

U.S. GOVERNMENT ACCOUNTABILITY OFFICE

GAO



# GAO: Summary of Performance and Financial Information

## Fiscal Year 2014

SERVING CONGRESS AND THE NATION

# S E R V I N G   T H E   C O N G R E S S

## **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.

## **Accountability**

We help the Congress oversee federal programs and operations to ensure accountability to the American people.

GAO's analysts, auditors, lawyers, economists, information technology specialists, investigators, and other multidisciplinary professionals seek to enhance the economy, efficiency, effectiveness, and credibility of the federal government both in fact and in the eyes of the American people.

## **Integrity**

We set high standards for ourselves in the conduct of GAO's work. Our agency takes a professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced approach to all activities. Integrity is the foundation of our reputation, and the GAO approach to work ensures it.

## **Reliability**

We at GAO want our work to be viewed by the Congress and the American public as reliable. We produce high-quality reports, testimonies, briefings, legal opinions, and other products and services that are timely, accurate, useful, clear, and candid.

## **Scope of work**

GAO performs a range of oversight-, insight-, and foresight-related engagements, a vast majority of which are conducted in response to congressional mandates or requests. GAO's engagements include evaluations of federal programs and performance, financial and management audits, policy analyses, legal opinions, bid protest adjudications, and investigations.



**UNITED STATES  
GOVERNMENT ACCOUNTABILITY OFFICE**  
Budget, Performance, and Financial Snapshot  
Fiscal Year 2014

**WHO WE ARE**

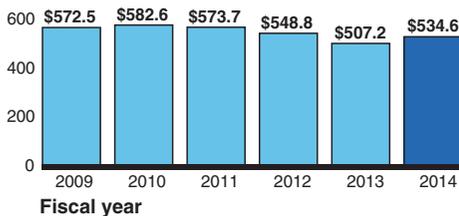
**Mission:** The Government Accountability Office, the audit, evaluation, and investigative arm of the Congress, exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. We examine the use of public funds; evaluate federal programs and policies; and provide analyses, recommendations, and other assistance to help the Congress make informed oversight, policy, and funding decisions.

**Organization and Strategic Focus:** To fulfill our mission, we organize and manage our resources to support four broad strategic goals. These include three external goals: helping to address challenges to the well-being and financial security of the American people, responding to changing security threats and the challenges of global interdependence, and transforming the federal government to address national challenges. Our fourth strategic goal is an internal goal focused on enhancing our value through improving efficiency, effectiveness, and quality, and resource management.

**Human Capital:** We maintain a workforce of highly trained professionals across a breadth of disciplines. In fiscal year 2014, about 71 percent of our approximately 3,000 employees were based at our headquarters in Washington, D.C.; the rest were deployed in 11 field offices across the country.

**BUDGET AND FINANCIAL SNAPSHOT (DOLLARS IN MILLIONS)**

Current year budgetary resources



Fiscal Year 2014

Clean opinion on financial statements	Yes
Clean opinion on internal control over financial reporting	Yes
Timely financial reporting	Yes
Material weaknesses	None
Total assets	\$102.6
Total liabilities	\$77.7

Source: GAO | GAO-15-2SP

Note: Current year budgetary resources include appropriations and offsetting collections.

**PERFORMANCE SNAPSHOT**

**Accomplishments:** In fiscal year 2014, we exceeded the goals we set for all but two of the areas measured. For example, we identified \$54.4 billion in financial benefits for the federal government—a return of about \$100 for every dollar we spent—and 1,288 improvements in broad program and operational areas across the government. Seventy-eight percent of our recommendations were implemented by federal agencies or the Congress (2 percentage points short of our target), and about two-thirds (64 percent) of the products we issued contained recommendations. We testified at 129 hearings before the Congress (our target was 130) on a wide variety of topics, a third of which were on areas considered at high risk for fraud, waste, abuse, and mismanagement. For people measures, we exceeded all 7 of our targets, which include the new hire rate, retention rate (with and without retirements), staff development, staff utilization, effective leadership by supervisors, and organizational climate.

**Challenges:** In fiscal year 2014, we continued to address two management challenges—human capital and engagement efficiency. In the area of human capital, we recruited for and filled critical positions and completed implementation of both our enhanced telework pilots in all 11 field offices and our new performance-based compensation system. In the area of engagement efficiency, we continued to make significant progress to improve how we manage and conduct engagements, use our resources, and communicate the message of our work.

**KEY GAO PERFORMANCE RESULTS AND TARGETS FOR FISCAL YEARS 2009-2014**

To help determine how well we are meeting the needs of the Congress and the Nation and maximizing our value as a leading practices agency, we assess our performance annually using a balanced set of quantitative measures. Below are the key annual performance measures that highlight our performance in significant areas related to the implementation of our mission.

To establish targets for all of our performance measures, we examine our past performance and the external factors that could influence our future work and discuss with our senior executives what could be accomplished in the upcoming fiscal year. We may adjust these targets after we publish our annual performance plan based on changes in planned work or level of funding.

Performance measure	2009 actual	2010 actual	2011 actual	2012 actual	2013 actual	2014 target	2014 actual
<b>Results</b>							
Financial benefits (dollars in billions)	\$43.0	\$49.9	\$45.7	\$55.8	\$51.5	\$45.0	\$54.4
Other benefits	1,315	1,361	1,318	1,440	1,314	1,200	1,288
Past recommendations implemented	80%	82%	80%	80%	79%	80%	78%
New products with recommendations	68%	61%	68%	67%	63%	60%	64%
<b>Client</b>							
Testimonies	203	192	174	159	114	130	129
<b>People</b>							
Staff development	79%	79%	79%	80%	80%	80%	83%
Staff utilization	78%	77%	78%	76%	75%	76%	77%
Effective leadership by supervisors	83%	83%	83%	82%	83%	82%	83%
Organizational climate	79%	79%	80%	78%	77%	76%	79%

Source: GAO | GAO-15-2SP

Notes: See table 1 on page 11 for information on all of our performance measures.

