has a total of six staff members, including the Managing Director.

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## GAO Has Improved Diversity, and Information from Annual Diversity Plans Will Help to Manage Future Progress

GAO has made progress in building a more diverse profile of its SES and managerial ranks. Moreover, as shown in figure 1, GAO's leadership is generally more diverse in comparison with executive branch agencies and the civilian labor force. At the same time, gaps remain in the representation of women and minorities in the agency's leadership. GAO's June 2008 *Workforce Diversity Plan*<sup>10</sup> has identified low representation of African-American women, Asian-Americans,<sup>11</sup> Hispanics, and individuals with targeted disabilities<sup>12</sup> among its SES and managers. The agency has a variety of leading diversity management practices to help reshape its workforce. The challenge facing GAO is to strategically manage its efforts to efficiently and effectively achieve greater diversity in its leadership. The Acting Comptroller General has stated that the agency intends to annually prepare a diversity plan in the spirit of EEOC's MD-715 guidance, which will provide the agency with information essential to effectively and efficiently managing its diversity efforts.

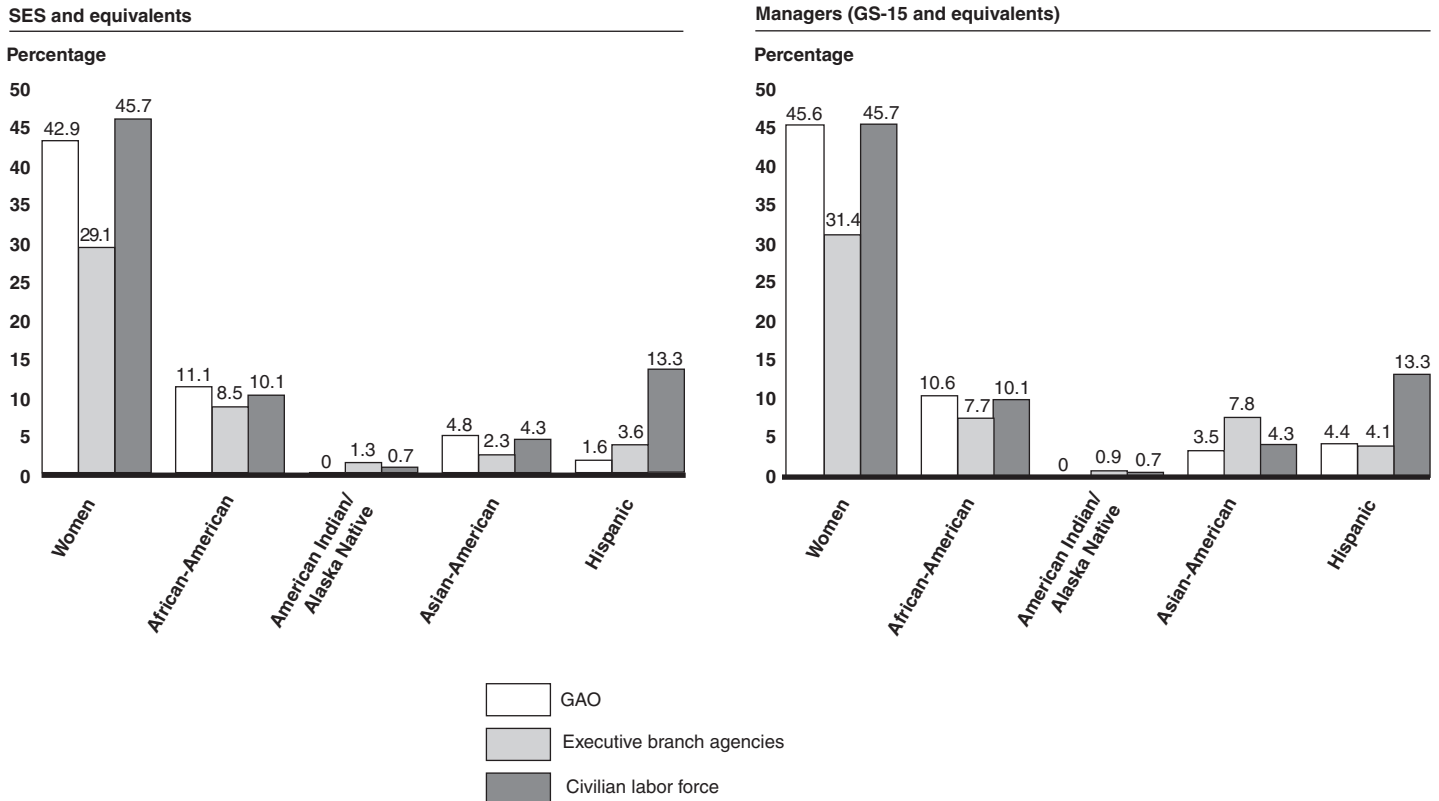
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<sup>10</sup>GAO, *Workforce Diversity Plan* (June 2008).

