



Highlights of [GAO-03-1167T](#), a testimony before the Senate Committee on Governmental Affairs

Why GAO Did This Study

The Committee sought GAO's views on GAO's accomplishments, challenges, and opportunities for its oversight hearing. The Committee also sought GAO's views on its latest human capital proposal, which has been introduced in the Senate as S. 1522.

What GAO Recommends

GAO recommends that the Committee act on S. 1522 promptly and that the Congress enact the GAO Human Capital Reform Act of 2003 before it adjourns this year.

GAO believes that its latest human capital proposal is both well reasoned and reasonable. There are compelling reasons why GAO ought to be given this additional human capital authority. These include the fact that GAO already has a hybrid pay system established by the authority that the Congress granted it over two decades ago, the proposal is modest if viewed in light of authorities granted and requested by other agencies, and GAO already has a number of key systems and safeguards in place and has plans to build in additional safeguards.

GAO has conducted extensive external and internal outreach efforts on this proposal. GAO respectfully requests the Committee's support and prompt passage by the Congress.

www.gao.gov/cgi-bin/getrpt?GAO-03-1167T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Gene Dodaro at (202) 512-5600 or dodarog@gao.gov.

GAO

Transformation, Challenges, and Opportunities

What GAO Found

As an arm of the legislative branch, GAO exists to support the Congress in meeting its constitutional responsibilities to improve the performance and ensure the accountability of the federal government for the American people. Established in 1921 by the Budget and Accounting Act to follow the federal dollar and ensure that it is spent in an economical, efficient, and effective manner, GAO has evolved over its 82-year history to meet the changing needs of the Congress and the nation. Faced with a budgetary reduction in the mid-1990s that had to be implemented over a 2-year period, GAO undertook measures that, while necessary, also increased the risk that the agency would not be positioned well to serve the Congress in the future.

To effectively position itself for the future, GAO has been undergoing a major transformation effort over the past 4 years that even in the best of organizations takes 7 or more years to implement. Based on its strategic plan developed in consultation with the Congress, GAO's effort is focused on three specific areas: achieving results, serving the client, and investing in people. GAO has realigned the agency to eliminate a management layer, consolidate 35 issue areas into 13 teams, and reduce its field offices from 16 to 11. Today, GAO is a significantly smaller organization—40 percent smaller than in 1992—with slightly over 3,250 staff on board. GAO has worked with its appropriations committees to obtain targeted funding for such particularly acute risk areas as human capital and information technology. GAO also launched a range of internal and external initiatives that have helped it become more strategic, results-oriented, partnerial, integrated, flexible, responsive, employee-oriented, and externally focused. Since 1998, GAO's work has produced a steady increase in financial benefits and nonfinancial benefits including many improvements in government operations. For example, in fiscal year 2002, GAO's work helped achieve \$37.7 billion in financial benefits—a \$88 return for every dollar invested in GAO. In addition, GAO's work informed the debate and the resulting legislation relating to such areas as our nation's national security, homeland security, economic security, and the financial security of Americans.

GAO faces a number of challenges. Issues that GAO is either watching closely and/or believes require congressional attention include supply and demand imbalances, unfunded mandates, access to records, the Deputy Comptroller General selection process, performance and accountability community coordination, and additional bid protest volume. S. 1522, the GAO Human Capital Reform Act of 2003, which mirrors H.R. 2751, which has been marked-up and reported to the full House Government Reform Committee, is urgently needed to help address GAO's challenges. Some specific initiatives that the Comptroller General plans to focus on for the future include helping the Congress address challenges relating to the long-term fiscal outlook, transforming government and how government does business, and making GAO the federal employer of choice and the gold standard for a world class professional services organization.