Information explaining all of the measures included in this table appears on pages 130-138 of the full report's Appendix on Data Quality at <http://www.gao.gov/products/GAO-15-1SP>.



Source: GAO | GAO-15-2SP

February 17, 2015

I am pleased to present GAO's Performance and Accountability Report for fiscal year 2014. As these results show, GAO continues to effectively fulfill its mission, which is to support the Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the benefit of the American people. Examples of how GAO's work resulted in a variety of financial and other benefits to the Congress and American taxpayers in fiscal year 2014 are described below.

**Financial Benefits:** During the past fiscal year, we documented \$54.4 billion in financial benefits for the government—a return of about \$100 for every dollar invested in us. GAO's recommendations that resulted in these financial benefits included reducing procurements of the Joint Strike Fighter (\$11.7 billion in financial benefits), eliminating the introduction of new Army camouflage uniforms (avoiding costs of about \$4.2 billion), and revising the reimbursement structure in Medicare Part B to reduce costs (about \$2 billion).

**Legislative Impacts:** The Congress used our work on a broad range of issues to inform its decisions on important legislation, which also resulted in financial and other benefits for the government. For example some of the key decisions on the fiscal year 2014 budget (the Bipartisan Budget Act of 2013) that were linked to GAO's work included:

- Expanding the risk-based element of the Pension Benefit Guaranty Corporation's premium rate structure to increase revenues and offset direct spending by \$7.9 billion over 10 years.
- Improving the cost-effectiveness of filling the Strategic Petroleum Reserve resulting in estimated savings of \$3.2 billion over 10 years.
- Reducing overpayments for unemployment insurance by \$159 million over 10 years by identifying fraud or failure to report earnings.
- Reducing improper payments to inmates for disaster relief and other assistance resulting in savings of \$80 million over 10 years.

Other legislative impacts related to our work included efforts to increase aviation security fees to cover 43 percent of aviation security costs beginning in fiscal year 2014; capping compensation for federal contractors; improving the transparency of federal spending through passage of the Digital Accountability and Transparency Act; terminating fixed farm payments with expected savings of approximately \$4.9 billion annually for the next five years, starting in fiscal year 2015; establishing a new oversight framework for the President's Emergency Plan for AIDS relief; and enhancing oversight of dietary supplements.

Other Benefits: Many of the benefits resulting from our work can not be measured in dollars, but led to program and operational improvements across the government. During fiscal year 2014, we recorded 1,288 of these other benefits. Our work led to improvements in numerous areas affecting public safety and security and the efficient and effective functioning of government programs. Examples of actions taken by government agencies in response to our work include:

- Better guidance and oversight to ensure complete documentation of investigations into abuse allegations at immigration detention facilities.
- An improved cybersecurity governance structure to ensure that federal agencies' efforts to educate the nation's cybersecurity workforce are effective.
- Strengthened oversight of international food aid to ensure that targeted assistance reaches vulnerable groups, such as children and pregnant women, in other countries.
- Enhanced security of diplomatic facilities and personnel overseas, including improvements to security standards and efforts to mitigate vulnerabilities.
- Better sharing of terrorism-related information with federal and non-federal partners, and enhanced efforts to identify and narrow gaps in information sharing.
- Informed decisionmaking on the future of nanomanufacturing, including research and development, U.S. competitiveness, and environmental, health, and safety concerns.
- Improved transparency regarding how sequestration decisions were implemented so that agencies can better plan for such events if they occur in the future.

This past fiscal year, GAO also issued revised internal control standards for the federal government and made significant contributions to international auditing standards.

Building Bodies of Knowledge: Through the products we issued in fiscal year 2014, we continued to build on bodies of work under our three broad strategic goals to (1) address current and emerging challenges to the well-being and financial security of the American people, (2) help respond to changing security threats and global interdependence, and (3) help transform the federal government to address national challenges. Work completed in these areas included:

- Protection of children. We reported on the need for improvements to school lunches, guidance for states on the use of psychotropic drugs for children in foster care, and preventing sexual abuse of students by school personnel.
- Veterans. We reported on out-patient medical care, purchasing and tracking of surgical implants, cost increases and schedule delays in constructing and leasing VA medical facilities, and the accuracy and quality of processing disability claims for veterans.

- Health care. We continued to report on the implementation of the Patient Protection and Affordable Care Act (e.g., [HealthCare.gov](http://HealthCare.gov)), drug shortages, Internet pharmacies selling counterfeit drugs, Medicare fraud, Medicaid financing, and nursing home care.
- Financial literacy. We reported on retirement security, managed retirement accounts, student loans, college debit cards, and lump sum payment pension scams.
- Fragmentation, overlap, and duplication. We issued our fourth annual report identifying 26 new areas and 64 actions that could reduce fragmentation, overlap, and duplication, as well as other cost savings and revenue enhancement opportunities across the federal government. This work identifies opportunities for the federal government to save billions of dollars. Federal agencies and the Congress have already made some progress in addressing approximately 380 actions across 162 areas that we identified in our past annual reports.
- High-risk areas. We continued to monitor federal operations that we had previously designated as “high risk” and conducted outreach with the Office of Management and Budget and executive branch agencies to discuss how to make progress in these areas. In fiscal year 2014, our high-risk work resulted in 153 reports, 43 testimonies, \$23.9 billion in financial benefits, and 455 other benefits.

### Serving Our Clients

During this fiscal year, we received requests for work from 94 percent of the standing committees of the Congress and two-thirds of their subcommittees. We issued 693 reports and made 1,619 new recommendations. Of the recommendations that we made in 2010, 78 percent were implemented—we use a 4-year reporting window because it generally takes four full years to implement our cycle for recommendations. Our senior executives testified at 129 hearings before 70 separate committees or subcommittees that touched virtually all major federal agencies. Key testimony topics included veterans’ wait times for outpatient medical appointments, oversight of U.S. assistance to Afghanistan, contract planning and oversight of [HealthCare.gov](http://HealthCare.gov), optimizing information technology investments, federal fiscal exposure from climate risks, government support for large bank holding companies, defense acquisitions, and biosafety lapses in high-containment laboratories. I also regularly meet with the Chairs and Ranking Members of congressional committees and subcommittees to obtain their views on GAO’s work, including their priorities, and to discuss challenges and opportunities facing GAO.

