



UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE

The Role of the U.S. Government Accountability Office

House Democracy Assistance Commission
Members of Parliament from Afghanistan,
Liberia & Timor-Leste
Washington, D.C.
September 18, 2008

Gene L. Dodaro
Acting Comptroller General of the
United States



Presentation Outline

- **Who we are and how we do our work**
- **Demand for service and impact of work**
- **The importance of collaboration and capacity building**

Who We Are and How We Do Our Work

GAO's Role & Mission

GAO's role is to support the Congress in carrying out its constitutional responsibilities and to help improve the performance and assure accountability of government for the benefit of the American people.

Key Approaches

GAO carries out its mission in four fundamental ways:

Oversight—preventing and detecting fraud, waste, abuse, and mismanagement

Insight—making government more efficient and effective

Foresight—identifying emerging issues

Adjudication—resolving bid protests and providing legal opinions

Core Values

Accountability

Help the Congress oversee federal programs, policies, and operations to ensure accountability to the American people

Integrity

Ensure that our work is professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced

Reliability

Provide high-quality, timely, accurate, useful, clear, and candid information

SERVING THE CONGRESS AND THE NATION GAO'S STRATEGIC PLAN FRAMEWORK

MISSION

GAO exists 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.

THEMES

Changing Security Threats

Sustainability Concerns

Economic Growth & Competitiveness

Global Interdependency

Societal Change

Quality of Life

Science & Technology

GOALS & OBJECTIVES

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 *related to . . .*

- Health care needs
- Lifelong learning
- Work benefits and protections
- Financial security

- Effective system of justice
- Viable communities
- Natural resources use and environmental protection
- Physical infrastructure

. . . Respond to Changing Security Threats and the Challenges of Global Interdependence *involving . . .*

- Homeland security
- Military capabilities and readiness

- Advancement of U.S. interests
- Global market forces

Help Transform the Federal Government's Role and How It Does Business to Meet 21st Century Challenges *by assessing . . .*

- Roles in achieving federal objectives
- Government transformation

- Key management challenges and program risks
- Fiscal position and financing of the government

Maximize the Value of GAO by Being a Model Federal Agency and a World-Class Professional Services Organization *in the areas of . . .*

- Client and customer satisfaction
- Strategic leadership
- Institutional knowledge and experience