<sup>11</sup>For purposes of our work, we are using the term, Asian-Americans to include employees who identify their ethnicity and race as Asian, Native Hawaiian, or other Pacific islander.

<sup>12</sup>Targeted disabilities are deafness, blindness, missing extremities, partial paralysis, complete paralysis, convulsive disorders, mental retardation, mental illness, and distortion of limb and/or spine.

**Figure 1: Comparison of Percentage of Women and Minorities in GAO's Senior Executive Service and at Manager Level with Executive Branch Agencies and Civilian Labor Force, Fiscal Year 2007**



Source: IG analysis of GAO and OPM data.

## GAO Has Made Gains in Overall Diversity and Faces Future Challenges

Between fiscal years 2002 and 2007, GAO increased the number of women in its SES from 45 to 54, or 20 percent. As a result, the proportion of women in the SES went from 34 percent to 43 percent. The agency had mixed success in increasing the number of minorities in the SES. The agency had a slight increase in the number of African-Americans (from 12 to 14) but a decrease in the number of Asian-Americans (from 8 to 6) and Hispanics (from 4 to 2). In GAO's June 2008 *Workforce Diversity Plan*, the agency reported that the percentages of African-American and Asian-American females in the SES have not increased at the same rate as their respective percentages in the agency's overall workforce. Moreover, the agency reported no representation of individuals with targeted disabilities or American Indians/Alaska Natives in its SES. EEOC considers a low representational rate to be a benchmark or indicator of potential barriers

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to equal participation at all levels in a federal agency that requires further study.

At the manager level during this same time, GAO steadily increased the numbers of women and minorities. The manager level is the developmental or “feeder” pool for the SES. The percentage of women managers went from 39 percent to 46 percent, while the increases in minority representation were smaller. For managers, GAO recently reported low percentages for Hispanic females, African-American males, and Asian-American females among Band III analysts. The agency also reported having no African-Americans, Asian-Americans, or Hispanics in certain manager-level administrative and professional-manager job categories.

GAO’s SES candidate program has a significant effect on the diversity of the SES because the agency uses it to promote many managers into the SES ranks. For entry into the program, the agency uses a competitive selection process that is open to both internal and external candidates at the manager level. Participation in the program lasts about 18 months and includes special training and different work experiences to develop executive competencies. Upon successful completion of the program, candidates can gain an SES position without further competition. Since October 2002, women have composed 22 (or 42 percent) of the 52 total program participants. Minorities have composed 8 (or 15 percent) of all of the participants, although there were no American Indians/Alaska Natives. In addition, the percentage of minorities in the classes has fluctuated—from a high of 27 percent in 1 year to a low of 9 percent in the September 2007 class.

In June 2008, GAO reported that no Asian-Americans, Hispanic males, or African-American females applied for the September 2007 class of the SES candidate program. The Managing Director of OOI said that the low representation of minorities among recent applicants demonstrates that without constant vigilance, progress could be lost, even though the agency has generally been successful at attracting minorities to its SES candidate program.

In the short term, the SES candidate program has the potential to help GAO obtain a larger pool of diverse candidates for the SES because it accepts applicants from both inside and outside the agency. In recent years, the agency has hired two external applicants for this program. According to agency officials we interviewed, past experience has shown that external candidates often face an additional challenge of assimilating



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into GAO's SES culture, which is steeped in audit methodology and practices, while at the same time they must lead staff who are knowledgeable about these practices and procedures.

GAO also directly hires employees at the SES and manager level. Direct hiring has an effect on diversity, and in the short term, the hiring of women and minorities could help improve diversity at these levels. Between October 2002 and May 2008, GAO hired a total of 67 individuals at the SES and manager level. Of these, 10 (15 percent) were minority men and women and 21 (31 percent) were Caucasian females.