### Supporting Our People

Through the hard work and dedication of our professional, diverse, and multidisciplinary staff, we achieved 95 percent on-time delivery of our products in 2014. Our performance measures continue to indicate that our staff have the support they need to produce high-quality work. We exceeded the annual targets for all of our people measures—staff development, staff utilization, effective leadership by supervisors, organizational climate, new hire rate, and retention rates (with and without retirements). We exceeded our new hire rate (88 versus 75 percent), but we fell short of our goal of hiring 360 staff—filling

317 positions by year-end. Yet, we made important strides towards meeting our optimal full-time equivalent staffing level of 3,250, we continued to be ranked near the top on “best places to work” lists, and were ranked number one among mid-size federal agencies for our support of diversity.

#### Managing Our Internal Operations

In fiscal year 2014, we continued to make efforts to support our fourth strategic goal—enhancing our value through improving efficiency, effectiveness, and quality, and focusing on institutional stewardship and resource management. Specifically, we made progress in addressing our two internal management challenges—human capital management and engagement efficiency. We also identified an additional management challenge this year—information security. For human capital management, we recruited and filled critical positions and began building our pool of new analysts to meet both current work demands and future leadership needs. This is critically important to our succession planning as 38 percent of our executive leadership and 21 percent of our supervisory analysts are currently eligible to retire. To improve engagement efficiency, we piloted an updated engagement management process and a companion new information management system to streamline the way in which we conduct our work—positioning us to implement these efficiencies GAO-wide in 2015.

After consultation with our clients and other key stakeholders, we issued our new Strategic Plan for fiscal years 2014-2019 that maps out the future path for our work. We again received from independent auditors an unmodified or “clean” opinion on our financial statements for fiscal year 2014, a clean opinion on our internal control over financial reporting, and a clean opinion on the effectiveness and appropriateness of our quality assurance framework from our fourth external peer review conducted by a team of international auditors.

We look forward to continuing to serve the Congress and the public in the coming years through our work on issues and programs affecting the lives of all Americans.



Gene L. Dodaro  
Comptroller General  
of the United States



Source: GAO | GAO-15-2SP

GAO is an independent, nonpartisan professional services agency in the legislative branch of the federal government. Commonly known as the investigative arm of the Congress or the “congressional watchdog,” we examine how taxpayer dollars are spent and advise lawmakers and agency heads on ways to make government work better. As a legislative branch agency, we are exempt from many laws that apply to the executive branch agencies; however, we generally hold ourselves to the spirit of many of the laws, including the Federal Managers’ Financial Integrity Act (FMFIA) also referred to as FIA, the Government Performance and Results Act (GPRA), as amended, and the Federal Information Security Management Act (FISMA).<sup>1</sup> Accordingly, our performance and accountability report for fiscal year 2014 provides what we consider to be information comparable to that reported by executive branch agencies in their annual performance and accountability reports. This report also fulfills our requirement to report annually on the work of the Comptroller General under 31 U.S.C. 719.

## Mission

Our mission is 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. The strategies and means that we use to accomplish this mission are described in the following pages. In short, we provide objective and reliable information and analysis to the Congress, to federal agencies, and to the public, and we recommend improvements, when appropriate, on a wide variety of issues. Three core values—accountability, integrity, and reliability—form the basis for all of our work, regardless of its origin. These are described on the inside front cover of this report.

## GAO’s History

The Budget and Accounting Act of 1921 required the President to issue an annual federal budget and established GAO as an independent agency to investigate how federal dollars are spent. In the early years, we mainly audited vouchers, but after World War II we started to perform more comprehensive audits that examined the economy and efficiency of government operations. By the 1960s, GAO had begun to perform the type of work we are noted for today—performance audits—which include

- evaluations of federal policies, programs, and the performance of agencies;
- oversight of government operations to determine whether public funds are spent efficiently, effectively, and in accordance with applicable laws; and
- policy analyses to assess needed actions and the implications of proposed actions.

<sup>1</sup>FMFIA was enacted to strengthen internal controls and accounting systems in the federal government and requires the Comptroller General to issue standards for internal control in the federal government. GPRA seeks to improve public confidence in federal agency performance by requiring that federally funded agencies develop and implement accountability systems based on performance measurement that include goals and objectives and measure progress toward them. The GPRA Modernization Act of 2010 incorporates additional requirements for reporting and transparency. FISMA requires federal agencies to implement policies and procedures to cost-effectively reduce information technology risks

Figure 1: GAO's Strategic Plan Framework



# 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
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Goals	Objectives
<p><b>Provide Timely, Quality Service to the Congress and the Federal Government to...</b></p> <p><b>Address Current and Emerging Challenges to the Well-being and Financial Security of the American People related to...</b></p>	<ul style="list-style-type: none"> <li>■ Health care needs</li> <li>■ Lifelong learning</li> <li>■ Challenges facing an aging population</li> <li>■ Effective system of justice</li> <li>■ Housing finance and viable communities</li> </ul> <ul style="list-style-type: none"> <li>■ Stable financial system and sufficient consumer protection</li> <li>■ Natural resources and the environment</li> <li>■ National infrastructure</li> <li>■ Benefits and protections for workers, families, and children</li> </ul>
<p><b>Respond to Changing Security Threats and the Challenges of Global Interdependence involving...</b></p>	<ul style="list-style-type: none"> <li>■ Homeland security</li> <li>■ Military capabilities and readiness</li> </ul> <ul style="list-style-type: none"> <li>■ Foreign policy and international economic interests</li> </ul>
<p><b>Help Transform the Federal Government to Address National Challenges by assessing...</b></p>	<ul style="list-style-type: none"> <li>■ Government's fiscal position and approaches to address current and projected fiscal gaps</li> <li>■ Federal government audit and internal control standards</li> </ul> <ul style="list-style-type: none"> <li>■ Major management challenges and program risks</li> <li>■ Fraud, waste, and abuse, and improvements in internal controls</li> </ul>
<p><b>Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency by focusing on...</b></p>	<ul style="list-style-type: none"> <li>■ Efficiency, effectiveness, and quality</li> <li>■ Diverse workforce and inclusive work environment</li> </ul> <ul style="list-style-type: none"> <li>■ Networks, collaborations and partnerships</li> <li>■ Human, information, fiscal, technological, and physical resources</li> </ul>

