PERFORMANCE PLAN FOR FISCAL YEAR 2008

Mission, Performance Plans, Resources and Strategies

GAO's Mission

GAO is an independent, nonpartisan, professional services agency in the legislative branch of the federal government. Commonly known as the "audit and investigative arm of the Congress" or the "congressional watchdog," we examine how taxpayer dollars are spent and advise lawmakers and agency heads on ways to make government work better.

Our mission is to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. We accomplish our mission by providing reliable information and informed analysis to the Congress, federal agencies, and the public, and we recommend improvements, when appropriate, on a wide variety of issues. Three core values—accountability, integrity, and reliability—form the basis for all of our work, regardless of its origin.

As a legislative branch agency, we are exempt from many laws that apply to the executive branch agencies. However, we generally hold ourselves to the spirit of many of the laws, including the Government Performance and Results Act of 1993 (GPRA). Among other things, GPRA requires "each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency." This section of our budget submission constitutes our performance plan for fiscal year 2008.

Performance Information

To accomplish our mission, we use a strategic planning and management process that is based on the following four strategic goals:

- **Strategic Goal 1:** Provide timely, quality service to the Congress and the federal government to address current and emerging challenges to the well-being and financial security of the American people.

- **Strategic Goal 2:** Provide timely, quality service to the Congress and the federal government to respond to changing security threats and the challenges of global interdependence.

- **Strategic Goal 3:** Help transform the federal government's role and how it does business to meet 21st century challenges.

- **Strategic Goal 4:** Maximize the value of GAO by being a model federal agency and a world-class professional services organization.

Our work is primarily aligned under the first three strategic goals, which span issues that are both domestic and international, affect the lives of all Americans, and influence the extent to which the federal government serves the nation's current and future interests. The fourth goal—our only internal one—is aimed at maximizing our productivity.[1]

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[1]Complete descriptions of the steps in our strategic planning and management process are included in our strategic plan for fiscal years 2004 through 2009, which is available on our Web site at http://www.gao.gov. We plan to update our strategic plan early in calendar year 2007.

For several years, we assessed our performance annually using quantitative performance measures that are related to our work results and the usefulness of those results to our primary client—the Congress. Recently, we expanded our focus to include a more balanced set of performance measures that focus on four key areas—results, clients, people, and internal operations. These categories of measures are briefly described below.[2]

- **Results.** Focusing on results and the effectiveness of the processes needed to achieve them is fundamental to accomplishing our mission. To assess our results, we measure financial benefits, nonfinancial benefits, recommendations implemented, and percentage of new products with recommendations. Financial benefits and nonfinancial benefits provide quantitative and qualitative information, respectively, on the outcomes or results that have been achieved from our work. They often represent outcomes that occurred or are expected to occur over several years. The remaining measures are intermediate outcomes in that they often lead to achieving outcomes that are ultimately captured in our financial and nonfinancial benefits.

- **Clients.** To judge how well we are serving our clients, we count the number of congressional hearings where we are asked to present expert testimony as well as our timeliness in delivering products to the Congress. Our strategy in this area also draws upon a variety of data sources (e.g., our client feedback survey and in-person discussions with congressional staff) to obtain information on the services we are providing to our congressional clients.

- **People.** As our most important asset, our people define our character and capacity to perform. A variety of data sources, including an internal survey, provide information to help us measure how well we are attracting and retaining high-quality staff and how well we are developing, supporting, using, and leading staff.

- **Internal operations.** Our mission and people are supported by our internal administrative services, including information management, building management, knowledge services, human capital, and financial management services. Through an internal customer satisfaction survey, we gather information on how well our internal operations help employees get their jobs done or improve employees' quality of work life.

The results and client measures primarily relate to strategic goals 1 through 3 and the people and internal operations measures primarily relate to goal 4. For all of our measures, we set targets at the agencywide level. Table 24 presents our actual and targeted performance for each of our measures. For three of these measures—financial benefits, nonfinancial benefits, and testimonies—we also set targets at the goal level; the goal-level targets are shown later in this document.

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[2]For more complete descriptions of these measures, refer to our performance and accountability report, which is available on our Web site.

Table 24: Agencywide Annual Measures and Targets

Performance measures	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Target	2008 Target
Results						
Financial benefits (dollars in billions)	$35.4	$44.0	$39.6	$51.0	$40.0	$41.5
Nonfinancial benefits	1,043	1,197	1,409	1,342	1,100	1,150
Past recommendations implemented	82%	83%	85%	82%	80%	80%
New products with recommendations	55%	63%	63%	65%	60%	60%
Client						
Testimonies	189	217	179	240	185	220
Timelinessa	N/A	89%	90%	92%	95%b	95b%
People						
New hire rate	98%	98%	94%	94%	95%c	95%
Acceptance rate	72%	72%	71%	70%	72%c	72%
Retention rate with retirements	92%	90%	90%	90%	90%c	90%
Retention rate without retirements	96%	95%	94%	94%	94%c	94%
Staff development	67%	70%	72%	76%	75%	76%
Staff utilization	71%	72%	75%	75%	78%	78%
Leadership	78%	79%	80%	79%	80%	80%
Organizational climate	71%	74%	76%	73%	76%	76%
Internal operationsd						
Help get job done	3.98	4.01	4.10	N/A	4.0	4.0
Quality of work life	3.96	3.96	3.98	N/A	4.0	4.0

Source: GAO.

Note: Information explaining the measures included in this table appears in the Data Quality and Program Evaluation section.

aSince fiscal year 2004 we have collected data from our client feedback survey on the quality and timeliness of our products, and in fiscal year 2006 we began to use the independent feedback from this survey as a basis for determining our timeliness.

bOur fiscal year 2007 target for timeliness shown above differs from the target we reported for this measure in our fiscal year 2007 performance budget in January 2006. Specifically, we decreased our timeliness target by 3 percentage points to create a challenging target given our new method for calculating this measure.

cOur fiscal year 2007 targets for the first four people measures shown above differ from the targets we reported for these measures in our fiscal year 2007 performance budget in January 2006. Specifically, we lowered the new hire rate target by 2 percentage points and the acceptance rate target by 3 percentage points and decreased by 1 percentage point each of the targets associated with retention rate. We made these adjustments on the basis of our past performance and future budget projections.

dFor our internal operations measures, we will report actual data for fiscal year 2006 once data from our November 2006 internal customer satisfaction survey have been analyzed.

Budgetary Resources

GPRA also requires agencies to briefly describe the operational processes; skills and technology; and the human capital, information, or other resources required to meet the agency's performance goals, which in our case are our performance measures, and to briefly describe the operational processes that will be used to attain the planned performance levels.

Our strategy is largely based on our staff who carry out the work that supports our mission. We maintain a workforce of highly trained professionals with degrees in many academic disciplines, including accounting, law, engineering, public and business administration, economics, and the social and physical sciences. About three-quarters of our approximately 3,200 employees are based at our headquarters in Washington, D.C.; the rest are deployed in 11 field offices across the country. Staff in these field offices are aligned with our research, audit, and evaluation teams and perform work in tandem with our headquarters staff.

Table 25 provides an overview of how our human capital resources (shown as full-time equivalent (FTE) positions) and budgetary resources are allocated among our strategic goals for fiscal years 2006 through 2008.

Table 25: Resources by Strategic Goal, Fiscal Years 2006 through 2008
(Dollars in millions)

Strategic goal	FY 2006 actual		FY 2007 revised		FY 2008 requested	
	FTEs	Amount	FTEs	Amount	FTEs	Amount
Goal 1 Provide timely, quality service to the Congress and the federal government to address current and emerging challenges to the well-being and financial security of the American people.	1,205	$176	1,173	$180	1,213	$193
Goal 2 Provide timely, quality service to the Congress and the federal government to respond to changing threats and the challenges of global interdependence.	992	$145	968	$148	1,000	$160
Goal 3 Help transform the federal government's role and how it does business to meet 21st century challenges.	854	$125	833	$127	860	$137
Goal 4 Maximize the value of GAO by being a model federal agency and a world-class professional services organization.	143	$38	139	$30	144	$40
Total	**3,194**	**$484**	**3,113**	**$485**	**3,217**	**$530**

Source: GAO.

Strategies

Our strategies primarily emphasize providing information from our work to the Congress and the public in a variety of forms and continuing and strengthening our internal operations. Our strategies also emphasize the importance of two overarching approaches: (1) working with other organizations on crosscutting issues and (2) effectively addressing the challenges to achieving our agency's goals and recognizing the internal and external factors that could impair our performance. Through these strategies, which have proven successful for us for a number of years, we plan to achieve the level of performance that is needed to do the work we agreed to do for the Congress (reflected in our qualitative performance goals) and meet our annual performance measures, and that, in turn, will allow us to achieve our strategic goals.

