



Overview of GAO and its Approach to Performance Auditing

GESTIÓN POR RESULTADOS Y SU IMPACTO EN LAS NUEVAS TÉCNICAS DE AUDITORÍA

Segundo encuentro

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Contraloría General de la República de Chile

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Overview of the U.S. Government Accountability Office



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GAO's Long-term Transition to Performance Auditing

Post-World War II GAO

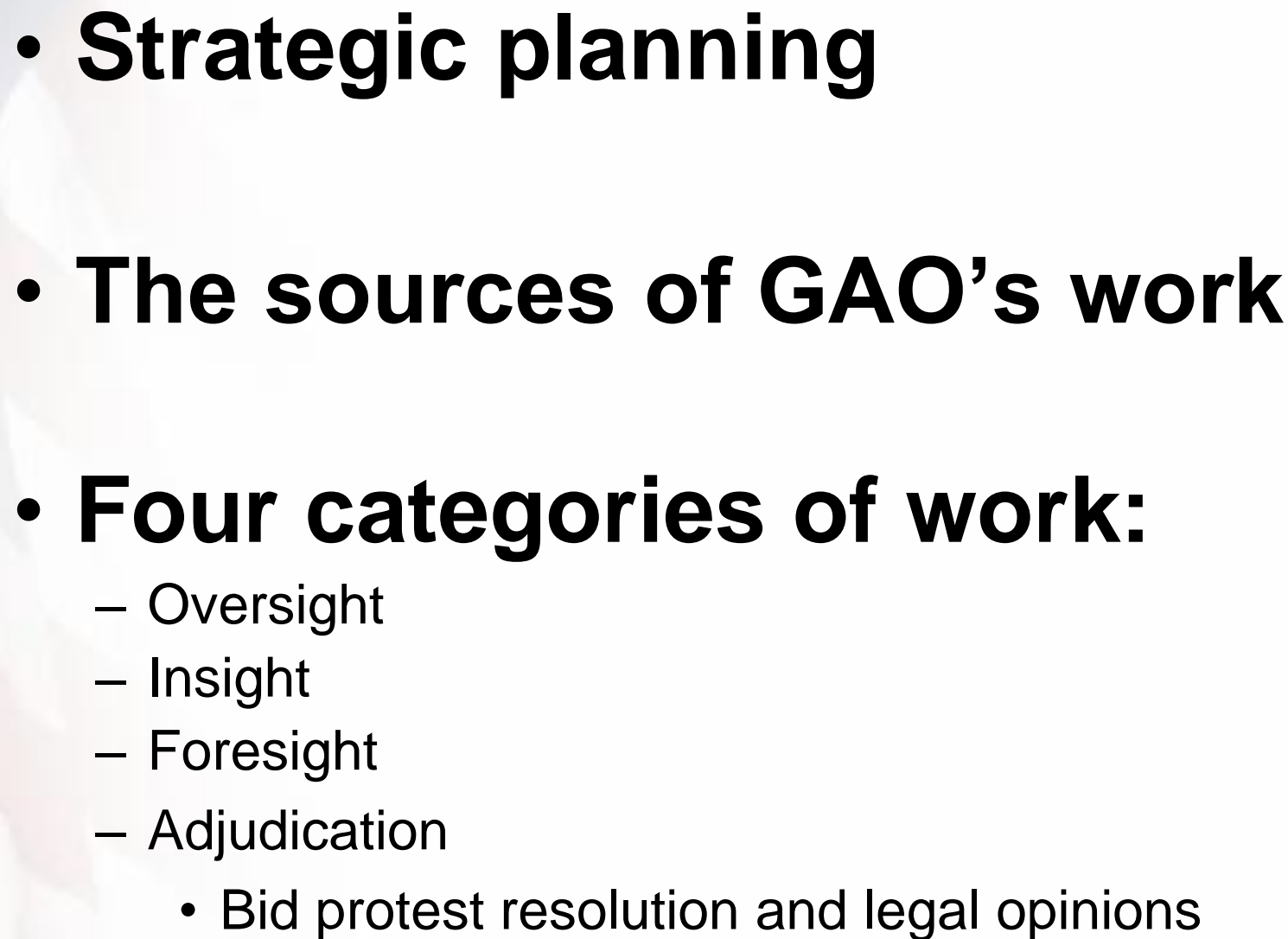
- Shift from voucher auditing to oversight of financial systems
- Government accounting principles created
- Economy and efficiency audits introduced
- Significant change in GAO's workforce