In its EEO oversight role, PAB has recommended that GAO review its SES selection process, including the SES candidate program, to determine whether any barriers may be having a negative effect on representation. In response, the agency has stated that it regularly reviews the SES selection processes and discusses how it can attract a greater diversity of applications, including recruitment sources and advertising with special interest groups.

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## GAO Uses Leading Practices, and Annual Diversity Plans Can Provide Essential Information for Effective Management

GAO has in place many of the leading diversity management practices identified in EEOC's MD-715 guidance for a model EEO program and in a GAO study of nine expert-identified leading diversity management practices. For example, GAO's top executives, including the current Acting Comptroller General and former Comptroller General, have made a commitment to diversity management—a best practice identified by both the EEOC and diversity management experts. For the past several years, diversity management has been a regular item on the agenda at periodic meetings of GAO's SES. Furthermore, GAO has taken recent action that will identify representational gaps and eliminate unnecessary barriers to hiring and advancement of women, minorities, and people with disabilities.

In accordance with these leading practices, GAO has made diversity part of its 5-year strategic plan, which sets out the agency's long-term goals and objectives.<sup>13</sup> One of the agency's four strategic goals is to maximize the value of GAO by being a model federal agency and world-class professional services organization. One objective for this goal is to be an employer of choice with an environment that is fair and unbiased and that

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<sup>13</sup>GAO, *GAO Strategic Plan 2007-2012*, [GAO-07-1SP](#) (Washington, D.C.: March 2007).

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values opportunity and inclusiveness. In addition, GAO has incorporated diversity management in the performance appraisal systems for its SES and other supervisors, as well as adopted mediation to voluntarily resolve complaints of discrimination. Moreover, as part of an ongoing effort to involve employees in its diversity management, the agency recently created a Diversity Committee with representatives from all employee groups, such as Blacks In Government, the Advisory Council for Persons with Disabilities, the Asian American Liaison Group, the Gay and Lesbian Employees Association, the Hispanic Liaison Group, and the International Federation of Professional and Technical Engineers. The committee's members will comment on new or revised GAO policies, procedures, plans, and practices pertaining to diversity issues.

While GAO has improved the diversity of its SES and managerial ranks and uses many leading diversity management practices, the agency has not had a process for developing essential information on a regular basis to effectively manage its diversity efforts. However, in June 2008 GAO issued its *Workforce Diversity Plan*, as requested in the committee report for the legislative branch appropriations bill for fiscal year 2008.<sup>14</sup> Executive branch agencies are required to do this plan annually. In developing its diversity plan, GAO chose to follow EEOC's MD-715—the same guidance executive branch agencies are required to use. In accordance with EEOC MD-715,<sup>15</sup> GAO analyzed workforce data to assess demographic trends and to determine whether there were differences in the representation of minorities in the agency's workforce when compared with the appropriate benchmarks. As a result, the agency now has baseline data on the diversity of its workforce. In addition, it has identified a number of potential barriers that may impede fair and open competition in the workplace. The plan also includes the GAO's 2008-2009 Workforce Diversity Action Plan, which lists three broad goals: (1) recruit more Hispanics, African-Americans, and staff with disabilities; (2) enhance staff-development opportunities that prepare staff for upper-level positions; and (3) create a more inclusive environment. While the action items are short-term activities, such as developing a diversity recruitment and hiring plan by April 2009, some could lead to long-term changes that affect diversity.

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<sup>14</sup>U.S. House of Representatives, Subcommittee on Legislative Branch, Committee on Appropriations, *Legislative Branch Appropriations Bill, 2008*, Report 110-198 (June 19, 2007). The committee report requested an affirmative action plan.

<sup>15</sup>EEOC, Management Directive 715 (MD-715) Section II: *Barrier Identification and Elimination*.

Last year, the agency awarded a contract to assess the factors that may explain statistically significant differences in rating averages between African-American and Caucasian analysts from 2002 to 2006. A final report was issued on April 25, 2008, and it included more than 25 recommendations. Within a week, the Acting Comptroller General issued a memorandum to employees expressing his commitment to address the report’s recommendations. GAO has already undertaken steps to implement some of the recommendations and to establish a plan to implement other recommendations.

## Fiscal Year 2007 Complaints and Discrimination Data Contained Errors

The No FEAR Act requires GAO to provide data on its complaints and discrimination cases annually in a report to Congress and to post updates of current fiscal year data on its Web site. In the annual report, we found errors in the fiscal year 2007 data for the number of complaints, the number of GAO employees who filed complaints, and the basis of the complaints (such as race, gender, and religion). We also could not verify the fiscal year 2007 data reported for complaint processing times. In addition, when GAO posted complaint data earlier this year on its intranet and Web site, it inadvertently published the wrong data for fiscal year 2007. We determined that these and other errors largely resulted from insufficient controls over the compilation and reporting of the data, including not making full use of its electronic complaint software.