- Process improvement
- Employer of choice

CORE VALUES

Accountability

Integrity

Reliability

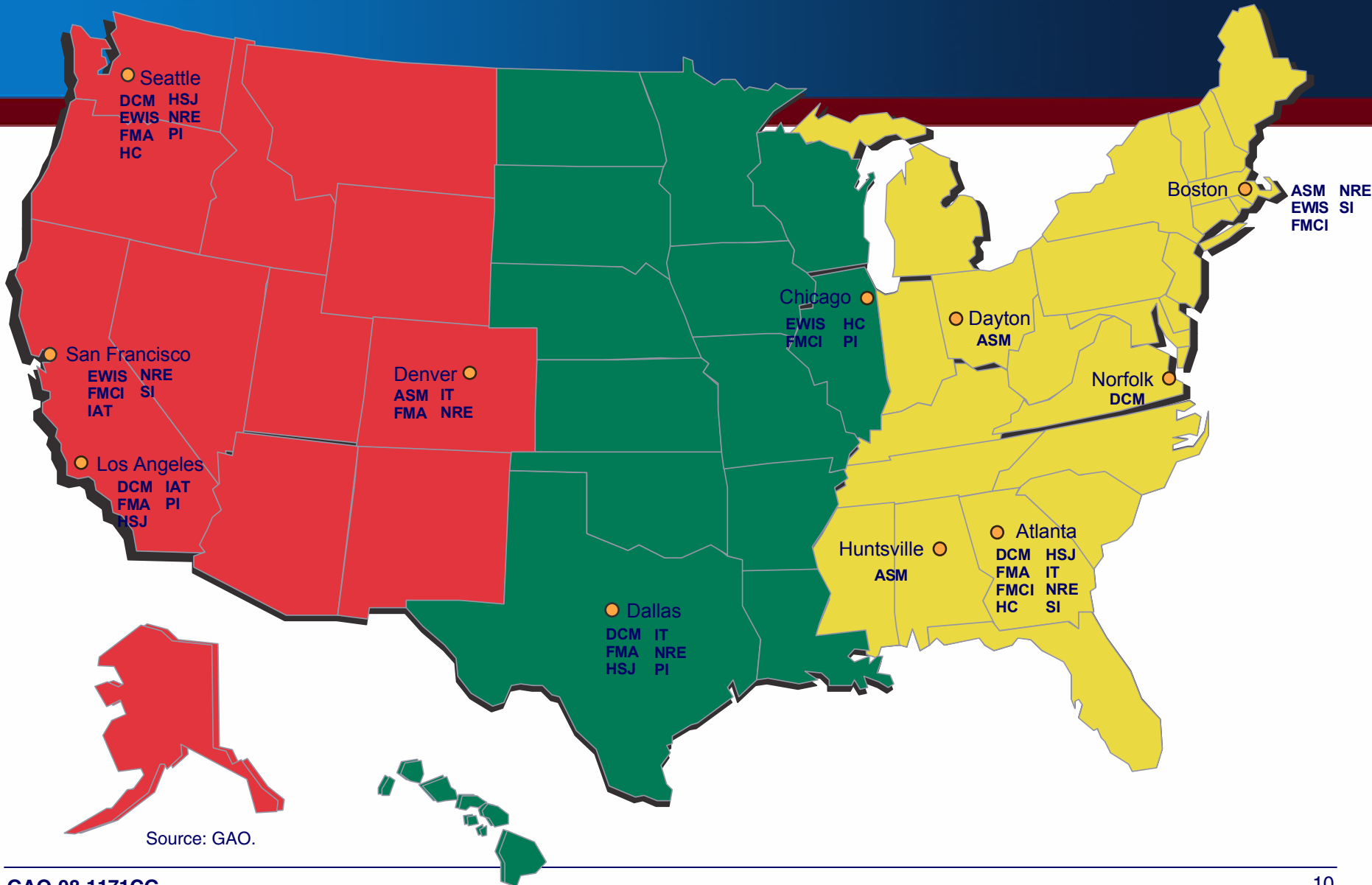
GAO's Mission Teams

- Acquisitions and Sourcing Management
- Applied Research and Methods
- Defense Capabilities Management
- Education, Workforce, and Income Security
- Financial Management Assurance
- Financial Markets and Community Investments
- Health Care
- Homeland Security and Justice
- Information Technology
- International Affairs and Trade
- Natural Resources and the Environment
- Physical Infrastructure
- Strategic Issues

GAO's Workforce

- 3,100 FTE—75% in D.C., 25% in field
- Workforce consists primarily of analysts, IT specialists, auditors, attorneys, and economists
- GAO has technical chiefs for accounting, actuarial science, economics, statistics, science, and technology
- 80% of GAO's resources spent on people

GAO's Field Offices



Source: GAO.

GAO's Independence

The Comptroller General (CG) is the head of GAO:

- confirmed through a joint selection/appointment process involving the Congress and the President
- serves a 15 year term of office
- can only be removed by impeachment or joint resolution of Congress for specified reasons

GAO staff at all levels are civil servants, not political appointees

GAO's Protocols

Congressional Protocols

Govern GAO's interactions with our client, the Congress

Agency Protocols

Govern GAO's interactions with executive branch agencies

International Protocols

Govern GAO's work that has international components or implications

Congressional Protocols

- GAO considers various criteria before accepting requests
- GAO prioritizes its work
- GAO makes certain commitments to congressional requesters

Agency Protocols

- GAO makes certain commitments to agencies
 - notifies them of new work
 - coordinates entrance and exit conferences
 - solicits agency comments on drafts
- GAO expects certain commitments from agencies
 - promptly schedules entrance and exit conferences and makes appropriate officials available
 - complies with GAO's request for access to records
 - comments on GAO's draft reports
 - informs GAO of plans to implement report recommendations

International Protocols

International protocols in place for:

- U.S. federal agencies with programs or activities overseas
- International organizations
- Foreign government ministries and departments
- Supreme Audit Institutions
- International and national accountability organizations
- International development organizations

Types of Engagements GAO Conducts

- Performance audits evaluating federal programs, agency performance, and actions needed
 - program effectiveness and results audits
 - economy and efficiency audits
 - internal control assessments
 - prospective analyses to
 - assess program or policy alternatives
 - advantages or disadvantages of proposals
 - best practices
- Financial audits and attestation engagements

Types of Engagements GAO Conducts (cont'd)

- Non-audit services include:
 - best practice guides
 - budget justification reviews
 - training, such as on audit standards
 - briefings
 - legal opinions
 - bid protest adjudications
 - technical assistance
 - investigations

GAO's Engagement Process

Phase One: Acceptance

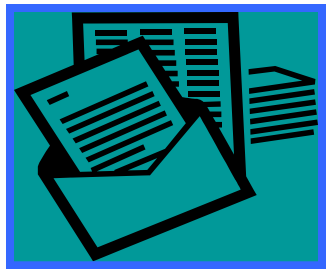
Phase Two: Planning and Design

Phase Three: Data Gathering and Analysis

Phase Four: Product Development and Distribution

Phase Five: Results

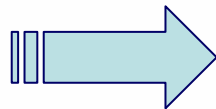
GAO's Risk Based Engagement Management Process