GAO During the 1970s-1980s

- Vietnam War, Watergate, and new initiatives in social programs increased Congressional interest in broader audit and evaluation work
- A shift to performance audits

The Modern GAO

- Today, performance audits make up over 90 percent of GAO's workload
- Name changed to Government Accountability Office in 2004
- GAO publishes the "Yellow Book" of generally accepted government auditing standards that provides a framework for high-quality audits
- GAO increasingly involved in a full range of oversight, insight, and foresight activities

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- **Strategic planning**
 - **The sources of GAO's work**
 - **Four categories of work:**
 - Oversight
 - Insight
 - Foresight
 - Adjudication
 - Bid protest resolution and legal opinions

GAO's Strategic Plan

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.

Trends Shaping the United States and Its Place in the World

| National Security Trends | Fiscal Sustainability and Debt Challenges | Global Interdependence | Science and Technology Trends | Communication Networks and Information Technologies | Shifts in Governance and Government | Demographic and Societal Changes |
|--|---|------------------------|-------------------------------|--|---|----------------------------------|
| 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... | | | | <ul style="list-style-type: none"> Health care needs Lifelong learning Challenges facing an aging population Effective system of justice Housing finance and viable communities | <ul style="list-style-type: none"> Stable financial system and consumer protection Natural resources and the environment National infrastructure Benefits and protections for workers, families, and children | |
| Respond to Changing Security Threats and the Challenges of Global Interdependence involving... | | | | <ul style="list-style-type: none"> Homeland security Military capabilities and readiness | <ul style="list-style-type: none"> Foreign policy and international economic interests | |
| Help Transform the Federal Government to Address National Challenges by assessing... | | | | <ul style="list-style-type: none"> Government's fiscal position and approaches to address current and projected fiscal gaps Federal government audit and internal control standards | <ul style="list-style-type: none"> Major management challenges and program risks Fraud, waste, and abuse, and improvements in internal controls | |
| Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency by focusing on... | | | | <ul style="list-style-type: none"> Efficiency, effectiveness, and quality Diverse workforce and inclusive work environment | <ul style="list-style-type: none"> Networks, collaborations and partnerships Human, information, fiscal, technological, and physical resources | |

CORE VALUES

Accountability

Integrity

Reliability

Sources of GAO's Work

- Congressional requests and mandates (95 percent of our work in fiscal year 2013)
- Engagements initiated under the Comptroller General's Statutory Authority (5 percent of our work in fiscal year 2013)
- Informed by our strategic planning process and ongoing dialogue with Congress

Type of work: Oversight

- **Oversight Activities** determine whether government entities are:
 - carrying out their assigned tasks,
 - spending funds for intended purposes, and
 - complying with laws and regulations

Type of work: Insight

- **Insight Activities involve**
 - Determining which programs and policies work and which don't
 - Sharing best practices and benchmarking information horizontally across government and vertically through different levels of government
 - Different technical backgrounds and high quality data are needed for design and research methodologies

Type of work: Foresight

- **Foresight Activities involve** identifying key trends and emerging challenges before they reach crisis proportions
 - Long-range fiscal challenges
 - Challenges of an aging population
 - Changing security threats
 - Demands of the information age
 - Complexities of globalization
 - Evolving governance structures