### CORE VALUES

<b>Accountability</b>	<b>Integrity</b>	<b>Reliability</b>
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Source: GAO | GAO-15-2SP

**Figure 2: How GAO Assisted the Nation • Fiscal Year 2014*****Goal 1: Address Current and Emerging Challenges to the Well-being and Financial Security of the American People***

- Prompted the Department of Education to strengthen its oversight of federal student loans to help borrowers and reduce the government's financial risk—about \$94 billion of student loans were in default in 2013
- Led the Food and Drug Administration to more actively monitor medical device recall data and use these data to help mitigate the health risks that defective or unsafe devices pose to public health
- Prompted financial regulators to improve oversight of banks to help reduce the risk that they will incur large trading losses
- Led the Environmental Protection Agency to require improved monitoring of unregulated contaminants in drinking water by public water systems to better detect contaminants of public health concern
- Prompted the Federal Trade Commission to improve protection of consumers' location privacy by establishing appropriate actions to protect the privacy of mobile location data
- Led the Department of Justice to share successful states' practices for obtaining mental health records for firearm background checks with other states that face barriers to accessing these records

***Goal 2: Respond to Changing Security Threats and the Challenges of Global Interdependence***

- Led to the Army's decision not to field service-specific camouflage uniforms, avoiding about \$4.2 billion in costs over 5 years
- Led the Department of Defense (DOD) to assess the vulnerability of its infrastructure (more than 550,000 DOD facilities) to the effects of climate change, such as rising sea levels that could make some facilities unusable
- Informed Congressional decision making on future rocket launch acquisitions by DOD, which expects to spend \$9.5 billion over the next five years to launch critical military and intelligence satellites into space
- Led DOD to decrease its procurement quantities of the F-35 Joint Strike fighter by 187 aircraft for fiscal years 2015 through 2017—yielding financial benefits of \$11.7 billion
- Led the Department of State to enhance security of U.S. diplomatic facilities and personnel overseas
- Prompted the U.S. Agency for International Development to strengthen oversight of international food aid to ensure that targeted assistance reaches vulnerable groups, such as children and pregnant women, in other countries
- Led the Department of Homeland Security (DHS) to better share terrorism-related information with federal and non-federal partners and enhance its efforts to identify and narrow gaps in information sharing
- Prompted DHS' Immigration and Customs Enforcement to take steps to obtain complete documentation of investigations into allegations of abuse at immigration detention facilities

***Goal 3: Help Transform the Federal Government to Address National Challenges***

- Recorded a total cost reduction of about \$6.5 billion attributable to actions taken to lower the Medicaid program's improper overpayment error rate for fiscal years 2012 and 2013
- Informed decision making on nanomanufacturing—including on research and development, U.S. competitiveness, and environmental, health, and safety concerns
- Led 12 major federal agencies to consolidate their data centers—yielding about \$1 billion in cost savings or cost avoidances from 2011 through 2013

***Goal 4: Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency***

- Completed the roll-out of our enhanced telework pilot in all 11 field offices
- Piloted an updated engagement management process and companion new information management system to streamline our work processes—positioning GAO to implement these efficiencies agency-wide in 2015
- Established a community of practice on diversity and inclusion—providing a centralized resource for employees seeking information on diversity-related topics, and to share best practices and encourage open dialogue

Source: GAO | GAO-15-2SP

Note: Additional information on accomplishments by goal is highlighted in Part II of the full report (<http://www.gao.gov/products/GAO-15-1SP>).

## Fiscal Year 2014 Performance Summary

The results of our efforts are reflected in our solid performance in fiscal year 2014 (see [table 1](#)).

### Results:

We exceeded our target of \$45 billion in financial benefits by \$9.4 billion—reaching about \$54.4 billion.<sup>2</sup> This represents a \$100 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 88 benefits, accomplishing 1,288 benefits. We fell short of meeting our target of 80 percent for past recommendations implemented by 2 percentage points—finishing the fiscal year at 78 percent. We exceeded our target of 60 percent for new products with recommendations by 4 percentage points, with 64 percent of new products containing recommendations.

### Clients:

We exceeded our target of 90 percent for delivering our products and testimonies in a timely manner by 5 percentage points—reaching 95 percent on time delivery for fiscal year 2014. We were asked to testify at 129 hearings, falling just one hearing short of our fiscal year 2014 target of 130 hearings. This was due to fewer than anticipated hearings being held, which is a factor not in our control. Despite this shortfall, we were asked to testify at 13 percent more hearings than last year—reversing a 5-year downward trend.

### People:

We exceeded our annual targets for our people measures, including staff development, staff utilization, effective leadership by supervisors, organizational climate, and retention rates (with and without retirements). In addition, we exceeded our new hire rate target by 13 percentage points—reaching 88 percent. We fell short of our hiring target of 360 staff by 43 staff due to a lack of quality applicants for 15 positions and not completing recruitment activities by the end of the fiscal year for the other 28 positions. Yet, we recruited for and filled 317 critical positions and made important strides toward meeting our optimal full-time equivalent (FTE) staffing level of 3,250.