Conducting Engagements

Attaining our three external strategic goals (goals 1, 2, and 3) and their related objectives rests, for the most part, on providing professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced information to support the Congress in carrying out its constitutional responsibilities. To implement the performance goals and key efforts related to these three goals, we develop and present information in a number of ways:

- evaluating federal policies, programs, and the performance of agencies;
- overseeing government operations through financial and other management audits to determine whether public funds are spent efficiently, effectively, and in accordance with applicable laws;
- investigating whether illegal or improper activities are occurring;
- analyzing the financing for government activities;
- conducting various constructive engagements in which we work proactively with agencies, when appropriate, to provide advice that may assist their efforts toward positive results;
- providing legal opinions that determine whether agencies are in compliance with applicable laws and regulations;
- conducting policy analyses to assess needed actions and the implications of proposed actions; and
- providing additional assistance to the Congress in support of its oversight and decision-making responsibilities.

We plan to conduct specific engagements as a result of requests from congressional committees and mandates written into legislation, resolutions, and committee reports. We will augment requested and mandated work with a limited number of engagements initiated under the Comptroller General's authority.[3]

Our staff is responsible for gathering all the relevant data and for following high standards for documenting and supporting the information we collect and analyze. More often than not, we will document this information in a product that we make available to the public. However, in some cases, we will develop products that contain classified or sensitive information that we cannot make available publicly. We generally issue around 1,200 to 1,300 products each year, either electronically or in printed format. Among the products we will issue during fiscal year 2008 will be

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[3]For example, in fiscal year 2006, we devoted 85 percent of our engagement resources to work requested or mandated by the Congress and initiated the remaining 15 percent of the engagement work under the Comptroller General's authority. Much of this work addressed various challenges that are of broad-based interest to the Congress, such as the global war on terrorism, the cost and status of the reconstruction efforts in Iraq, and our reviews related to the 2005 hurricane season. Also covered by this work were government programs and operations that we have identified as at high risk for fraud, abuse, and mismanagement as well as reviews of agencies' budget requests to help support congressional decision making.

- letter reports and chapter reports that when printed, are issued with our traditional blue cover;
- correspondence, which is a written letter that does not have a blue cover;
- testimonies and statements for the record, where the former are delivered orally by one or more of our senior executives at a hearing and the latter are provided for inclusion in the congressional record; and
- oral briefings, which are usually given directly to congressional staff members.

We anticipate that collectively our products will contain information, conclusions, and recommendations that will allow us to achieve our external strategic goals.

Examining Past Work and Service

During fiscal year 2008, we also will continue to examine the impact of our past work and use that information to shape our future work. Specifically, we will evaluate actions taken by federal agencies and the Congress in response to our past recommendations and, if appropriate, document those actions as financial benefits and nonfinancial benefits. We will actively monitor the status of our open recommendations—those that remain valid but have not yet been implemented—and report our findings annually to the Congress and the public (http://www.gao.gov/openrecs.html). Similarly, we will use our biennial high-risk report, which will be updated in January 2007, to provide a status report on major government operations that we consider high risk because they are vulnerable to waste, fraud, abuse, and mismanagement or are in need of broad-based transformation.

To attain our fourth strategic goal, we will conduct surveys of our congressional clients and internal customers to obtain feedback on our products, processes, and services, and perform studies and evaluations to identify ways to improve them.

Soliciting Input from Experts

Through a series of forums, advisory boards, and panels; periodic scans of international and national issues that affect the political and social environment in which we work; and our speakers' series, we will gather information and perspectives for our strategic and annual planning efforts.

Advisory boards and panels will support our strategic and annual work planning by alerting us to issues, trends, and lessons learned across the national and international audit community that we should factor into our work. During fiscal year 2008, these groups will continue to include

- the Comptroller General's Advisory Board, whose 40 members from the public and private sectors have broad expertise in areas related to our strategic objectives;
- the National Intergovernmental Audit Forum and 10 regional intergovernmental audit forums through which we will consult regularly with federal inspectors general and state and local auditors; and
- the Domestic Working Group, which is composed of the Comptroller General and the heads of 18 federal, state, and local audit organizations that exchange information and seek opportunities to collaborate.

We also will continue to work with a number of issue-specific and technical panels to improve our strategic and annual work planning, such as the following:

- The Advisory Council on Government Auditing Standards provides us guidance on promulgating auditing standards. These standards articulate auditors' responsibilities when examining government organizations; programs; activities; functions; and government assistance received by

contractors, nonprofits, and other nongovernmental organizations. The council's work ensured that the revised standards would be generally accepted and feasible.

- The Accountability Advisory Council, made up of experts in the financial management community, advises us on audits of the U.S. government's consolidated financial statements and emerging issues involving financial management and accountability reporting in the public and private sectors.

- The Executive Council on Information Management and Technology, whose 19 members are experts from the public and private sectors and representatives of related professional organizations, helps us to identify high-risk and emerging issues in the information technology (IT) arena.

- The Comptroller General's Educators' Advisory Panel, composed of deans, professors, and other academics from prominent universities across the United States, advises us on recruiting, retaining, and developing staff and on strategic planning matters.

Internationally, we will continue to participate in the International Organization of Supreme Audit Institutions (INTOSAI)—the professional organization of the national audit offices of 186 countries. During the fall of 2004, the INTOSAI Congress unanimously adopted a 5-year strategic plan—the first in INTOSAI's 50-year history—that was developed by a 10-nation task force chaired by the Comptroller General. This plan has provided the foundation for the Governing Board to engage member institutions in advancing professional audit standards and promoting knowledge sharing.

Scheduled events for fiscal years 2007 and 2008 are as follows:

- Accountability Advisory Council (February 2007)
- Forum on Modernizing Disability Policies & Program (March 2007)
- Expert Panel on the Chief Management Officer/ Chief Operating Officer Concept (March 2007)
- Global Working Group Meeting (April 2007)
- Comptroller General Advisory Board Meeting (April 2007)
- Domestic Working Group Meeting (May 2007)
- Forum on the Financial Unsustainability of the Current Health System (Spring 2007)
- Forum on Challenges in Defining and Moving towards a 21st Century National Transportation Policy (Spring 2007)
- Educator's Advisory Council Meeting (June 2007)
- Forum on Risk Management (October 2007)

Collaborating with Other Organizations

By collaborating with others, we plan to continue strengthening professional standards, providing technical assistance, leveraging resources, and developing best practices. For example, to build capacity in the national audit offices around the world, we will continue our international audit fellows program for mid- to senior-level staff from other countries. In 2006, 12 audit fellows from Africa, Asia, Europe, Latin America, and the South Pacific spent about 4 months at GAO learning how we are organized to do our work, how we plan our work, and what methodologies we use, particularly for performance audits. As part of our strategy to promote continuous learning and sustainability once the fellows return to their countries, we are working with major donors—such as the World Bank and the U.S. Agency for International Development—to identify or support relevant capacity-building projects in fellows' institutions. Seven current and eight former auditors general as well as several deputy auditors general, including the current chair of INTOSAI, are graduates of this program.

Collaborative activities undertaken by our staff during 2006 illustrate the activities we will continue in fiscal year 2008. Selected activities are described beginning on page 52 in our performance and accountability report for fiscal year 2006.

<u>Using Our Internal Experts</u>

We coordinate extensively within our own organization in preparing our strategic and annual performance plans, as well as our performance and accountability reports. We conduct our efforts under the overall direction of the Comptroller General and the Chief Operating Officer. We rely on our Chief Administrative Officer—who is also our Chief Financial Officer—and her staff to provide key information, such as the financial information. Her staff also coordinates with others throughout the agency to provide the information on goal 4's results and provides input on other efforts dealing with issues such as financial management, budgetary resources, training, and security. We obtain input on all aspects of our strategic and annual performance planning and reporting efforts from each of our engagement teams and organizational units through their respective managing directors, as well as other staff responsible for planning or engagement activities in the teams. Staff from our Budget Office and our Quality and Continuous Improvement (QCI) office prepare our performance plans. In short, we involve virtually every part of GAO and use our internal expertise in our planning and reporting efforts.