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How GAO Conducts Its Work



GAO's work with other organizations

- Working with Congress, our client
- Working with executive branch agencies
- Working internationally (work that has international components or implications)

Working with Congress

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

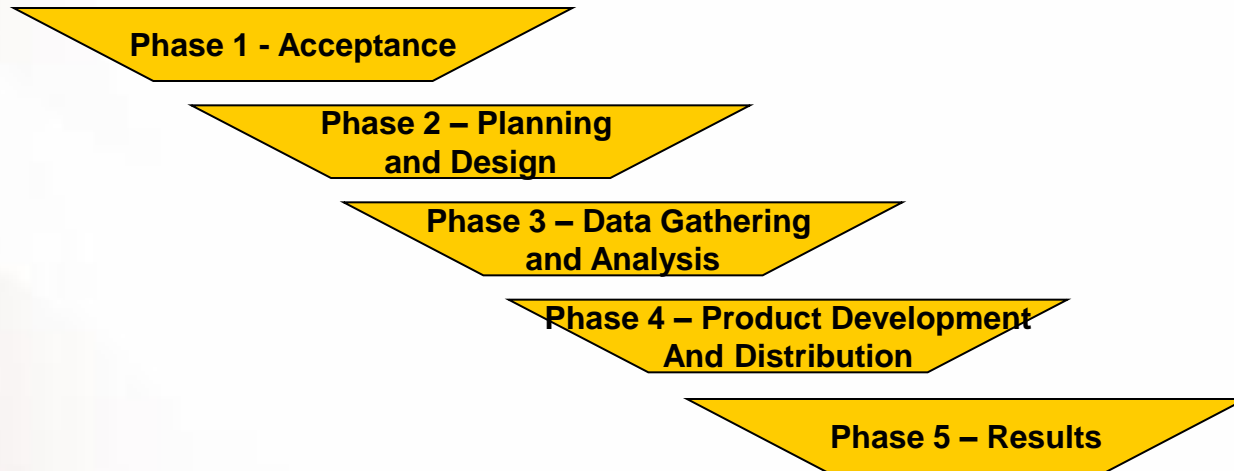
Working with Agencies

- GAO makes certain obligations to agencies
 - Notifies them of new work
 - Coordinates entrance and exit conferences
 - Asks for agency comments on drafts
- GAO expects certain obligations from agencies
 - Promptly schedules entrance and exit conferences and makes appropriate officials available
 - Complies with requests for access to records
 - Comments on GAO drafts
 - Informs GAO of plans to implement report recommendations