### Internal Operations:

We will be measuring staff satisfaction with our three internal operations for fiscal year 2014 through our internal customer satisfaction (CSAT) survey, scheduled for December 2014. We opted to conduct the annual CSAT survey in December 2014 rather than in May 2014 to give us additional time to consider alternative methodological approaches, fully analyze results and implement action plans, and return us to the schedule used in prior years. Doing so helps align survey results with management's expectation setting for executive performance in the coming year. In this survey, we will assess how well our administrative services (e.g., computer support, student loan repayment program, building maintenance, etc.) help employees get their jobs done and improve quality of work life, and how satisfied employees are with IT tools. We continued our efforts to maintain staff satisfaction with our internal measure for "helping staff get the job done" (82 percent in fiscal year 2013) and are working to improve the other two services that did not meet our goal of 80 percent in fiscal year 2013—"Improve the quality of work life" (78 percent) and "IT Tools" (68 percent).

<sup>2</sup>A financial benefit is an estimate of the federal cost reduction of agency or congressional actions.

**Table 1: Agencywide Summary of Annual Measures and Targets**

Performance measure	2009 actual	2010 actual	2011 actual	2012 actual	2013 actual	2014 target actual	Met/ not met	2015 target	
<b>Results</b>									
Financial benefits (dollars in billions)	\$43.0	\$49.9	\$45.7	\$55.8	\$51.5	\$45.0	\$54.4	Met	\$46.0
Other benefits	1,315	1,361	1,318	1,440	1,314	1,200	1,288	Met	1,200
Past recommendations implemented	80%	82%	80%	80%	79%	80%	78%	Not Met	80%
New products with recommendations	68%	61%	68%	67%	63%	60%	64%	Met	60%
<b>Client</b>									
Testimonies	203	192	174	159	114	130	129	Not Met	130
Timeliness	95%	95%	95%	95%	94%	90%	95%	Met	90%
<b>People</b>									
New hire rate	99%	95%	84%	76%	66%	75%	88%	Met	80%
Retention rate									
With retirements	94%	94%	92%	93%	93%	90%	94%	Met	90%
Without retirements	96%	96%	96%	96%	96%	94%	97%	Met	94%
Staff development	79%	79%	79%	80%	80%	80%	83%	Met	80%
Staff utilization	78%	77%	78%	76%	75%	76%	77%	Met	76%
Effective leadership by supervisors	83%	83%	83%	82%	83%	82%	83%	Met	82%
Organizational climate	79%	79%	80%	78%	77%	76%	79%	Met	76%
<b>Internal operations</b>									
Help get job done	4.03	3.94	80% (3.98)	N/A	82%	80%	N/A	N/A	80%
Quality of work life	4.01	3.94	80% (3.99)	N/A	78%	80%	N/A	N/A	80%
IT Tools	N/A	N/A	N/A	N/A	68%	80%	N/A	N/A	80%

Source: GAO | GAO-15-2SP

Note: Information explaining all of the measures included in this table appears in the full report's Appendix on Data Quality (<http://www.gao.gov/products/GAO-15-1SP>).

N/A indicates that (1) no internal operations survey was conducted in that year, (2) the survey has not yet been conducted in that year, or (3) the question on IT tools was not asked—question was added to the survey in 2013.

Our fiscal year 2015 targets for 14 of 16 of our performance measures are the same as those targets we reported in our fiscal year 2015 performance plan issued in April 2014. The remaining 2 targets (financial benefits and new hire rate) have been increased to what we believe are challenging yet realistic targets for fiscal year 2015.

## Financial Benefits and Other Benefits

We generally describe the positive outcomes resulting from our work as either financial or other benefits. In many cases, the benefits we claimed in fiscal year 2014 are based on work we did in past years because it often takes the Congress and agencies time to implement our recommendations or to act on our findings.

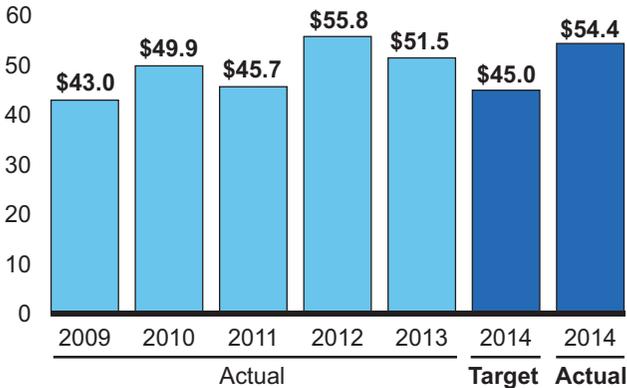
### Financial Benefits

Our findings and recommendations produce measurable financial benefits for the federal government after the Congress acts on or agencies implement them and the funds are made available to reduce government expenditures or are reallocated to other areas. For example, a financial benefit can be the result of changes in business operations and activities; the restructuring of federal programs; or modifications to entitlements, taxes, or user fees.

In fiscal year 2014, our work generated about \$54.4 billion in financial benefits (see [fig. 3](#)). We exceeded our target by \$9.4 billion because of several unexpectedly large accomplishments. Part II of the full report (<http://www.gao.gov/products/GAO-15-1SP>) provides more information on these accomplishments by goal. We have set our fiscal year 2015 target for financial benefits at \$46 billion based on our past, ongoing, and expected work. This is above the fiscal year 2014 target but below our actual performance for fiscal year 2014.

**Figure 3: Financial Benefits GAO Recorded**

Dollars in billions



Source: GAO | GAO-15-2SP

The financial benefits that we report in our performance measures are net benefits—that is, estimates of financial benefits that have been reduced by the estimated costs associated with taking the action that we recommended. We convert all estimates involving past and future years to their net present value and use actual dollars to represent estimates involving only the current year. We can claim financial benefits over multiple years, but we limit the period over which benefits from an accomplishment can accrue to no more than 5 years. Additional examples of financial benefits can be found in Part II of the full report (<http://www.gao.gov/products/GAO-15-1SP>).

