



Highlights of [GAO-03-556T](#), a report to Subcommittee on Government Efficiency and Financial Management, Committee on Government Reform, House of Representatives

## Why GAO Did This Study

As part of its work to improve the management and the performance of the federal government, GAO monitors progress and continuing challenges related to the five crosscutting initiatives in the President's Management Agenda (PMA). The President cited GAO's high-risk areas and major management challenges in developing these initiatives. GAO remains committed to working with the Congress and the Administration to help address these complex issues.

## What GAO Recommends

We are not making any recommendations in this testimony, but these steps can further progress:

- OMB's support will be needed as agencies identify targeted investment opportunities to address human capital shortfalls. Over time, comprehensive human capital reform is needed.
- Congress and the executive branch need better information about the link between resources and results to prioritize competing claims on the federal budget.
- Quality financial management systems are crucial for agencies to achieve PMA goals.
- E-government initiatives require effective risk-management and comprehensive strategies to guide agencies efforts.
- Continued emphasis on improving public-private competitions is needed.

[www.gao.gov/cgi-bin/getrpt?GAO-00-556T](http://www.gao.gov/cgi-bin/getrpt?GAO-00-556T).

To view the full report, including the scope and methodology, click on the link above. For more information, contact Patricia A. Dalton at (202) 512-6806 or [daltonp@gao.gov](mailto:daltonp@gao.gov).

## MANAGEMENT REFORM

# Continuing Progress in Implementing Initiatives in the President's Management Agenda

## What GAO Found

There has been continuing progress in implementing the five crosscutting PMA initiatives to improve the management and performance of the federal government. However, progress has been uneven, and a continuing focus is needed to improve the management and performance of the federal government and ensure accountability.

These five crosscutting PMA initiatives are interrelated and must be addressed in an integrated way.

- **Strategic human capital management:** Considerable progress has been made in this area since we designated it as high risk in 2001. Serious human capital shortfalls, however, continue to erode the ability of many agencies, and threaten the ability of others, to economically, efficiently, and effectively perform their missions.
- **Budget and performance integration:** The administration has set forth an ambitious agenda for performance budgeting but the federal government has a long way to go before it can meet its goals. More explicitly infusing performance information into resource allocation decisions is critical for further progress in government performance and management.
- **Improved financial performance:** This initiative is aimed at ensuring that federal financial systems produce accurate and timely information to support operating, budget, and policy decisions. Although a range of improvements is under way, much work remains to be done across government.
- **Expanded electronic government:** E-government offers many opportunities to better serve the public, make government more efficient and effective, and reduce costs. Although substantial progress has been made, the government has not yet fully reached its potential in this area.
- **Competitive sourcing:** The administration has committed to using competitions to determine whether public or private sources should provide commercial services. OMB has proposed changes to the procedures for conducting public-private competitions under its Circular A-76. However, some of the proposed changes are not consistent with sourcing principles or recommendations of the Commercial Activities Panel.

Congressional support has proven to be critical in sustaining interest in management initiatives over time. A focus on the quality of program performance and effective management is critical today, and now is the time to act.