Working Internationally

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

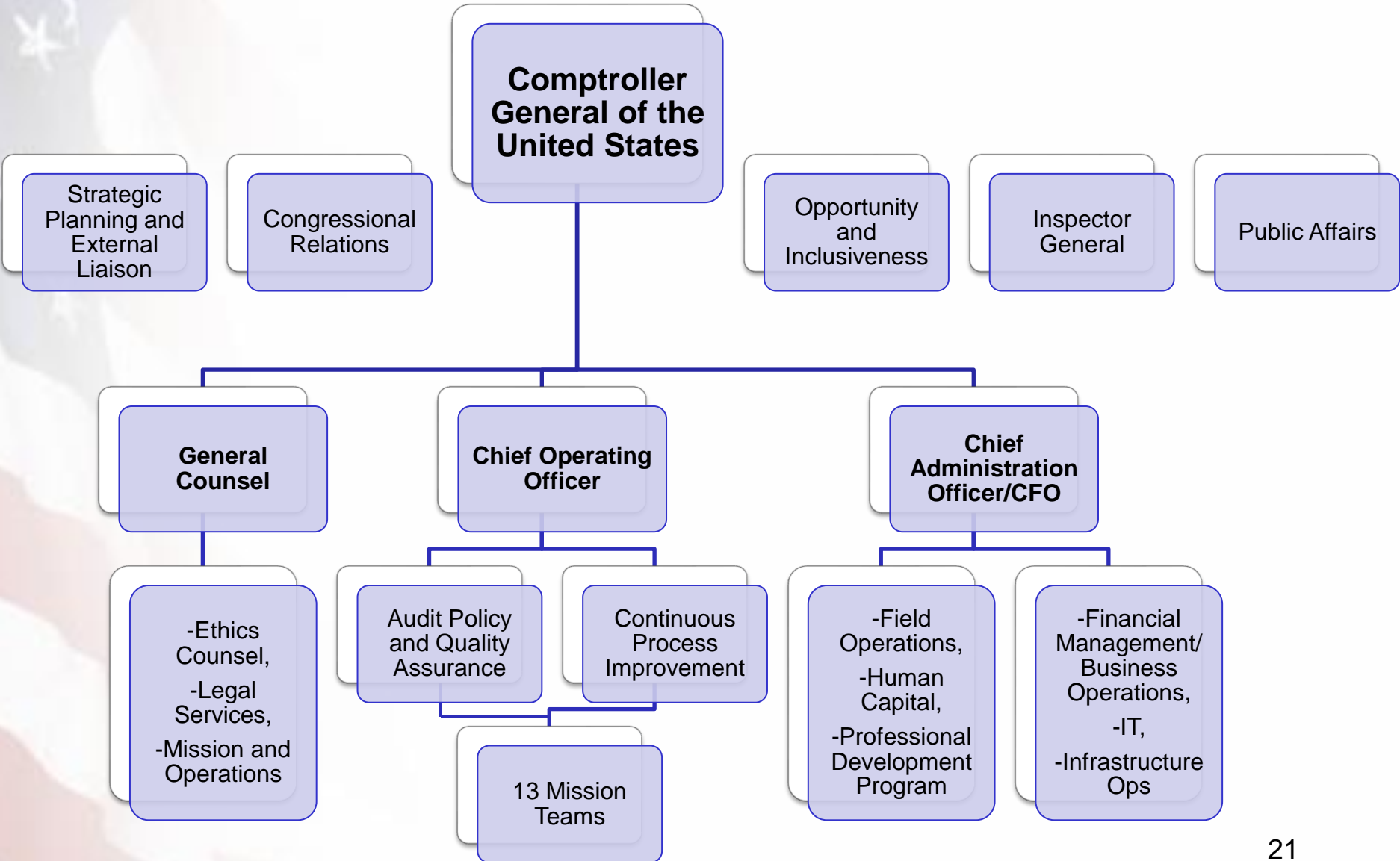
The GAO Engagement Process



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How GAO Is Organized

GAO's Organizational Chart



13 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

Staff Offices

- **Audit Policy and Quality Assurance**
 - Ensures GAO products are of the highest quality through their quality framework, internal peer review, and second partner review of medium and high risk reports
- **Congressional Relations**
- **General Counsel**
- **Public Affairs**
- **Opportunity & Inclusiveness**
- **Strategic Planning and External Liaison**

