



Highlights of [GAO-05-574T](#), a testimony before the Chairman, Subcommittee on Federal Financial Management, Government Information, and International Security, Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Did This Study

As part of its work to improve the management and performance of the federal government, GAO monitors progress and continuing challenges related to the President's Management Agenda (PMA). The Administration has looked to GAO's high-risk program to help shape various governmentwide initiatives, including the PMA. GAO remains committed to working with the Congress and the Administration to help address these important and complex issues.

What GAO Recommends

We are not making any new recommendations in this testimony. Serious and sustained efforts are needed to improve the management and performance of federal agencies and to ensure accountability. To accomplish this, a governmentwide performance plan could help to institutionalize a focus on planning and managing for results while building on the administration's efforts to assess progress and contribute to efforts to compare results across similar programs. In addition, a governmentwide strategic plan, informed by a set of key national indicators to assess the government's performance, position, and progress, could provide an additional tool for governmentwide reexamination of existing, as well as new, programs. The PMA provides a valuable foundation for a fundamental review needed to address a range of 21st Century challenges.

www.gao.gov/cgi-bin/getrpt?GAO-05-574T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact George Stalcup at (202) 512-6806 or stalcupg@gao.gov.

MANAGEMENT REFORM

Assessing the President's Management Agenda

What GAO Found

The administration's implementation of the PMA has been a very positive initiative. It has served to raise the visibility of key management challenges, increased attention to achieving outcome-based results, and reinforced the need for agencies to focus on making sustained improvements in addressing long-standing management problems, including items on GAO's high-risk list. Our work shows that agencies have made progress in the areas covered by the PMA, and the Office of Management and Budget (OMB) has indicated it will continue to focus on high-risk areas during the President's second term. Importantly, OMB needs to place additional attention on the Department of Defense's (DOD) many high-risk areas and overall business transformation efforts. While considerable progress has been made in connection with PMA issues, a number of significant challenges remain.

- In the area of financial performance, the PMA recognizes the importance of timely, accurate and useful financial information and sound internal control. Agencies made significant progress in meeting accelerated financial statement reporting deadlines, and OMB has refocused attention on improving internal controls. However, agencies face several challenges—improvement lags on financial management reforms, especially at DOD which must overhaul its financial management and business operations.
- The PMA established a separate initiative for improper payments to ensure that agency managers are held accountable for meeting the goals of the Improper Payments Information Act of 2002. Effective implementation of this Act will be an important step toward addressing this area, which involves tens of billions of dollars.
- The PMA recognizes that people are an important organizational asset. A governmentwide framework for advancing human capital reform is needed to avoid further fragmentation within the civil service, ensure management flexibility as appropriate, allow a reasonable degree of consistency, provide adequate safeguards within the overall civilian workforce, and help maintain a level playing field among federal agencies competing for talent.
- The initiative to integrate management and performance issues with budgeting is critical for progress in government performance and management. OMB's Program Assessment Rating Tool (PART) is designed to use results-oriented information to assess programs in the budget formulation process. However, more should be done to assess how each program fits within the broad portfolio of tools and strategies used to accomplish federal missions.
- Many e-government initiatives are showing tangible results. However, the government continues to face challenges, such as establishing a federal enterprise architecture intended to provide a framework to guide agencies' enterprise architectures and investments.
- The inclusion of real property asset management on the PMA, an executive order, and agencies' actions are all positive steps in an area that had been neglected for years. However, the underlying conditions—such as excess and deteriorating properties—continue to exist. More needs to be done in areas such as improving capital planning among agencies.