Performance Plans by Strategic Goal

In the following sections, we discuss performance results, strategic objectives and plans for each of our four strategic goals. Specifically, for goals 1, 2, and 3—our external goals—we present performance results for the three annual measures that we assess at the goal level. Most teams and units also contributed to meeting the targets for the agencywide measures that were discussed earlier in this report.

Goal 1's Strategic Objectives and Targets

Our first strategic goal upholds our mission to support the Congress in carrying out its constitutional responsibilities by focusing on work that helps address the current and emerging challenges affecting the well-being and financial security of the American people and American communities. Our strategic objectives under this goal are to provide information that will help address

- the health needs of an aging and diverse population;
- the education and protection of the nation's children;
- the promotion of work opportunities and the protection of workers;
- a secure retirement for older Americans;
- an effective system of justice;
- the promotion of viable communities;
- responsible stewardship of natural resources and the environment; and
- a safe, secure, and effective national physical infrastructure.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at http://www.gao.gov. The work supporting these objectives was performed primarily by headquarters and field office staff in the following teams: Education, Workforce, and Income Security; Financial Markets and Community Investment; Health Care; Homeland Security and Justice; Natural Resources and Environment; and Physical Infrastructure.

To accomplish our work under these strategic objectives in fiscal year 2008, we will conduct engagements, audits, analyses, and evaluations of programs at major federal agencies, such as the Departments of Education, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, and Transportation and develop reports and testimonies on the efficacy and soundness of programs they administer. For example, during fiscal years 2007 and 2008, we anticipate conducting work related to

- collection of oil royalties produced from federal lands,
- climate change policies and programs,
- ecosystem restoration efforts in Florida and Louisiana,
- reauthorization of the Farm Bill and the Substance Abuse and Mental Health Services Administration,
- preparing for bioterrorism and other public health emergencies,
- the Medicare Part D prescription drug benefit program,
- small business lending programs,
- diversity in the size and complexity of the banking and financial services sector,
- the Pension Benefit Guaranty Corporation's single-employer insurance program,
- the Mine Safety and Health Administration's oversight role,
- support for and oversight of school improvement efforts,
- the Social Security Administration's disability programs,
- U.S. Postal Service management and accountability,
- grant funds provided to states for highway safety programs,
- progress in improving the fuel economy of passenger vehicles,
- air traffic control modernization,
- managing federal real property,
- telecommunications and Internet activities of the Federal Communications Commission,
- progress made in transitioning to digital television,
- the prevalence of domestic violence and support services available to victims of such crimes,
- costs of prisons,
- bilingual voting, and
- child support enforcement under bankruptcy.

Table 26 presents our performance results and targets for strategic goal 1.

Table 26: Strategic Goal 1's Annual Performance Results and Targets

Performance measures	2003 actual	2004 actual	2005 actual	2006 actual	2007 target	2008 target
Financial benefits (dollars in billions)	$23.7	$26.6	$15.6	$22.0	$20.2	$21.2
Nonfinancial benefits	217	252	277	268	256	257
Testimonies	80	85	88	97	78	90

Source: GAO.

Goal 2's Strategic Objectives and Targets

The federal government is working to promote foreign policy goals, sound trade polices, and other strategies to advance the interests of the United States and its allies while also seeking to anticipate and address emerging threats to the nation's security and economy. Given the importance of these efforts, our second strategic goal focuses on helping the Congress and the federal government respond

to changing security threats and the challenges of global interdependence. Our strategic objectives under this goal are to support the congressional and federal efforts to

- respond to emerging threats to security,
- ensure military capabilities and readiness,
- advance and protect U.S. international interests, and
- respond to the impact of global market forces on U.S. economic and security interests.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at http://www.gao.gov. The work supporting these objectives is performed primarily by headquarters and field staff in the following teams: Acquisition and Sourcing Management, Defense Capabilities and Management, and International Affairs and Trade. In addition, the work supporting some performance goals and key efforts is performed by headquarters and field staff from the Information Technology, Homeland Security and Justice, Financial Markets and Community Investment, and Natural Resources and Environment teams.

To accomplish our work under these strategic objectives in fiscal year 2008, we will conduct engagements and audits that involve fieldwork related to domestic and international programs in Africa, Asia, Europe, North America, and South America. As in the past, we will develop reports, testimonies, and briefings on our work. For example, during fiscal years 2007 and 2008, we anticipate conducting work related to

- the nation's nuclear weapons stockpile;
- reviews of defense and other budget requests;
- Department of Defense (DOD) weapon system acquisition;
- DOD and National Aeronautics and Space Administration contracting;
- Defense research, development, test, and evaluation projects;
- the Future Combat Systems program;
- the Ballistic Missile Defense System;
- the Joint Strike Fighter;
- Defense program manager empowerment and accountability;
- weapon system investment decisions;
- deployable and mobile command and control systems;
- DOD and prime contractor policies and practices for quality assurance and quality control;
- employment of former DOD acquisition staff by defense contractors;
- protecting critical U.S. technologies from risk of exploitation;
- federal contracting issues;
- Defense infrastructure and inventory management;
- the Army's active and reserve components;
- base realignment and closure;
- readiness of the military services;
- capabilities to counter improvised explosive devises;
- DOD's strategic human capital plan to share and improve its civilian employee workforce;
- the Army's recruitment incentive plans;
- protecting mission-critical infrastructure assets in the United States and overseas;
- stabilizing and rebuilding Iraq and Afghanistan;
- capacity building of foreign governments and security forces;
- U.S. foreign assistance programs;
- U.S. support for global health initiatives;

- efforts to combat terrorism abroad;
- U.S. public diplomacy and international broadcasting efforts;
- passport and visa security procedures;
- multilateral financial institutions;
- U.S. programs to ensure free and fair trade;
- Department of Homeland Security management;
- aviation screening technology;
- commercial vehicle security and hazardous materials drivers;
- railroad freight security;
- maritime security and U.S. Coast Guard international enforcement;
- factors affecting asylum outcomes;
- immigration enforcement; and
- homeland security-related information centers.

Table 27 presents our performance results and targets for strategic goal 2.

Table 27: Strategic Goal 2's Annual Performance Results and Targets

Performance measures	2003 actual	2004 actual	2005 actual	2006 actual	2007 target	2008 target
Financial benefits (dollars in billions)	$7.1	$9.7	$12.9	$12.0	$9.8	$9.8
Nonfinancial benefits	273	369	365	449	290	309
Testimonies	48	70	42	68	52	59

Source: GAO.

Goal 3's Strategic Objectives and Targets

Our third strategic goal focuses on the collaborative and integrated elements needed for the federal government to achieve results. The work under this goal highlights the intergovernmental relationships that are necessary to achieve national goals. Our multiyear (fiscal years 2004-2009) strategic objectives under this goal are to

- reexamine the federal government's role in achieving evolving national objectives;
- support the transformation to results-oriented, high-performing government;
- support congressional oversight of key management challenges and program risks to improve federal operations and ensure accountability; and
- analyze the government's fiscal position and strengthen approaches for addressing the current and projected fiscal gap.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at http://www.gao.gov. The work supporting these objectives is performed primarily by headquarters and field staff from the Applied Research and Methods, Financial Management and Assurance, Information Technology, and Strategic Issues teams. In addition, the work supporting some performance goals and key efforts is performed by headquarters and field staff from the Acquisition and Sourcing Management and Natural Resources and Environment teams. This goal also includes our bid protest and appropriations law work, which is performed by staff in General Counsel, and our fraud investigations, which are conducted by staff from the Financial Management and Assurance team.

To accomplish our work under these four objectives, we plan to conduct audits, evaluations, and analyses in response to congressional requests and to carry out work initiatives under the Comptroller General's authority. As in the past, we will develop reports, testimonies, and briefings on our work. For example, during fiscal years 2007 and 2008, we anticipate conducting work related to

- influenza pandemic issues;
- lessons learned from creating Chief Operating Officer and Chief Management Officer positions;
- the nation's long-term fiscal challenge;
- federal budget processes and controls;
- regulatory issues related to reexamining government;
- 2010 Census plans;
- tax credits and policies;
- reducing the gap between taxes owed and taxes collected;
- congressional oversight efforts;
- fiscal relief to states during future economic downturns;
- targeting Community Development Block Grant funds;
- the effectiveness of the federal government's use of nonprofit entities;
- adjudicating bid protest and Board of Contract Appeals filings;
- the annual consolidated financial audit of the federal government;
- the annual financial audits of the Internal Revenue Service, the Securities and Exchange Commission, and the Federal Deposit Insurance Corporation;
- financial management reform;
- financial system and physical security vulnerabilities;
- fraudulent, wasteful, or abusive spending;
- accountability over tax revenue;
- accounting standards for federal agencies;
- the Federal Bureau of Investigation's Sentinel program;
- the Internal Revenue Service's business systems modernization;
- the Department of Homeland Security's privacy policy;
- the National Archives' electronic records;
- federal agencies' information security policies and procedures;
- the Department of Veterans Affairs' IT realignment effort;
- IT oversight efforts;
- critical cyber infrastructure; and
- border security and immigration control IT programs.