In its March 2008 annual report to Congress, GAO had errors in fiscal year 2007 complaints and discrimination data. Table 1 shows a comparison of correct data to data included in GAO’s annual report regarding the number of complainants, complaints, and repeat filers—those who have previously filed a complaint.

**Table 1: Comparison of Correct and Reported Complaint Data for Fiscal Year 2007**

Type of data	Correct data	Data in GAO annual report
Complainants	6	7
Complaints	15	16
Repeat filers	2	2

Source: IG analysis of GAO information.

The annual report also contains errors related to the basis, or nature, of the complaint. For example, the annual report overstates by two the number of complaints based on religion, while it understates by eight the number of complaints based on reprisals.

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We traced the reasons for the errors in the annual report back to insufficient internal controls to ensure the accuracy and completeness of the data. For example, in developing the data, the responsible person did not include all of the complaints or all of the information about the complaints processed. Part of the problem involved complaints that OOI did not process because they were filed against a person within OOI.<sup>16</sup> We found that OOI did not have procedures on how to track complaints processed outside of OOI or how to report on such complaints for purposes of the No FEAR Act. In addition, the agency had no written procedures regarding the development and verification of the data to ensure completeness and accuracy, and we did not find any indication in the records we reviewed that the person's work had been verified or reviewed by a supervisor.

Furthermore, we could not verify the processing times for fiscal year 2007 complaints in the annual report. We found that OOI, the unit responsible for developing complaint data, does not have written procedures for calculating and verifying the average number of days that complaints were in the investigation stage and awaiting final action by the agency. To compute these processing times, OOI staff used an informal process and manually did the calculations. However, we could not verify the calculations because the person who made the calculations had little experience in this area, and the records of their calculations were incomplete. In addition, OOI did not make full use of its electronic complaint tracking software, which has the capabilities to track and determine complaint processing times, because of past difficulties in using the software. GAO specifically purchased this software 5 years ago to improve the accuracy of its complaint data. In response to these findings, the agency is planning to revise its procedures to improve the accuracy of processing times, including making full use of this software.

We also found that GAO inadvertently posted on its intranet and Web site the wrong data for fiscal year 2007. The posted data—which were for the first quarter of fiscal year 2008—were different from the correct data. The posted data understated the number of complainants by 4, the number of complaints by 13, and the number of multiple filers by 2. The posted data

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<sup>16</sup>As set forth in GAO's discrimination complaint resolution process order, generally GAO employees are to file discrimination complaints with OOI, which processes them. For complaints filed against OOI staff or management, the order provides for a GAO top executive to assign such complaints to other GAO managers so they may process the complaints instead of OOI, as occurred in fiscal year 2007.

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also included errors regarding the basis of complaints and the complaint processing times.

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## Concerns Continue about Integration of Discrimination Complaint Processing and Diversity Efforts

To ensure the fair and impartial processing of discrimination complaints, EEOC's guidance on the federal sector EEO process for executive branch agencies has three requirements regarding the reporting relationship and independence of the heads of agency EEO offices.<sup>17</sup> Although GAO is not required to follow EEOC's guidance, it adheres to two of the three requirements. We identified concerns about the agency not following the third recommendation—keeping the EEO functions separate from the personnel function. PAB, in its EEO oversight capacity of GAO, has recommended that the agency create a separate unit solely to process discrimination complaints.

EEOC's Management Directive 110, among other things, has three requirements for the head of agency EEO offices regarding reporting relationships and independence. First, to underscore the importance of equal employment opportunity to an agency's mission and to ensure that the EEO Director is able to act with the greatest degree of independence, it requires that the EEO Director report directly to the head of the agency. Second, to enhance the credibility of the EEO office and the integrity of the EEO complaints process, it requires that the EEO fact-finding function in general, and the legal sufficiency reviews of final agency decisions for discrimination complaints in particular, not be done by attorneys in a unit that represents or defends the agency in such disputes. Third, to maintain the integrity of the EEO investigative and decision-making processes, the guidance requires that the EEO functions, especially investigations and decision making, must be kept separate from the personnel function to avoid conflicts of position or conflicts of interest, as well as the appearance of such conflicts.

