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BOWSER PRESENTS GAO's '83 BUDGET  
TO HOUSE APPROPRIATIONS SUBCOMMITTEE

*"The Congress is being called upon to make monumental decisions regarding what the Federal Government will do and how it will do it. It needs facts about how current programs are working and about how new ones will be working. GAO's mission is to provide that information. To fulfill its mission effectively GAO needs organizational stability, a properly trained staff, and support capability."*

In a nutshell, that's the message *Comptroller General Bowser* delivered today to the Legislative Subcommittee of the House Appropriations Committee as it began deliberations on GAO's budget for FY 1983. The full text of *Mr. Bowser's* statement is reproduced in this Management News supplement.



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STATEMENT OF  
CHARLES A. BOWSER  
COMPTROLLER GENERAL OF THE UNITED STATES  
BEFORE THE  
LEGISLATIVE SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE  
UNITED STATES HOUSE OF REPRESENTATIVES  
ON  
BUDGET ESTIMATES FOR FISCAL YEAR 1983

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am pleased to be here today to discuss GAO's budget request for FY 1983. The "Justification of Estimates for FY 83," which you already have, describes our request in detail.

This is my first opportunity to discuss with you GAO's resource needs. I look forward to a positive, constructive relationship with the Subcommittee during my tenure as Comptroller General. Since taking office in October 1981, I have been meeting with staff to familiarize myself with how GAO goes about doing its work. That effort has helped me crystalize some issues and problems that I want to address during my first several years as Comptroller General.

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There is no doubt that GAO's most important role is to provide timely assistance to the Congress on relevant issues. I have been impressed with the willingness of the GAO staff to do whatever is necessary to provide the Congress useful information. But I have also been impressed by the speed of events and the needs of Congress for information. I want us to do a better job of getting the Congress information when it needs it. I want, therefore, to explore different ways to present our information to meet this objective.

I want GAO to continue to be the Congress' greatest asset in its efforts to achieve better economy and efficiency in Federal operations. GAO is the one Federal agency with full-time, Governmentwide responsibility to help Congress find ways to reduce Federal spending and make Government work better. GAO's record shows that it has consistently made recommendations which have saved the Government many times its appropriation.

For example, action taken by the Congress and the executive branch in fiscal year 1981 on GAO recommendations saved the Government about \$8.5 billion. About \$7.6 billion in savings resulted from congressional actions on GAO recommendations, while another \$890 million resulted from executive branch actions. GAO's fiscal year 1981 appropriation was about \$220 million.

Last fiscal year GAO issued 578 reports containing about 2,500 recommendations to the Congress and the heads of executive agencies. To date, about 70 percent of these recommendations have already influenced improved Government operations.

Over the last 5 years (FY 77-81), congressional and agency actions on GAO recommendations which can be quantified saved \$24 for each dollar appropriated to GAO. We will continue to make sure the Congress gets its money's worth out of GAO.

PROGRAM EMPHASIS

To do so, we must explore new ways and develop new initiatives. In that regard, during the past year we have:

--Established a special defense budget task force to closely monitor how the Defense Department spends the additional monies appropriated to it by the Congress. Both Senate and House Committees have asked GAO for extensive additional information to assist them in looking more closely at defense activities and the defense budget.

--Established a multiyear plan for auditing the new block grant programs passed by the Congress. Since the States are to be provided much greater flexibility than they had under categorical grants, determinations relating to their accountability will have to be carefully considered and a uniform conception of audit responsibilities will have to be developed. We have had discussions with numerous congressional staff about our block grant audit activities so we can be most responsive to their information needs.

--Established several new initiatives to improve GAO's ability to assess the overall management of Federal agencies. We should be in a position to report to the Congress and executive agency heads periodically on how well agencies are managed overall from planning, budget formulation, financial management, procurement, personnel management, audit and inspections, management information system, and program evaluation perspectives.

In addition to these new initiatives, GAO will continue its efforts to carry out its basic mission effectively.

--I have stressed that all GAO assignments undertaken pursuant to our basic statutes should have a direct bearing on improved management or better redistribution of existing Federal funds for Federal programs or activities, or should make a direct and important contribution on a major issue expected to be debated before the Congress within the next 2 to 3 years.

--I want GAO to do more to improve financial management in the Government. Too often top managers have not given sufficient attention to the benefits that can accrue from having sound financial management systems. We need to do a better job of alerting them to these benefits and of working with the agencies to approve and implement, on a more timely basis, sound financial management reporting systems.

--I want GAO to continue to improve its capability to provide timely, relevant reports on the results of programs and ways to make them more effective.

We must do a better job of following up on our recommendations to assure that agencies are giving them proper consideration. Consistent with this emphasis is our need to make relevant recommendations and identify the underlying causes of the problems we uncover. We are analyzing open recommendations more systematically with the aid of our computerized document system and monitoring detailed agency responses to OMB on the status of implementing GAO recommendations. We will also provide congressional committees specific reports detailing open recommendations relevant to their areas of interest.

#### ORGANIZATIONAL STABILITY

I have also identified some problems and concerns about the GAO that need to be addressed. My most fundamental concern is that I be able to work with a relatively stable organization in terms of staff levels. We should not only continue to foster economy and efficiency in other Government operations, but we should also look critically at our own operations and resources so that we focus on those issues most relevant and timely to the Congress. During my tenure I intend to look closely at GAO's staffing level to assure that the funding we seek is the minimum necessary to do our work effectively.

The details of our request for the fiscal year 1982 supplemental and our fiscal year 1983 budget explain why I

believe our budget request is the minimum level necessary to provide stability.