Table 28 presents our performance results and targets for strategic goal 3.

Table 28: Strategic Goal 3's Annual Performance Results and Targets

Performance measures	2003 actual	2004 actual	2005 actual	2006 actual	2007 target	2008 target
Financial benefits (dollars in billions)	$4.7	$7.6	$11.0	$17.0	$10.0	$10.5
Nonfinancial benefits	553	576	767	625	554	584
Testimonies	56	60	47	73	55	71

Source: GAO.

Goal 4's Strategic Objectives

The focus of our fourth strategic goal is to make GAO a model organization. For us, this means that our work is driven by our external clients and internal customers, our manager's exhibit the characteristics of leadership and management excellence, our employees are devoted to ensuring quality in our work process and products through continuous improvement, and our agency is regarded by current and potential employees as an excellent place to work. Our strategic objectives under this goal are to

- improve client and customer satisfaction and stakeholder relationships,
- lead strategically to achieve enhanced results,
- leverage our institutional knowledge and experience,
- enhance GAO's business and management processes, and
- become a professional services employer of choice.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at http://www.gao.gov. The work supporting these objectives, which consists of internal studies and projects, is performed under the direction of the Chief Administrative Officer with assistance on specific key efforts provided by staff from the Applied Research and Methods team and from offices such as Strategic Planning and External Liaison, Congressional Relations, Opportunity and Inclusiveness, QCI, and Public Affairs. For example, during fiscal years 2007 and 2008, we anticipate conducting work related to

- technology and alternative media for communicating our work;
- internal customer and employee satisfaction surveys;
- collaborating with other accountability organizations;
- the International Fellows Program;
- communication and coordination with external stakeholders;
- workforce plan and budget improvements;
- the human capital strategic plan update;
- recruiting, hiring, and retention strategies and processes;
- curricula that support performance management system competencies;
- performance management systems that support market-based pay;
- human capital systems;
- personnel exchanges with the public and private sectors;
- internal control activities;
- financial management system improvements;
- acquisition process improvements;
- enterprise architecture efforts;
- IT life cycle management;
- electronic records management;
- Web-based data, tools, and processes;
- contract management;
- applied research tools and methods;
- prepublication quality assurance and publishing process improvements;
- management information systems upgrades;
- external peer review preparations;
- recommendation follow-up efforts;
- the policy manual update;
- the employee mentoring program;
- compensation and performance management systems;

- student intern development;
- facilities management;
- emergency preparedness planning;
- government standard identity card (Smartcard) technology; and
- the security education and awareness program.

Management Challenges

The Comptroller General, the Executive Committee, and our senior executives identify management challenges through our strategic planning, management, and budgeting processes. We monitor our progress in addressing the challenges through our annual performance and accountability process. Under strategic goal 4, we establish performance goals focused on each of our management challenges, track our progress in completing the key efforts for those performance goals quarterly, and report each year on our progress toward meeting the performance goals.

For fiscal year 2008, we plan to continue addressing three management challenges—physical security, information security, and human capital. We anticipate that we may need to continue to address all three of these management challenges in future years because they are evolving and will continually require us to identify ways to adapt and improve. We revisit the challenges each year and refine them when appropriate. When we believe we have sufficiently addressed these challenges, we will remove them from our list. We will report any changes as we monitor and report on our progress in addressing the challenges through our annual performance and accountability process. The following sections describe our recent and planned efforts to address these challenges.

Physical Security Challenge

We continue to take essential actions to protect our people and our assets to ensure continuity of agency operations. The domestic and international climate demands that we constantly assess our physical security profile and seek ways to improve and strengthen it. For example, we took positive steps in fiscal year 2006 to centralize and strengthen our policies and operations, improve our internal and external communications and information-sharing efforts, and upgrade and enhance our technical capabilities.

To strengthen our internal and external communications and information sharing we will continue to meet regularly with the Legislative Branch Continuity of Operations Plan Working Group as well as the Executive Branch Continuity of Operations Working Group. Our Office of Emergency Preparedness will provide proactive coordination with sister agencies in the legislative branch, executive branch agencies, and local law enforcement in the area of contingency planning and for information- and intelligence-sharing purposes. For example, in fiscal year 2006 we sought to better inform, educate, and prepare our staff by conducting a shelter-in-place drill; conducting awareness activities in September, which was National Preparedness Month; and briefing approximately 1,100 employees in the areas of handling classified information, handling sensitive but unclassified information, shelter in place, identity theft, and espionage.

We plan similar efforts throughout fiscal years 2007 and 2008; however, we will need to complete other initiatives in order to remove this challenge from our list. In fiscal year 2007, we plan to make progress in implementing the Integrated Electronic Security System by installing turnstiles and upgrading the access control and intrusion detection systems for headquarters. In addition, the Office of Emergency Preparedness plans to update the continuity of operations plan; develop and disseminate a pandemic influenza implementation plan; create a working group and establish continuity points of contact throughout GAO to help ensure that the needs of the organization, including GAO's field locations, are

considered in developing and implementing emergency plans; and create an emergency preparedness Web site on GAO's intranet. The smart card technology, a critical component of our physical security efforts, will be implemented no earlier than fiscal year 2008. Another effort planned for fiscal years 2007 through 2009 is developing and communicating a pandemic strategy for the agency.

Information Security Challenge

Information systems security continues to be a critical activity in ensuring our information systems and assets are effectively protected and free from compromise. In fiscal year 2006, we established a wide range of goals and implemented numerous initiatives to address information systems security. However, given the constantly evolving nature of threats to information systems and assets, information security will continue to be a management challenge for us and all government and private sector entities at least through fiscal year 2009.

In fiscal year 2007, we will further address the challenge of keeping our systems and information secure by focusing on data protection using encryption at the desktop, increasing our vigilance of the centralized auditing of network servers and devices to better secure our computing assets within GAO, responding to new and updated security guidance from the National Institute of Standards and Technology and the Office of Management and Budget, refining our security processes and procedures, expanding our capabilities for identity management to better control access to the GAO network, implementing improvements to our contingency operations, and improving our overall ability to respond to changing threats by implementing appropriate new technologies to reduce or manage risks. Some of these efforts will continue into fiscal year 2008.

Some of the efforts we plan for fiscal years 2007 through 2009 are

- upgrading access control and intrusion detection systems for headquarters and the field offices to fully meet the requirements of the Integrated Electronic Security System,
- enhancing and modifying our security education and awareness program based on the information and training needs of our staff, and
- maintaining and enhancing our IT security and emergency preparedness program consistent with evolving security practices to ensure the protection and recovery of IT assets and services.

Human Capital Challenge

The skills, knowledge, and dedication of our workforce make it possible for us to deliver the results and performance expected by our clients and customers. A scan of the strategic environment suggests that competition for talent among knowledge-based organizations will only continue to increase, challenging our ability to maintain a top-notch workforce capable of providing quality products and services to the Congress. To prepare for this competitive environment as well as for the retirement of our "baby boom" employees, we will continue efforts to retain institutional knowledge and experience and enhance our succession planning and talent acquisition efforts.

One of our greatest challenges is maintaining the right mix of experienced and knowledgeable staff to carry out our engagements and meet our clients' needs. We are facing unusual circumstances because of continuity and succession concerns resulting from downsizing and reduced hiring in the 1990s. Currently, over 41 percent of our analysts and related staff have fewer than 5 years of agency experience, requiring increased emphasis on learning and development. To help ensure that our newest entry-level staff acquire the skills they need to become proficient performers as quickly as possible, we will continue to emphasize that they receive the proper training and development during fiscal years 2007 and 2008.

Recruiting, rewarding, and retaining a highly qualified, high-performing, and diverse workforce in today's competitive environment remains one of our most important challenges. In fiscal year 2006, we completed a comprehensive review of our recruitment and hiring activities, resulting in over 40 recommendations, which will begin to be implemented in fiscal year 2007. These efforts will likely continue into fiscal year 2008. Among other things, these recommendations are related to college recruitment strategies; processes for assessing, interviewing, and hiring candidates for employment; and hiring administrative and professional support staff.