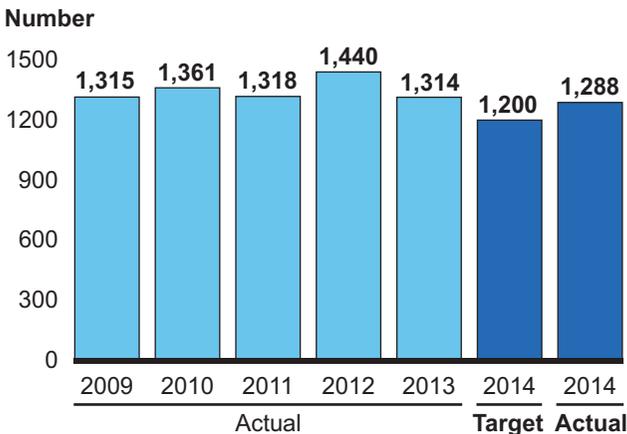
**Selected Fiscal Year 2014 Financial Benefits**

- Reducing Funding for New Camouflage Uniforms for the Army – \$4.2 billion
- Identifying Potential Sources of Reductions in the Department of State’s Budget – \$2.1 billion
- Identifying Large Unobligated Balances at the Department of Agriculture – \$1.8 billion
- Consolidating Federal Data Centers – \$1 billion

**Other Benefits**

Many of the benefits that result from our work cannot be measured in dollar terms, which we refer to as other benefits. During fiscal year 2014, we recorded a total of 1,288 other benefits (see [fig. 4](#)). We exceeded our target by 88 benefits largely because of a number of accomplishments we documented for public safety and security issues, business process improvement, and program efficiency and effectiveness. In fiscal year 2014 we documented actions taken across federal programs—about 48 percent of the total other benefits were in the area of public safety and security, including programs such as homeland security and justice programs and critical technologies. About 26 percent of these other benefits resulted from improvements in business process and management, such as federal information systems, business systems modernization, and financial management. Part II of the full report (<http://www.gao.gov/products/GAO-15-1SP>) provides more information on these other benefits by goal. We have set our 2015 target for these benefits at 1,200 again based on our past, ongoing, and expected work.

**Figure 4: Other Benefits**



Source: GAO | GAO-15-2SP

<b>Selected Fiscal Year 2014 Other Benefits</b>
<b>Public Insurance and Benefits</b> <ul style="list-style-type: none"> <li>■ Led the Department of Veterans Affairs (VA) to improve administration of Non-VA medical care by centralizing claims processing and payment to help facilitate veteran's access to timely medical care</li> </ul>
<b>Public Safety and Security</b> <ul style="list-style-type: none"> <li>■ Led the Department of Homeland Security to better share terrorism-related information with its federal and non-federal security partners and track key efforts to close identified gaps and measure results</li> </ul>
<b>Acquisition and Contract Management</b> <ul style="list-style-type: none"> <li>■ Led the Secretary of Defense to limit procurement quantities of the Littoral Combat ship due to unknown capabilities and to submit alternative proposals for a new small surface combatant ship</li> </ul>
<b>Program Efficiency and Effectiveness</b> <ul style="list-style-type: none"> <li>■ Prompted the Food and Drug Administration to articulate its priorities for ensuring availability of all medically necessary drugs and develop long-term strategies to prevent national drug shortages</li> </ul>
<b>Business Process and Management</b> <ul style="list-style-type: none"> <li>■ Led the Securities and Exchange Commission (SEC) and Internal Revenue Service (IRS) to address significant financial reporting control deficiencies identified during annual audits</li> </ul>

## Past Recommendations Implemented

One way we measure our effect on improving the government's accountability, operations, and services is by tracking the percentage of recommendations that we made 4 years ago that have since been implemented. At the end of fiscal year 2014, 78 percent of the recommendations we made in fiscal year 2010 had been implemented, primarily by executive branch agencies. Putting these recommendations into practice generates tangible benefits for the nation. The 78 percent implementation rate for fiscal year 2014 fell short of our target of 80 percent. We assess recommendations implemented after 4 years based on our experience that agencies need time to act on recommendations and recommendations remaining open after that period of time are generally not implemented in subsequent years.

## New Products Containing Recommendations

In fiscal year 2014, about 64 percent of the 537 written products we issued contained recommendations. We track the percentage of new products with recommendations because we want to focus on developing recommendations that when implemented by the Congress and agencies, produce financial and other benefits for the nation. We exceeded our target of 60 percent by 4 percentage points. However, we are maintaining the 60 percent target for 2015 because we recognize that the Congress and agencies often find informational reports that do not include recommendations as useful as those that contain them.

## Client Measures

To fulfill the Congress's information needs, we deliver the results of our work orally as well as in writing at a time agreed upon with our client. Our performance this year indicates that we assisted the Congress well, by striving to respond to all congressional requests for testimony and delivering almost all of our products on time based on the feedback from our clients. We issued 761 total products and completed work for 151 clients.

### Testimonies

Our clients often invite us to testify on our current and past work as it relates to issues that committees are examining through the congressional hearing process. During fiscal year 2014, our senior executives testified at 129 congressional hearings covering a wide range of complex issues. We fell short of our target of 130 hearings by just 1 hearing (see [table 1](#)). This measure is client-driven based on invitations to testify, and we cannot always anticipate clients' specific subject area interests. The 129 hearings at which the Congress asked our senior executives to testify in fiscal year 2014 covered the scope of our mission areas. (See [fig. 5](#) for selected topics we testified on by strategic goal in fiscal year 2014.) Thirty-three percent of the hearings at which our senior executives testified were related to high-risk areas and programs, which are listed on page 40 of the full report (<http://www.gao.gov/products/GAO-15-1SP>).

### Timeliness

To be useful to the Congress, our products must be available when our clients need them. In fiscal year 2014, we exceeded our timeliness target of 90 percent by five percentage points. We outreach directly to our clients through several means, including an electronic feedback form. We use the results of our client feedback form as a primary source and barometer for whether we are getting our products to our congressional clients when they need the information. We have again set our fiscal year 2015 target at 90 percent. We believe that this is a realistic target given our current staffing levels and workload demands.

## People Measures

Our highly professional, multidisciplinary, and diverse staff were critical to the level of performance we demonstrated in fiscal year 2014. Our ability to hire, develop, retain, and lead staff is a key factor to fulfilling our mission of serving the Congress and the American people. In fiscal year 2014, we exceeded all of our seven people measures. These measures are directly linked to our goal 4 strategic objective of being a leading practices federal agency. For more information about our people measures, see Table 19 beginning on page 130 of the full report (<http://www.gao.gov/products/GAO-15-1SP>).