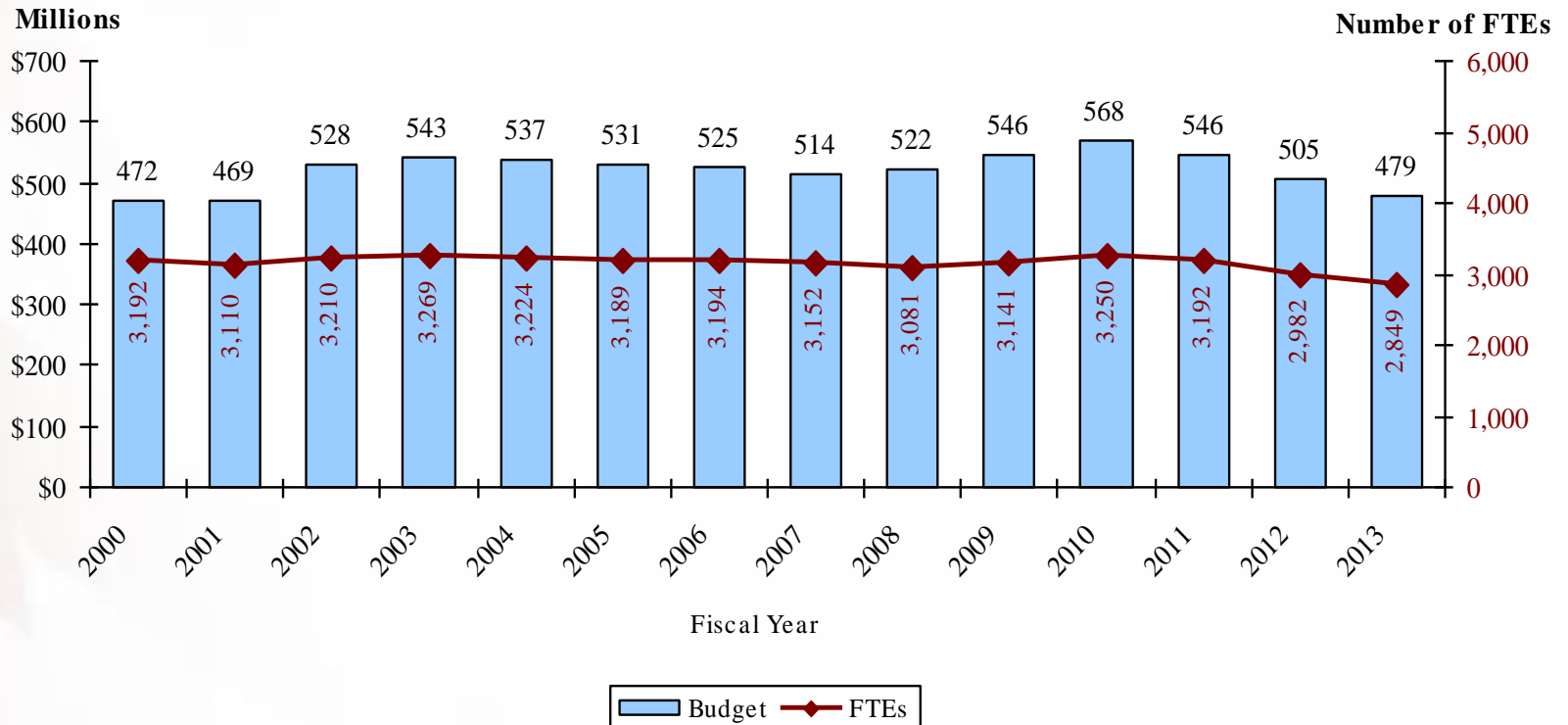
GAO Workforce

- Staffing is about 2900
 - Approximately three-fourths are located at GAO's headquarters in Washington, DC
 - One-fourth work in GAO's 11 field offices

GAO Workforce, Cont.

- Staff educational backgrounds are varied (public policy and administration, social sciences, accounting, computer science, law, etc.)—many have graduate degrees
- Certified public accountants (CPAs) are responsible for financial audits

GAO Budget Authority and FTE Usage FY 2000 – FY 2013





Key GAO Initiatives

Impact of GAO's High-Risk Program

- Promoted sustained congressional attention to key problems
- Over \$17 billion annually in financial benefits
- Many additional non-financial improvement actions
- Provided impetus for government-wide management reforms
- Increased the priority placed on these areas
 - President's Management Agenda
 - OMB corrective action initiative

Annual Performance and Accountability Report

- Presents information on GAO's annual performance targets and GAO's accomplishments for the fiscal year
- Presents agency financial information as well as information on resources and management challenges
- GAO's Office of Audit Policy and Quality Assurance (APQA) coordinates development of the performance and accountability report