We found no problems with two requirements. The OOI Managing Director reports directly to the Comptroller General, the head of GAO. In addition, the OOI Managing Director, who is an attorney, does legal sufficiency reviews of final agency decisions and arranges for independent investigations. For the small number of complaints that OOI staff have not directly processed, GAO's Chief Administrative Officer assigns a manager to act on OOI's behalf, while General Counsel assigns an attorney who is

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<sup>17</sup>EEOC, Management Directive 110.

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not in GAO's Legal Services unit to assist the manager. Legal Services is part of GAO's Office of General Counsel and serves as the agency's in-house legal counsel and represents the agency in legal disputes.

PAB has reported about the potential for a real or apparent conflict of interest because the OOI Managing Director is responsible for overseeing discrimination complaints while having a substantial role in GAO's human capital activities, including diversity programs—which is a personnel function. PAB has pointed out that this situation does not conform to the EEOC directive, which states, “. . . the same agency official responsible for executing and advising on personnel actions may not also be responsible for managing, advising, or overseeing the EEO pre-complaint or complaint processes.” An illustrative example of a potential area of conflict is the OOI Managing Director's role in reviewing employee performance ratings. He reviews selected ratings before they are final to identify any potential EEO concerns, and he then discusses his concerns with the appropriate SES official. Therefore, if an employee were to file a discrimination complaint because of a rating, the OOI Managing Director would have been involved in a review for potential EEO concerns and still would be responsible for the fair and impartial processing of the complaint.

PAB has recommended that GAO create a separate complaint unit to process discrimination complaints exclusively and with no responsibility for personnel, or human capital, issues. GAO has stated that it does not believe that creation of a separate unit is warranted due to the small number of discrimination complaints filed each year and that the appearance of any conflict of interest is mitigated by GAO contracting out its complaint investigations. PAB continues to believe that a structural separation between the two administrative functions is warranted. The scope of our review did not include a detailed analysis of OOI to determine what effect, if any, the consolidation of these functions has had on complaint processing.

Moreover, the small number of formal complaints does not reflect the office's workload, the majority of which involve informal contacts with the office and its efforts to resolve issues raised by GAO employees without the filing of a formal complaint. For example, in fiscal year 2007, GAO employees filed 15 discrimination complaints, while about 130 employees made informal contacts to OOI. These contacts concerned a range of issues, including appraisals, promotion, work assignments, harassment, work environment, feedback, communication, and training.

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## Conclusions

Although GAO has made progress, the task ahead—further increasing the diversity of its leadership and workforce—is challenging. It will require a concerted effort that must be sustained over time. The small gains in minority representation in recent years will not be sufficient for achieving a more diverse leadership.

To move forward, GAO needs to establish as part of its long-term approach, an annual plan that evaluates its workforce data and helps identify and remove unnecessary barriers to the advancement and hiring of women, minorities, and people with disabilities. The agency has taken a key step toward this end with its June 2008 *Workforce Diversity Plan* and the Acting Comptroller General's stated intention to producing a diversity plan annually. Because of GAO's transitional state with an Acting Comptroller General, we believe the agency needs to formally incorporate its intention into the order governing OOI's responsibilities. By formally adopting the MD-715 annual review and evaluation process, GAO will be better positioned to sustain attention on the effects of its initiatives, use the evaluations as a basis for any strategic improvements, and hold agency leadership accountable.

In addition, GAO needs to improve its internal complaint processing procedures and the procedures related to compiling and reporting on those complaints. This will help to avoid recent problems and ensure that complaint data provided to others are accurate and reliable.

GAO may want to monitor the situation related to its decision not to create a separate unit for processing discrimination complaints. Some of the factors that the agency considered in its original decisions seem to have changed, and the agency does face some risk of real or apparent conflicts of position or conflicts of interest. Further, the number of employees making informal contacts to OOI is substantial compared with the number of discrimination complaints.

We have made recommendations in our report that is being released today, and GAO has generally agreed with these recommendations.

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Mr. Chairman, this concludes my prepared statement. I would be happy to respond to any questions you or other Members of the Subcommittee may have at this time.

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## Contact and Staff Acknowledgments

If you have any questions about this statement, please contact me at (202) 512-5748 or [garciaf@gao.gov](mailto:garciaf@gao.gov). Key contributors to this statement were Cathy L. Helm (Assistant Director) and Keith Steck.



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