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Testimony

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before the

Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia
Committee on Governmental Affairs
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The Administration uses the President's Management Agenda to improve the way we spend the peoples' money. Likewise GAO uses the High-Risk list to spotlight areas in need of special management attention and/or reform by Congress.

There will always be a "High-Risk list", as some Federal programs will always be more vulnerable to fraud, waste, abuse, and/or mismanagement than others. The Federal Government is engaged in some very complex activities. Medicare provides health care coverage to approximately 40 million Americans. The Internal Revenue Service processes more than 150 million tax returns and provides direct assistance to almost 100 million taxpayers. The Pension Benefit Guaranty Corporation insures the pensions of some 44 million Americans. The High-Risk list is one way to highlight for Congress and the Administration where our opportunities to improve are greatest. The High Risk list helps hold agencies and the Administration accountable for how the peoples' money is spent.

As with any management improvement effort, High Risk areas are addressed effectively when:

- There is a clear picture of what is to be accomplished – solving the problem, not necessarily "getting off the High-Risk list;"
- There is a clear, detailed action plan for accomplishing the goal;

- There is a clear definition of who's supposed to do what, with whom and by when, i.e., there is clear accountability for implementing the plan; and
- Top management is committed to reducing the risk and ensuring the corrective actions are implemented as planned.

These elements existed in each of the areas that came off the list this year: Student Financial Aid programs; Federal Aviation Administration Financial Management; and Forest Service Financial Management. For each of these programs management defined a plan to improve, and implemented it. They are to be congratulated. The taxpayers are being better served in each of these areas today as a result of this achievement.

The Administration, OMB in particular, works with GAO to ensure that agencies focus on the High-Risk list. GAO acknowledged our efforts in its January 2005 report. For each of those areas on the list, we will ensure there is top management commitment to address each of the areas on the list, a clear definition of success, an action plan for fixing the problem; and clear accountability for fixing it.

I will be glad to report regularly to GAO and the Congress, particularly this subcommittee, on our progress.