While we have made progress in addressing human capital issues, more work remains to be done and we will keep human capital as a management challenge. Some of the key efforts planned in this area for fiscal years 2007 and 2008 are

- implementing the recruitment task force recommendations;
- establishing a community of practice involving senior leadership, recruiters, and human capital professionals to enhance the recruiting and hiring process;
- implementing a voluntary mentoring program to maximize successful development;
- enhancing the leadership development programs to prepare managerial talent;
- improving the integration of human capital metrics systems; and
- increasing the transparency and the staff's knowledge of the market-based compensation process.

Mitigating External Factors That Could Affect Our Performance

Several external factors could affect the achievement of our performance goals, including the amount of resources we receive, shifts in the content and volume of our work, and various national and international developments. Limitations imposed on our work by other organizations or limitations on the ability of other federal agencies to make the improvements we recommend are additional factors that could affect the achievement of our goals.

As the Congress focuses on unpredictable events—such as terrorism, natural disasters, and military conflicts and threats abroad—the mix of work we are asked to undertake may change, diverting our resources from some strategic objectives and performance goals. We can and do mitigate the impact of these events on the achievement of our goals in various ways. For example in fiscal year 2006, we

- stayed abreast of current events (such as protecting our ports and borders and preventing possible pandemics) and communicated frequently with our congressional clients in order to be alert to possibilities that could shift the Congress's priorities or trigger new priorities;
- quickly redirected our resources when appropriate (e.g., on the cost and recovery efforts related to Hurricane Katrina) so that we could deal with major changes as they occurred;
- maintained broad-based staff expertise (i.e., in our Social Security, health care financing, and homeland security areas) so that we could readily address emerging needs; and
- initiated research under the Comptroller General's authority on several selected topics, including various issues relating to Iraq, the U.S. federal elections, and our 21st century challenges and high-risk work.

We are experiencing heavy demand from the Congress for work in a number of subject areas, especially in the disaster recovery and preparedness areas in the aftermath of Hurricane Katrina and in the health care area. Our ability to effectively manage this demand could have an impact on our ability to meet our performance targets. We will continue to manage these requests in order to minimize any negative impact they may have on our ability to meet the needs of the Congress and the American people. Given large current federal budget deficits and the nation's long-range fiscal imbalance, the

Congress is likely to place increasing emphasis on fiscal constraint. Because almost 80 percent of our budget is composed of people-related costs, any serious budget situation will have an impact on our human capital policies and practices and in turn would likely impede our ability to serve the Congress and meet our performance targets.

A growing area for us involves our work on bid protests. As required by law, our General Counsel prepares Comptroller General procurement law decisions that resolve protests filed by disappointed bidders. These bidders challenge the way individual federal procurements are being conducted or how the contracts were awarded. In recent years, we have experienced an increase in the number of bid protests that have been filed, and in fiscal year 2005, the Congress enacted legislation that expanded our authority to allow certain representatives of affected government employees to protest when the private sector wins a private-public competition. We will continue to monitor our workload in this area to ensure that we meet our statutory responsibilities with minimal negative impact on our other work.

Another external factor is the extent to which we can obtain access to certain types of information. With concerns about operational security being unusually high at home and abroad, we may have more difficulty obtaining information and reporting on sensitive issues. Historically, our auditing and information gathering have been limited whenever the intelligence community is involved. In addition, we have not had the authority to access or inspect records or other materials held by other countries or, generally, by the multinational institutions that the United States works with to protect its interests. Consequently, our ability to fully assess the progress being made in addressing several national and homeland security issues may be hampered. Given the heightened security environment, we also anticipate that more of our reports may be subject to classification reviews than in the past, which means that the public dissemination of these products may be limited. We plan to work with the Congress to identify both legislative and nonlegislative opportunities for strengthening our access authority as necessary and appropriate.

Data Quality and Program Evaluation

Verifying and Validating Performance Data

Each year, we measure our performance by evaluating our annual performance on measures that cover the outcomes and outputs related to our work results, client service, and management of our people and internal operations. To assess our performance in fiscal year 2006, we used performance data that were complete and actual (rather than projected) for all of our performance measures. We believe the data to be reliable because we followed the verification and validation procedures described here to ensure the data's quality.

The Annual Performance Measures below contain information on the specific sources of the data for our annual performance measures, procedures for independently verifying and validating these data, and the limitations of these data.

Results Measures

Financial Benefits

Definition and background

Our work—including our findings and recommendations—may produce benefits to the federal government that can be estimated in dollar terms. These benefits can result in better services to the public, changes to statutes or regulations, or improved government business operations. A financial benefit is an estimate of the federal monetary effect of agency or congressional actions. These financial

benefits generally result from work that we completed over the past several years. The funds made available as a result of the actions taken in response to our work may be used to reduce government expenditures, increase revenues, or reallocate funds to other areas. Financial benefits included in our performance measures are net benefits—that is, estimates of financial benefits that have been reduced by the identifiable costs associated with taking the action that we recommended. We convert all estimates involving past and future years to their net present value and use actual dollars to represent estimates involving only the current year. Financial benefit amounts vary depending on the nature of the benefit, and we can claim financial benefits over multiple years based on a single agency or congressional action.

Financial benefits are linked to specific recommendations or other work. To claim that financial benefits have been achieved, our staff must file an accomplishment report documenting that (1) the actions taken as a result of our work have been completed or substantially completed, (2) the actions generally were taken within 2 fiscal years prior to the filing of the accomplishment report, (3) a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed, and (4) generally estimates of financial benefits were based on information obtained from non-GAO sources. Prior to fiscal year 2002, we limited the period over which the benefits from an accomplishment could be accrued to no more than 2 years. Beginning in fiscal year 2002, we extended the period to 5 years for certain types of accomplishments known to have multiyear effects, such as those associated with multiyear reductions in longer term projects, changes embodied in law, program terminations, or sales of government assets yielding multiyear financial benefits. Financial benefits can be claimed for past or future years. In addition, for financial benefits involving events that occur on a regular but infrequent basis—such as the decennial census—we may extend the measurement period until the event occurs in order to compute the associated financial benefits using GAO's present value calculator.

Managing directors decide when their staff can claim financial benefits. A managing director may choose to claim a financial benefit all in 1 year or decide to claim it over several years, especially if the benefit spans future years and the managing director wants greater precision as to the amount of the benefit.

Data sources

Our Accomplishment Reporting System provides the data for this measure. Teams use this Web-based data system to prepare, review, and approve accomplishments and forward them to QCI for its review. Once accomplishment reports are approved, they are compiled by QCI, which annually tabulates total financial benefits agencywide and by goal.

Verification and validation

Our policies and procedures require us to use the Accomplishment Reporting System to record the financial benefits that result from our work. They also provide guidance on estimating those financial benefits. Each team identifies when a financial benefit has occurred as a result of its work. Generally, the team develops estimates based on non-GAO sources, such as the agency that acted on our work, a congressional committee, or the Congressional Budget Office, and files accomplishment reports based on those estimates. The estimates are reduced by significant identifiable offsetting costs. The team develops workpapers to support accomplishments with evidence that meets our evidence standard, supervisors review the workpapers, and an independent person within GAO reviews the accomplishment report. The team's managing director or director is authorized to approve financial accomplishment reports with benefits of less than $100 million.

The team forwards the report to QCI, which reviews all accomplishment reports and approves accomplishment reports claiming benefits of $100 million or more. QCI provides summary data on approved financial benefits to unit managers, who check the data regularly to ensure that approved accomplishments submitted by their staff have been accurately recorded. Our Engagement Reporting System also contains accomplishment data for the fiscal year. In fiscal year 2006, QCI approved accomplishment reports covering 96 percent of the dollar value of financial benefits we reported.

Every year, our Office of Inspector General (IG) reviews accomplishment reports that claim benefits of $500 million or more. In addition, on a periodic basis, the IG independently tests compliance with our process for claiming financial benefits of less than $500 million. For example, the IG reviewed fiscal year 2006 financial benefits of $100 million or more. The IG suggested clarification to certain policies for claiming financial benefits and improvements to documenting accomplishment reports. We clarified our guidance and will update our policy manual in fiscal year 2007.

Data limitations

Not every financial benefit from our work can be readily estimated or documented as attributable to our work. As a result, the amount of financial benefits is a conservative estimate. Estimates are based on information from non-GAO sources and are based on both objective and subjective data, and as a result, professional judgment is required in reviewing accomplishment reports. We feel that the verification and validation steps that we take minimize any adverse impact from this limitation.