Fiscal Year 1982 Supplemental

I am greatly concerned that the funding already provided for fiscal year 82 will not support the 5,100 staff-year level recommended by the Committee and that resulting staff reductions will significantly disrupt our ongoing operations. We have restricted our hiring, but attrition has fallen below the level anticipated in the budget approved by the Congress for the year. We will do what we can to avoid a deficiency situation, but our funding is very tight.

The lack of adequate funding creates instability and uncertainty in job assignments and affects our ability to get jobs done on a timely basis. We cannot control where attrition takes place. Hiring restrictions make it difficult to assure the availability of particular expertise that might be critical to timely completion of our work. That is why I am requesting a program supplemental of \$2,211,000 to restore GAO staffing to the level suggested by the Committee for FY 82.

The pay raise supplemental of \$9,225,000 is the minimum required for the cost-of-living adjustment effective last October for general schedule and wage board employees as well as for the executive pay raise. Personnel costs account for 77 percent of our budget. I would like to be able to absorb part of this request, but we have closely examined our financial requirements

for the balance of the year and find it impossible to free up funds without causing serious disruption to our operations.

### Fiscal Year 1983 Request

Our fiscal year 1983 budget request of \$255,014,000 supports compensation for the same average position level of 5,100 and provides for an overall 6-percent increase in our appropriation, primarily to provide for the cost of inflation and other mandatory costs without reducing current operating levels.

This amount will enable me to sustain the new initiatives in defense and block grants while providing funds to address certain problems that I believe will eventually erode GAO's overall excellence if not attended to promptly.

My visits with the GAO staff at the division level, in the regions, and at the audit sites have convinced me that we should begin to address these issues right now. The most important one is travel and the second is more effective training to upgrade staff skills. We can also enhance productivity by improving the working conditions and support for our staff.

In analyzing the statistics on GAO operations for the last several years, I note that in fiscal year 1978 we traveled 110,000 days, whereas in fiscal year 1981 our total travel days had dropped by about 28 percent to 79,000 days. About 93 percent of our travel is directly related to carrying out specific audits. Only 7 percent is for training and conferences.



My assessment is that we must travel more, not less, to do our jobs better and more quickly. I knew before I came to GAO that it had staff located in offices throughout the United States and overseas. But it wasn't until I became Comptroller General and began visiting all our offices that I fully appreciated how important it is that our staff be located not only in Washington, D.C., but also at the various locations where Federal dollars are actually received and used. Having staff throughout the country and the world is what puts GAO in the unique position to report accurately on what happens to Federal dollars spent everywhere.

Travel is fundamental to the work of the GAO. If we are to do our work effectively and be of most use to the Congress, we must be able to travel to where the action is. We must travel to give our staff proper supervision and guidance. Travel is also essential to assure that all GAO staff understand the initiatives we want to take and how problems are to be addressed.

Our audit teams are usually made up of both Washington and field staff. Audit team members must communicate effectively with each other to assure that we are doing our work correctly. I do not believe that our Washington supervisors travel enough to the site of our audits throughout the country to make sure we are properly doing the work as quickly as possible. I want them to travel more so we can provide the Congress the timely, relevant information it needs to make decisions.

We have begun using conference calls and sometime during my term as Comptroller General it may well be that we will have video conference rooms to help achieve the the personal contact I consider important. But until then we must rely chiefly on travel.

Investment in training of our staff is also critical to sustain GAO's capacity over the long term to be a dynamic, relevant congressional support agency. During fiscal years 1979 and 1980, GAO had to impose a moratorium on employee training because of funding shortages. All training, except that for secretaries, one entry-level course, and a first-line supervisory course, was eliminated. The results:

--New employees had to rely on on-the-job training.

Basic GAO work skills were not formally communicated.

--Higher level staff did not receive technical or supervisory training, resulting in a loss of rigor in the application of GAO's conceptual framework for auditing and evaluating. Supervisors who were themselves uncertain of some basic skills were hardly in a position to provide effective on-the-job training to newer employees.

We have reinstated the training program, but we must make new investments in training if we are to carry out some of the initiatives I mentioned earlier. One specific example will illustrate what I mean.

Over the next several years, because information in both the public and private sector will increasingly be computerized, GAO must enhance its capability to effectively audit the computer-assisted operations of executive branch agencies. Further, the great potential for inefficient use of computers means that we must identify problems early and get agencies to take corrective action before millions of dollars are sunk into inadequate systems. Our capability to do audit work through the use of computers is not adequate. We must develop an intensive training program to upgrade staff skills in auditing with computers.

During the past several months I have also observed that GAO staff can be even more productive than they have been. We do not have the right type of support to do our audit work efficiently.

In the last several years, great progress in technology, such as the use of electronic work stations, has facilitated the effective processing of information as well as its gathering and analysis. It is critical that GAO capitalize on this technology to improve our productivity as we try to satisfy specific new statutory requirements, not by increasing staff, but by redirecting professional resources that were used to fulfill expired statutory requirements. We cannot produce timely products if we do not have a stable, highly motivated support staff that uses the most effective means to do good work.

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To carry out some of my initiatives I know I will have to shift resources from some areas in GAO to others that may be of higher priority. I am not reluctant to do that. But I am also concerned that we continue to give adequate coverage to executive branch operations so that we can respond quickly and effectively to congressional needs for information about programs and activities in all areas of government. The amount of money I have requested for our FY 82 supplemental and our FY 83 budget will provide me the resources necessary to maintain the organizational stability essential to being responsive to the Congress.

The Congress is being called upon to make monumental decisions regarding what the Federal Government will do and how it will do it. It needs facts about how current programs are working and about how new ones will be working. GAO's mission is to provide that information. To fulfill its mission effectively GAO needs organizational stability, a properly trained staff, and support capability.

This concludes my prepared statement; I will be pleased to answer any questions.