### New Hire Rate

Our new hire rate is the ratio of the number of people hired to the number we planned to hire. Our annual workforce planning process helps to identify the human capital resource requirements needed to accomplish our mission. The workforce plan takes into account strategic goals, projected workload

requirements, and other changes, such as retirements, attrition, promotions, and skill gaps, and it specifies the number of planned hires for the upcoming year. Adjustments to the plan are made throughout the year, if necessary, to respond to the most pressing issues for congressional oversight and decision making. In fiscal year 2014 our new hire rate was 88 percent. We exceeded the target of 75 percent by 13 percentage points. We planned to hire about 360 new staff, but filled 317 positions by year-end. Fifteen of these positions were not filled because we did not have quality candidates. For the remaining 28 positions, we had not completed our recruiting activities by the end of the fiscal year. These positions will be carried over to fiscal year 2015.

## **Retention Rate**

We continuously strive to make GAO a place where people want to work. Once we have made an investment in hiring and training people, we would like them to stay with us. This measure is one indicator of whether we are attaining this objective. We calculate this measure by taking 100 percent minus the attrition rate, where attrition rate is defined as the number of separations divided by the average onboard strength. We calculate this measure with and without retirements. In fiscal year 2014, we exceeded our target rate of 90 percent for retention with retirements by 4 percentage points at 94 percent. We also exceeded our retention rate target of 94 percent without retirements by 3 percentage points at 97 percent.

## **Staff Development and Utilization, Effective Leadership by Supervisors, and Organizational Climate**

One way that we measure how well we are supporting our staff and providing an environment for professional growth is through our annual employee feedback survey. This web-based survey is administered to all of our employees once a year. Through the survey, we encourage our staff to indicate what they think about our overall operations, work environment, and organizational culture and how they rate their immediate supervisors on key aspects of their leadership styles. See Table 19 on pages 130-138 of the full report (<http://www.gao.gov/products/GAO-15-1SP>) for additional information about these measures. This fiscal year, 69 percent of our employees completed the survey, and we exceeded all four targets (see [table 1](#)). Our performance on the staff development exceeded our target of 80 percent by 3 percentage points. Staff utilization exceeded our target of 76 percent by 1 percentage point, organizational climate exceeded our target of 76 percent by 3 percentage points, and leadership exceeded our target of 82 percent by 1 percentage point. Given our performance on these measures in recent years, we have decided to keep these targets for fiscal year 2015.

**Figure 5: Selected Testimony Topics • Fiscal Year 2014****Goal 1: Address Current and Emerging Challenges to the Well-being and Financial Security of the American People**

- Processing Veterans' Disability Benefits
- Expectations of Government Support for Large Bank Holding Companies
- Timely Outpatient Medical Care for Veterans
- Early Learning and Child Care
- Retirement Security Trends
- Privacy of Consumers' Location Data
- Federal Fiscal Exposure from Climate Risks
- Oversight of Federal Student Loans
- Medicare Fraud
- U.S. Postal Service's Unfunded Benefit Liabilities
- Federal Efforts Supporting Financial Literacy
- Oil and Gas Management
- Airport Development and Financing
- VA Construction of Major Medical Facilities Face Cost Increases and Schedule Delays
- Public Transit Challenges
- Export-Import Bank Management
- Social Security Disability Programs

**Goal 2: Respond to Changing Security Threats and the Challenges of Global Interdependence**

- DHS' Progress in Addressing High-Risk Issues
- Arizona Border Surveillance Technology Plan
- Personnel Security Clearances
- TSA's Screening Partnership Program
- DHS High Risk Areas: Progress and Remaining Work
- Sustained Leadership for Defense Health Reform
- Defense Acquisition Management Reforms
- DHS' Chemical Security Program
- DOD Acquisition Risks: F-35 Joint Strike Fighter
- Improving Oversight of NASA's Export Controls
- National Security Space Launch Acquisitions
- Strengthening DHS' Research and Development Oversight and Coordination
- USAID Support for Haiti's Reconstruction
- Enhancing Federal Agencies' Responses to Information Security Breaches
- HealthCare.gov Security and Privacy Controls
- HealthCare.gov Contract Planning and Oversight
- Nuclear Nonproliferation

**Goal 3: Help Transform the Federal Government to Address National Challenges**

- Biosafety Lapses in High Containment Laboratories
- Leveraging Best Practices for Major Information Technology Acquisitions
- Information Technology Reform Initiatives
- Additional Guidance for States on Use of Psychotropic Medications for Foster Children
- Patient Protection and Affordable Care Act Enrollment Controls
- Correcting Long-standing Weaknesses in DOD's Financial Management
- Monitoring Government-wide Improper Payments
- Government-wide Challenges to Efficiency and Effectiveness
- Reducing Fragmentation, Overlap, and Duplication in Federal Programs

Source: GAO | GAO-15-2SP

Note: Additional information on selected testimonies can be found in Part II, pp. 69, 78, and 84 of the full report (<http://www.gao.gov/products/GAO-15-1SP>).

## Other Ways GAO Served the Congress and the Nation

### GAO's High-Risk Program

Every two years at the start of a new Congress, GAO issues a biennial update of our High-Risk report.

This report focuses attention on government operations that are at high risk of fraud, waste, abuse, and mismanagement, or need transformation to address economy,

efficiency, or effectiveness challenges. This report, which will be updated in 2015, offers solutions to 30 identified high-risk problems and the potential to save billions of dollars, improve service to the public, and strengthen the performance and accountability of the U.S. government.