Nonfinancial Benefits

Definition and background

Our work—including our findings and recommendations—may produce benefits to the federal government that cannot be estimated in dollar terms. These nonfinancial benefits can result in better services to the public, changes to statutes or regulations, or improved government business operations. Nonfinancial benefits generally result from work that we completed over the past several years.

Nonfinancial benefits are linked to specific recommendations or other work that we completed over several years. To claim that nonfinancial benefits have been achieved, staff must file an accomplishment report documenting that (1) the actions taken as a result of our work have been completed or substantially completed, (2) the actions generally were taken within the past 2 fiscal years of filing the accomplishment report, and (3) a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed.

Data sources

Our Accomplishment Reporting System provides the data for this measure. Teams use this automated system to prepare, review, and approve accomplishments and forward them to QCI for its review. Once accomplishment reports are approved, they are compiled by QCI, which annually tabulates total nonfinancial benefits agencywide and by goal.

Verification and validation

Our policies and procedures require us to use the Accomplishment Reporting System to record the nonfinancial benefits that result from our findings and recommendations. Staff in the teams file accomplishment reports to claim that benefits have resulted from their work. The team develops workpapers to support accomplishments with evidence that meets our evidence standard. Supervisors

review the workpapers; an independent person within GAO reviews the accomplishment report; and the team's managing director or director approves the accomplishment report to ensure the appropriateness of the claimed accomplishment, including attribution to our work.

The team forwards the report to QCI, where it is reviewed for appropriateness. QCI provides summary data on nonfinancial benefits to unit managers, who check the data regularly to ensure that approved accomplishments from their staff have been accurately recorded. Additionally, on a periodic basis, the IG independently tests compliance with our process for claiming nonfinancial benefits. For example, the IG tested this process in fiscal year 2005 and concluded it was reasonable. The IG also suggested actions to strengthen documentation of our nonfinancial benefits and to encourage the timely processing of the supporting accomplishment reports.

Data limitations

The data may be underreported because we cannot always document a direct cause-and-effect relationship between our work and benefits it produced. However, we feel that this is not a significant limitation on the data because the data represent a conservative measure of our overall contribution toward improving government.

Percentage of Products with Recommendations

Definition and background

We measure the percentage of our written products (chapter and letter reports and numbered correspondence) issued in the fiscal year that included at least one recommendation. We make recommendations that specify actions that can be taken to improve federal operations or programs. We strive for recommendations that are directed at resolving the cause of identified problems; that are addressed to parties who have the authority to act; and that are specific, feasible, and cost-effective. Some products we issue contain no recommendations and are strictly informational in nature.

We track the percentage of our written products that are issued during the fiscal year and contain recommendations. This indicator recognizes that our products do not always include recommendations and that the Congress and agencies often find such informational reports just as useful as those that contain recommendations. For example, informational reports, which do not contain recommendations, can help to bring about significant financial and nonfinancial benefits.

Data sources

Our Documents Database records recommendations as they are issued. The database is updated daily. As our staff monitor implementation of recommendations, they submit updated information to the database.

Verification and validation

Through a formal process, each team identifies the number of recommendations included in each product and an external contractor enters them into a database. We provide our managers with reports on the recommendations being tracked to help ensure that all recommendations have been captured and that each recommendation has been completely and accurately stated. Additionally, on a periodic basis, the IG independently tests the teams' compliance with our policies and procedures related to this performance measure. For example, during fiscal year 2006, the IG tested our process for determining

the percentage of written products with recommendations and concluded that it was reasonable. The IG also suggested actions to improve the process for developing, compiling, and reporting these statistics.

Data limitations

This measure is a conservative estimate of the extent to which we assist the Congress and federal agencies because not all products and services we provide lead to recommendations. For example, the Congress may request information on federal programs that is purely descriptive or analytical and does not lend itself to recommendations.

Past Recommendations Implemented

Definition and background

We make recommendations designed to improve the operations of the federal government. For our work to produce financial or nonfinancial benefits, the Congress or other federal agencies must implement these recommendations. As part of our audit responsibilities under generally accepted government auditing standards, we follow up on recommendations we have made and report to the Congress on their status. Experience has shown that it takes time for some recommendations to be implemented. For this reason, this measure is the percentage rate of implementation of recommendations made 4 years prior to a given fiscal year (e.g., the fiscal year 2006 implementation rate is the percentage of recommendations made in fiscal year 2002 products that were implemented by the end of fiscal year 2006). Experience has shown that if a recommendation has not been implemented within 4 years, it is not likely to be implemented.

This measure assesses action on recommendations made 4 years previously, rather than the results of our activities during the fiscal year in which the data are reported. For example, the cumulative percentage of recommendations made in fiscal year 2002 that were implemented in the ensuing years is as follows: 14 percent by the end of the first year (fiscal year 2003), 31 percent by the end of the second year (fiscal year 2004), 46 percent by the end of the third year (fiscal year 2005), and 82 percent by the end of the fourth year (fiscal year 2006).

Data sources

Our Documents Database records recommendations as they are issued. The database is updated daily. As our staff monitor implementation of recommendations, they submit updated information to the database.

Verification and validation

Through a formal process, each team identifies the number of recommendations included in each product, and an external contractor enters them into a database.

Policies and procedures specify that our staff must verify, with sufficient supporting documentation, that an agency's reported actions are adequately being implemented. Staff update the status of the recommendations periodically. To accomplish this, our staff may interview agency officials, obtain agency documents, access agency databases, or obtain information from an agency's Office of Inspector General. Recommendations that are reported as implemented are reviewed by a senior executive in the unit and by QCI.

Summary data are provided to the units that issued the recommendations. The units check the data regularly to make sure the recommendations they have reported as implemented have been accurately recorded. We also provide the Congress access to a database with the status of recommendations that have not been implemented, and we maintain a publicly available database of open recommendations that is updated daily.

Additionally, on a periodic basis, the IG independently tests our process for calculating the percentage of recommendations implemented for a given fiscal year. For example, the IG determined that our process was reasonable for calculating the percentage of recommendations that had been made in our fiscal year 2002 products and implemented by the end of fiscal year 2006. The IG also suggested actions to improve the process for developing, compiling, and reporting this statistic.

Data limitations

The data may be underreported because sometimes a recommendation may require more than 4 years to implement. We also may not count cases in which a recommendation is partially implemented. However, we feel that this is not a significant limitation to the data because the data represent a conservative measure of our overall contribution toward improving government.

Client Measures

Testimonies

Definition and background

The Congress may ask us to testify at hearings on various issues. Participation in hearings is one of our most important forms of communication with the Congress, and the number of hearings at which we testify reflects the importance and value of our institutional knowledge in assisting congressional decision making. When multiple GAO witnesses with separate testimonies appear at a single hearing, we count this as a single testimony.

This measure does not include statements for the record that we prepare for congressional hearings. This measure may be influenced by factors other than the quality of our performance in any specific year. The number of hearings held each year depends on the Congress's agenda, and the number of times we are asked to testify may reflect congressional interest in work in progress as well as work completed that year or the previous year. We try to adjust our target to reflect cyclical changes in the congressional schedule. We also outreach continually to our clients to increase their awareness of our readiness to participate in hearings.

Data sources

The data on hearings at which we testify are compiled in our congressional hearing system, which is managed by staff in our Congressional Relations office.

Verification and validation

The units responding to requests for testimony are responsible for entering data in the congressional hearing system. After a GAO witness has testified at a hearing, our Congressional Relations office verifies that the data in the system are correct and records the hearing as one at which we testified. The Congressional Relations office provides weekly status reports to unit managers, who check ensure the data are complete and accurate. Additionally, on a periodic basis, the IG independently examines

the process for recording the number of hearings at which we testified. For example, the IG determined that our process for recording hearings during fiscal year 2006 was reasonable.

Data limitations

None.

Timeliness

Definition and background

The likelihood that our products will be used is enhanced if they are delivered when needed to support congressional and agency decision making. To determine whether our products are timely, we compute the proportion of favorable responses to questions related to timeliness from our electronic client feedback survey. Because our products often have multiple requesters, we often survey more than one congressional staff person per product. Thus, we base our timeliness result on the surveys sent out for key products issued during the fiscal year. We send a survey to key staff working for the requesters of our testimony statements and a survey to requesters of our more significant written products—specifically, engagements assigned an interest level of "high" by our senior management and those requiring an investment of 500 GAO staff days or more. One question on each survey asks the respondent whether the product was delivered on time. When a product that meets our survey criteria is released to the public, we electronically send relevant congressional staff an e-mail message containing a link to a survey. When this link is accessed, the survey recipient is asked to respond to the questions using a five-point scale—strongly agree, generally agree, neither agree nor disagree, generally disagree, or strongly disagree—or choose "not applicable/no answer." For this measure, favorable responses are "strongly agree" and "generally agree."