Requests

Mandates

CGA starts



EAM

Authority

Independence

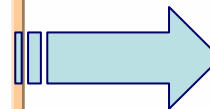
Risk Level

Cost
Complexity
Controversy

Priority

Internal Controls

Stakeholders



ERM

Design

Commitments to
Clients

Draft Reports and
Agency Views (all
risk levels)

Other issues (i.e.,
access, independence)



One Quality Assurance System

- While GAO undertakes a wide variety of engagements—using many different approaches and methodologies and a range of specialized skills—we have one quality assurance system
- GAO’s quality assurance system is composed of a comprehensive set of clearly-defined, well-documented, and transparent standards and control procedures
- Quality Assurance System—Framework and Policy Manual— assures compliance with Government Auditing Standards and core values
- GAO’s Quality Assurance System provides reasonable assurance that GAO’s:
 - work is professional, independent, and objectively designed
 - evidence is complete and reliable
 - conclusions and products are fair and balanced
 - recommendations are sound

Standards

- Government Auditing Standards
- Other generally accepted practices for:
 - surveys
 - statistical sampling
 - other applicable industry standards, such as those for engineering and actuarial work

Monitoring and Review

- Annual audit by external auditors
- Audit Advisory Committee
- GAO's Inspector General reviews
- Annual internal assessments of internal controls
- Annual internal inspection program
- External peer review every 3 years

Demand for Services and Impact of Work

Demand High for GAO Assistance

- Over 1,200 requests received in '07
- 1,176 requests received to date in '08
- Over 160 new mandates for GAO reviews were embedded into law

Increasing Demand for GAO Testimony

- GAO witnesses testifying at record pace
 - 276 testimonies in FY '07
 - Nearly 280 to date in FY '08

Fiscal Year 2007 Performance

Measures	FY 07 Target	FY 07 Actual
Financial benefits (in billions)	\$40.0	\$45.9
Other benefits	1,100	1,354
Testimonies	185	276
Products with recommendations	60%	66%
Recommendations implemented	80%	82%
Timeliness (based on client feedback)	95%	94%

Impact of GAO's Work

In FY '07, GAO delivered hundreds of reports and briefings to aid congressional oversight and decision making and there are many examples showing the impact of our work:

Financial Benefits Example

- Increased the collection of delinquent taxes and civil fines

Other Benefits Example

- Helped Congress create a center to better locate children after national disasters

The Importance of Collaboration and Capacity Building

The Importance of Collaboration

To strengthen accountability on a domestic and international basis, GAO coordinates in an ongoing way with:

- The National Intergovernmental Audit Forum
- The Domestic Working Group
- The International Organization of Supreme Audit Institutions
- The Global Working Group

GAO in the International Community

- GAO is a member of the International Organization of Supreme Audit Institutions (INTOSAI)
- GAO's Comptroller General sits on the INTOSAI Governing Board
- GAO facilitates an international auditor fellowship training program
- GAO participates in international peer reviews
- Partnerships are a key enabler of change and help to leverage available resources

Evolving Challenges for Supreme Audit Institutions

Public expectations of government are changing:

- Zero tolerance for corruption
- Desire for enhanced results and improved responsiveness
- Selected trends and challenges that have no boundaries
 - Debt finance and financial markets
 - Changing security threats
 - Global interdependence
 - Climate change
 - Science and technology
 - governance

Looking Inward: Building GAO's Institutional Capacity

GAO, like other audit entities, must strive to recruit and retain employees with the proper skill mix in order to deal effectively with current and emerging challenges. Along these line, GAO:

- Implemented core leadership training
- Grows faculty from within (“adjuncts”)
- Contracts with the National Academy of Sciences (NAS), when needed
- Hired a Chief Scientist
- Designed a state of the art computer lab

Growing Expectations on the Accountability Profession

To face current and emerging challenges, the accountability profession must:

- Identify problem spots before crises emerge
- Recognize problems often need multiple organizations to work together
- Provide more detailed recommendations
- Add value by providing timely special products
- Cope with constrained resources

Accountability Organization Maturity Model



Source: GAO.

Ways to Strengthen the Accountability Profession

- Focusing on strategic planning
- Modernizing professional standards
- Leading the way on fiscal stewardship
- Helping identify needed transformations
- Building audit capacity



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On the Web

Web site: www.gao.gov/cghome.htm

Contact

Chuck Young, Managing Director, Public Affairs
YoungC1@gao.gov (202) 512-4800
U.S. Government Accountability Office
441 G Street NW, Room 7149
Washington, D.C. 20548

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