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GAO's Performance and Impact

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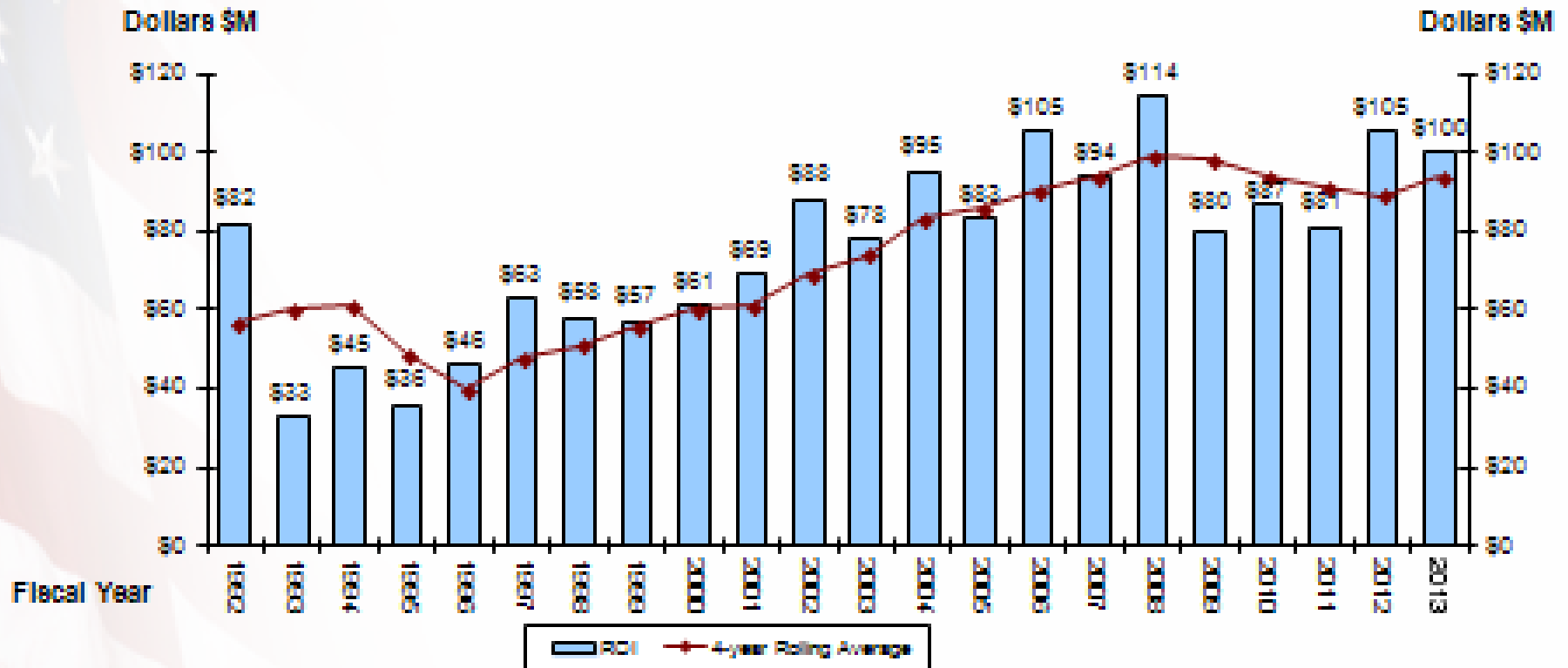
How does GAO track performance?

- Scorecard of measures related to:
 - Results
 - Client
 - People
 - Internal Operations

What did GAO accomplish in FY13?

- GAO's FY13 achievements included:
 - \$51.5 billion in financial benefits
 - 114 testimonies
 - Two thirds of our products contained recommendations
 - 79 percent of recommendations GAO made were implemented
 - 94% retention rate (without retirements)

Return on Investment FY 1992 – FY 2013





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