Data sources

To identify the products that meet our survey criteria (all testimonies and other products that are high interest or involve 500 staff days or more), we run a query against GAO's Documents Database maintained by a contractor. To identify appropriate recipients of the survey for products meeting our criteria, we ask the engagement teams to provide in GAO's Product Numbering Database e-mail addresses for congressional staff serving as contacts on a product. Relevant information from both of these databases is fed into our Product by Product Survey Approval Database that is managed by QCI. This database then combines product, survey recipient, and data from our Congressional Relations staff and creates an e-mail message with a Web link to a survey. (Congressional Relations staff serve as the GAO contacts for survey recipients.) The e-mail message also contains an embedded client password and unique client identifier to ensure that a recipient is linked with the appropriate survey. Our Congressional Feedback Database creates a survey record with the product title and number and captures the responses to every survey sent back to us electronically.

Verification and validation

QCI staff review a hard copy of a released GAO product or access its electronic version to check the accuracy of the addressee information in the Product by Product Survey Approval Database. QCI staff also check the congressional staff directory to ensure that survey recipients listed in the Product by Product Survey Approval Database appear there. In addition, our Congressional Relations staff review the list of survey recipients entered by the engagement teams and identify the most appropriate congressional staff person to receive a survey for each requester. Survey e-mail messages that are inadvertently sent with incorrect e-mail addresses automatically reappear in the survey approval

system. When this happens, QCI staff correct any obvious typing errors and resend the e-mail message or contact the congressional staff person directly for the correct e-mail address and then resend the message.

Data limitations

We do not measure the timeliness of all of our external products because we do not wish to place too much burden on busy congressional staff. Testimonies and written products that meet our criteria for this measure represent more than 50 percent of the congressionally requested products we issued during fiscal year 2006. We exclude from our timeliness measure low- and medium-interest reports requiring fewer than 500 staff days to complete, reports addressed to agency heads or commissions, some reports mandated by the Congress, classified reports, and reports completed under the Comptroller General's authority. Also, if a requester indicates that he or she does not want to complete any surveys, we will not send a survey to this person again, even though a product subsequently requested meets our criteria. The response rate for our client feedback survey is about 28 percent. We received comments from one or more people for 53 percent of the products for which we sent surveys.

People Measures

New Hire Rate

Definition and background

This performance measure is the ratio of the number of people hired to the number we planned to hire. Annually, we develop a workforce plan that takes into account projected workload changes as well as other changes, such as retirements, other attrition, promotions, and skill gaps. The workforce plan for the upcoming year specifies the number of planned hires and specifies the skill type and the level for each new hire. The plan is conveyed to each of our units to guide hiring throughout the year. Progress toward achieving the workforce plan is monitored monthly by the Chief Operating Officer and the Chief Administrative Officer. Adjustments to the workforce plan are made throughout the year, if necessary, to reflect changing needs and conditions.

Data sources

The Executive Committee approves the workforce plan. The workforce plan is coordinated and maintained by the Chief Administrative Office. Data on accessions—that is, new hires coming on board—is taken from a database that contains employee data from the Department of Agriculture's National Finance Center (NFC), which handles payroll and personnel data for GAO and other agencies.

Verification and validation

The Chief Administrative Office maintains a database that monitors and tracks all our hiring offers, declinations, and accessions. In coordination with our Human Capital Office, our Chief Administrative Office staff input workforce information supporting this measure into the Chief Administrative Office database. While the database is updated each day, monthly reports are provided to the Chief Operating Officer and the Chief Administrative Officer so they can monitor progress by GAO units in achieving workforce plan hiring targets. The Chief Administrative Office continually monitors and reviews accessions maintained in the NFC data against its database to ensure consistency and to resolve discrepancies. The office follows up on any discrepancies. In addition, on a periodic basis, the IG examines our process for calculating the new hire rate. During fiscal year 2004, the IG independently reviewed this process and found it to be reasonable. The IG also suggested actions to improve the

documentation of the process used to calculate this measure. We have implemented the IG's suggestions.

Data limitations

There is a lag of one to two pay periods (up to 4 weeks) before the NFC database reflects actual data. We generally allow sufficient time before requesting data for this measure to ensure that we get accurate results.

Acceptance Rate

Definition and background

This measure is the ratio of the number of applicants accepting offers to the number of offers made. Acceptance rate is a proxy for GAO's attractiveness as an employer and an indicator of our competitiveness in bringing in new talent.

Data sources

The information required is the number of job offers made (excluding those for interns, experts/consultants, and reemployed annuitants), the number of offers declined, and the number of individuals who come on board. Our Chief Administrative Office staff maintain a database that contains the job offers made and accepted or declined. Data on accessions—that is, new hires coming on board—are taken from a database that contains employee data from the Department of Agriculture's NFC, which handles payroll and personnel data for GAO and other agencies.

Verification and validation

Human capital managers in the Human Capital Office work with the Chief Administrative Office staff to ensure that each job offer made and its outcome (declination or acceptance) is noted in the database that is maintained by Chief Administrative Office staff; periodic checking is performed to review the accuracy of the database. In addition, on a periodic basis, the IG examines our process for calculating the acceptance rate. During fiscal year 2004, the IG independently reviewed this process and found it to be reasonable. The IG also suggested actions to improve the documentation of the process used to calculate this measure and the reporting of this measure. We have implemented the IG's suggestions.

Data limitations

See New hire rate, Data limitations.

Retention Rate

Definition and background

We continuously strive to make GAO a place where people want to work. Once we have made an investment in hiring and training people, we would like to retain them. This measure is one indicator that we are attaining that objective and is the inverse of attrition. We calculate this measure by taking 100 percent of the onboard strength minus the attrition rate, where attrition rate is defined as the number of separations divided by the average onboard strength. We calculate this measure with and without retirements.

Data sources

Data on retention—that is, people who are on board at the beginning of the fiscal year and are still here at the end of the fiscal year as well as the average number of people on board during the year—are taken from a Chief Administrative Office database that contains some data from NFC, which handles payroll and personnel data for GAO and other agencies.

Verification and validation

Chief Administrative Office staff continually monitor and review accessions and attritions against the contents of their database that contains NFC data and follow up on any discrepancies. In addition, on a periodic basis, the IG examines our process for calculating the retention rate. During fiscal year 2004, the IG reviewed this process and found it to be reasonable. The IG also suggested actions to improve the documentation of the process used to calculate this measure. We have implemented the IG's suggestions.

Data limitations

See New hire rate, Data limitations.

Staff Development

Definition and background

One way that we measure how well we are doing and identify areas for improvement is through our annual employee feedback survey. This Web-based survey, which is conducted by an outside contractor to ensure the confidentiality of every respondent, is administered to all of our employees once a year. Through the survey, we encourage our staff to indicate what they think about GAO's overall operations, work environment, and organizational culture and how they rate our managers—from immediate supervisors to the Executive Committee—on key aspects of their leadership styles. The survey consists of over 100 questions.

This measure is based on staff's favorable responses to three of the six questions related to staff development on our annual employee survey. This subset of questions was selected on the basis of senior management's judgment about the questions' relevance to the measure and specialists' knowledge about the development of indexes. Staff were asked to respond to three questions on a five-point scale or choose "no basis to judge/not applicable" or "no answer."

Data sources

These data come from our staff's responses to an annual Web-based survey. Two of the survey questions we used for this measure ask staff how much positive or negative impact (1) external training and conferences and (2) on-the-job training had on their ability to do their jobs during the last 12 months. From the staff who expressed opinions, we calculated the percentage of staff selecting the two categories that indicate satisfaction with or a favorable response to the question. For this measure, the favorable responses were either "very positive impact" or "generally positive impact." In addition, one survey question asks staff how useful and relevant internal (Learning Center) training courses are to their work. From staff who expressed opinions, we calculated the percentage of staff selecting the three categories that indicate satisfaction with or a favorable response to the question. For this measure, the favorable responses were "very greatly useful and relevant," "greatly useful and relevant," and "moderately useful and relevant."

Verification and validation

The employee feedback survey gathers staff opinions on a variety of topics. The survey is password protected, and only the outside contractor has access to passwords. In addition, when the survey instrument was developed, extensive focus groups and pretests were undertaken to refine the questions and provide definitions as needed. We have historically achieved a high response rate (over 80 percent) to the survey, which indicates that its results are largely representative of the GAO population. In addition, many teams and work units conduct follow-on work to gain a better understanding of the information from the survey.

In addition, on a periodic basis, the IG independently examines our process for calculating the percentage of favorable responses for staff development. The IG examined this process during fiscal year 2004 and found it to be reasonable. The IG also suggested actions to improve the documentation of the process used to calculate this measure. We have implemented the IG's suggestions.

Data limitations

The information contained in the survey is the self-reported opinions of staff expressed under conditions of confidentiality. Accordingly, there is no way to further validate those expressions of opinion.

The practical difficulties of conducting any survey may introduce errors, commonly referred to as nonsampling errors. These errors could result from, for example, respondents misinterpreting a question or data entry staff incorrectly entering data into a database used to analyze the survey responses. Such errors can introduce unwanted variability into the survey results. We took steps in the development of the survey to minimize nonsampling errors. Specifically, when we developed the survey instrument we held extensive focus groups and pretests to refine the questions and define terms used to decrease the chances that respondents would misunderstand the questions. We also limited the chances of introducing nonsampling errors by creating a Web-based survey for which respondents entered their answers directly into an electronic questionnaire. This approach eliminated the need to have the data keyed into a database by someone other than the respondent, thus removing an additional source of error.

Staff Utilization

Definition and background

This measure is based on staff's favorable responses to three of the six questions related to staff utilization on our annual employee survey. This subset of questions was selected on the basis of senior management's judgment about the questions' relevance to the measure and specialists' knowledge about the development of indexes. Staff were asked to respond to these three questions on a five-point scale or choose "no basis to judge/not applicable" or "no answer." (For background information about our entire employee feedback survey, see Staff development.)

Data sources

These data come from our staff's responses to an annual Web-based survey. The survey questions we used for this measure ask staff how often the following occurred in the last 12 months: (1) my job made good use of my skills; (2) GAO provided me with opportunities to do challenging work; and (3) in general, I was utilized effectively. From the staff who expressed opinions, we calculated the percentage of staff selecting the two categories that indicate satisfaction with or a favorable response to the

question. For this measure, the favorable responses were either "very positive impact" or "generally positive impact."

Verification and validation

See Staff development, Verification and validation.

Data limitations

See Staff development, Data limitations.

Leadership

Definition and background

This measure is based on staff's favorable responses to 10 of 20 questions related to six areas of leadership on our annual employee survey. This subset of questions was selected on the basis of senior management's judgment about the questions' relevance to the measure and specialists' knowledge about the development of indexes. Specifically, our calculation included responses to 1 of 4 questions related to empowerment, 2 of 4 questions related to trust, all 3 questions related to recognition, 1 of 3 questions related to decisiveness, 2 of 3 questions related to leading by example, and 1 of 3 questions related to work life. Staff were asked to respond to these 10 questions on a five-point scale or choose "no basis to judge/not applicable" or "no answer." (For background information about our entire employee feedback survey, see Staff development, Definition and background.)

Data sources

These data come from our staff's responses to an annual Web-based survey. The survey questions we used for this measure ask staff about empowerment, trust, recognition, decisiveness, leading by example, and work life as they pertain to the respondent's immediate supervisor. For example, we looked at the responses related to specific qualities of our managers, such as "My immediate supervisor gave me the opportunity to do what I do best" and "My immediate supervisor provided meaningful incentives for high performance." From the staff who expressed opinions, we calculated the percentage of staff selecting the two categories that indicate satisfaction with or a favorable response to the question. For this measure, the favorable responses were either "always or almost always" or "most of the time."

Verification and validation

See Staff development, Verification and validation.

Data limitations

See Staff development, Data limitations.

Organizational Climate

Definition and background

This measure is based on staff's favorable responses to 5 of the 13 questions related to organizational climate on our annual employee survey. This subset of questions was selected on the basis of senior management's judgment about the questions' relevance to the measure and specialists' knowledge

about the development of indexes. Staff were asked to respond to these 5 questions on a five-point scale or choose "no basis to judge" or "no answer." (For background information about our entire employee feedback survey, see Staff development.)

Data sources

These data come from our staff's responses to an annual Web-based survey. The survey questions we used for this measure ask staff to think back over the last 12 months and indicate how strongly they agree or disagree with each of the following statements: (1) a spirit of cooperation and teamwork exists in my work unit; (2) I am treated fairly and with respect in my work unit; (3) my morale is good; (4) sufficient effort is made in my work unit to get the opinions and thinking of people who work here; and (5) overall, I am satisfied with my job at GAO. From the staff who expressed opinions, we calculated the percentage of staff selecting the two categories that indicate satisfaction with or a favorable response to the question. For this measure, the favorable responses were either "strongly agree" or "generally agree."

Verification and validation

See Staff development, Verification and validation.

Data limitations

See Staff development, Data limitations.

Internal Operations Measures

Help Get Job Done and Quality of Work Life

Definition and background

From an annual employee survey, we calculate a composite score from questions related to how well internal processes help employees get their jobs done and how these processes affect employees' quality of work life. To measure satisfaction with 31 internal administrative services and solicit ideas on ways to improve them, we administer an annual survey that asks employees to rate, on a scale of 1 (low) to 5 (high), those services that are important to them and that they have experience with or used recently. Then, for each selected service, employees are asked to indicate their level of satisfaction (from 1 to 5), and provide a written reason for their rating and recommendations for improvement if desired. This Web-based survey covers 21 work-related services and 10 quality of work life areas and is conducted by an outside contractor.

Data sources

To determine how satisfied GAO employees are with internal operations, we calculate composite scores for two measures. One measure reflects the satisfaction with the 21 services that help employees get their jobs done. These services include Internet and intranet services, IT customer support, mail services, and voice communication services. The second measure reflects satisfaction with another 10 services that affect quality of work life. These services include assistance related to pay and benefits, building maintenance and security, and workplace safety and health. The composite score represents how employees rated their satisfaction with services in each of these areas relative to how they rated the importance of those services to them. The importance scores and satisfaction levels are both rated on a scale of 1 (low) to 5 (high).

Verification and validation

The survey is housed on a Web site maintained by an outside contractor, and only the contractor has access to the password-protected results. We analyze the results by demographic representation (unit, tenure, location, band level, and job type) to ensure that the results are largely representative of the GAO population. In addition, each GAO unit responsible for administrative services conducts follow-on work, including analyzing the written comments to gain a better understanding of the information from the survey.

Data limitations

The information contained in the survey is self-contained. Therefore, there is no information with which to validate the views expressed by staff. We do not plan any actions to remedy this limitation because we feel it would violate the pledge of confidentiality that we make to our staff regarding the survey responses.

Program Evaluation

To assess our progress toward our first three strategic goals and their objectives and to update them for our strategic plan, we evaluate actions taken by federal agencies and the Congress in response to our recommendations. The results of these evaluations are conveyed in our performance and accountability report as financial benefits and nonfinancial benefits that reflect the value of our work. In addition, we actively monitor the status of our open recommendations—those that remain valid but have not yet been implemented—and report our findings annually to the Congress and the public (http://www.gao.gov/openrecs.html). We use the results of that analysis to determine the need for further work in particular areas. For example, if an agency has not implemented a recommended action that we consider worthwhile, we may decide to pursue further action with agency officials or congressional committees, or we may decide to undertake additional work on the matter.

We also use our biennial high-risk series to provide a status report on those major government operations considered high risk because of their vulnerabilities to waste, fraud, abuse, and mismanagement or the need for broad-based transformation. The series is a valuable evaluation and planning tool because it helps us to identify those areas where our continued efforts are needed to maintain the focus on important policy and management issues that the nation faces. (See www.gao.gov/docsearch/featured/highrisk.html.)

In fiscal year 2006, we reviewed several of our performance measures to ascertain whether the measures were effectively achieving desired results. Because of this review, we modified our measure of timeliness and eliminated as a measure the extent to which we have achieved our multiyear qualitative performance goals. We plan to continue to study and refine our performance measures when warranted. Examples of studies completed in fiscal year 2006 are included in our performance and accountability report.

During fiscal year 2008, we plan to obtain our second peer review of our performance audits. We anticipate that this review—like the one in 2004—will be conducted by an international team representing national audit offices. In addition, we plan to obtain a peer review of financial audits. Among other things, these reviews will allow us to comply with governmentwide auditing standards.