The major cross-cutting High-Risk program areas range from transforming DOD business operations and managing federal contracting more effectively, to assessing the efficiency and effectiveness of tax law administration and modernizing and safeguarding insurance and benefit programs. Our 2014 High-Risk work produced 153 reports, 43 testimonies, \$23.9 billion in financial benefits, and 455 program and operational benefits. The high-risk areas with the largest amount of financial benefits were DOD Weapon Systems Acquisitions and the Medicaid and Medicare programs. The 2015 update will report on progress made and what remains to be done to address each of the high-risk areas. A complete list of high-risk areas is shown in Table 7 of the full report (<http://www.gao.gov/products/GAO-15-1SP>). Details on each high-risk area can be found at <http://www.gao.gov/highrisk/overview>.

#### Our 2014 High-Risk area work:

- 153 reports
- 43 testimonies
- \$23.9 billion in financial benefits
- 455 other benefits

### Opportunities to Reduce Fragmentation, Overlap, and Duplication, Achieve Savings, and Enhance Revenue

In April 2014, we issued our fourth report ([GAO-14-343SP](http://www.gao.gov/products/GAO-14-343SP)) in response to a statutory requirement that calls for us to identify federal programs, agencies, offices, and initiatives that have duplicative goals or activities and report annually to the Congress on our findings, as well as actions to reduce such duplication. Given the current fiscal condition, we also identify additional opportunities to achieve greater efficiency and effectiveness by means of cost savings or enhanced revenue collection.

Our 2014 annual duplication report identified 64 new actions that executive branch agencies and the Congress could take to improve the efficiency and effectiveness of 26 areas of government. For example, under current law, individuals are allowed to receive concurrent payments from the Disability Insurance and Unemployment programs. Eliminating the overlap in these payments could save the government about \$1.2 billion over the next 10 years. In another example highlighted in the 2014 report, we reported that the Congress could rescind all or part of the remaining \$4.2 billion in credit subsidies for the Advanced Technology Vehicles Manufacturing Loan program unless the Department of Energy demonstrates sufficient demand for this funding.

In addition to identifying new areas, we continued to monitor the progress the Congress and executive branch agencies have made in addressing issues we previously identified. As we reported in April 2014, the Congress and executive branch agencies have addressed or partially addressed 81 percent of the 162 areas we identified in our first three reports. We estimate that congressional and executive branch efforts to address the issues we have previously identified have resulted in over \$10 billion in cost savings, with billions of dollars more in cost savings anticipated in future years. Policymakers and the public can track the status of congressional and executive branch efforts to address the issues we have previously identified on GAO's Action Tracker located on our website under the "Duplication and Cost Savings" collection.

## **Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 was intended to address regulatory gaps and oversight failures in the U.S. mortgage, securities, and financial markets. In fiscal year 2014, we issued five reports on issues the act mandates GAO to review. The reports covered:

- interagency efforts to crack down on mortgage foreclosure rescue schemes—schemes that promise but do not deliver foreclosure prevention assistance ([GAO-14-17](#));
- changes in the surplus line insurance market where insurers provide coverage for risks that the traditional insurance market is unwilling or unable to cover ([GAO-14-136](#));
- activities by relevant U.S. agencies and other stakeholders to support responsible sourcing of conflict minerals ([GAO-14-575](#)); and
- audits of the financial statements of the Securities and Exchange Commission ([GAO-14-213R](#)) and the newly created Bureau of Consumer Financial Protection ([GAO-14-170R](#)).

## **The Patient Protection and Affordable Care Act**

The Congress passed the Patient Protection and Affordable Care Act (PPACA) in 2010 to increase the accessibility and affordability of health coverage for Americans. Key provisions of PPACA were implemented starting in 2014, including the establishment of health insurance exchanges—new marketplaces for individuals and small employers to purchase qualified health plans—and requirements affecting insurers' premium rates and benefits. In fiscal year 2014, we issued 13 products assessing the implementation of exchanges and to assist the Congress in monitoring the effects of PPACA on health insurance availability and costs.

We also studied several issues related to the Centers for Medicare & Medicaid Services' (CMS) website, HealthCare.gov, and its underlying data systems as consumers faced widespread problems shopping for and purchasing health coverage through the exchanges during the initial open enrollment period. For example, we reported on significant cost increases and delayed system functionality that were exacerbated by ineffective planning and oversight of contractors responsible for developing these systems, and we made recommendations for CMS to bolster contract management and oversight

(GAO-14-694). Further, while CMS has taken steps to protect the security and privacy of data processed and maintained by the complex set of systems and interconnections that support HealthCare.gov, we found that weaknesses remain both in the processes used for managing information security and privacy as well as the technical implementation of IT security controls. We made recommendations to improve privacy and security of these data systems that CMS indicates it intends to adopt in advance of the second open enrollment period beginning in November 2014 (GAO-14-730).

In addition, we reported on health insurance premiums and insurer participation in the exchanges to assist the Congress in ongoing monitoring of the effects of PPACA. In a series of reports, we provided baseline data on base premiums (prior to underwriting for health and other risk factors) that individuals of different ages, sex, smoking status, and family size were offered, as well as average premiums small employers paid in 2013 (GAO-14-263R, GAO-14-524R, and GAO-14-772R). We also found that the largest issuers of health coverage in 2012 (prior to the implementation of exchanges) participated in exchanges in most states in 2014, but most smaller insurers with less than 5 percent of the 2012 market did not participate in the 2014 exchanges (GAO-14-657).

## Managing Our Resources

### Resources Used to Achieve Our Fiscal Year 2014 Performance Goals

Our financial statements for the fiscal year ending September 30, 2014, were audited by an independent auditor, CliftonLarsonAllen, LLP, and received an unmodified opinion. The auditor found our internal controls to be effective—which means that no material weaknesses or significant deficiencies were identified—and reported that we substantially complied with the applicable requirements for financial systems in FFMIA. In addition, the auditor found no instances of noncompliance with the laws or regulations in the areas tested. In the opinion of the independent auditor, our financial statements are presented fairly in all material respects and are in accordance with accounting principles generally accepted in the United States. The auditor’s report, along with the statements and their accompanying notes, begins on page 101 of the full report (<http://www.gao.gov/products/GAO-15-1SP>).

Compared with the statements of large and complex departments in the executive branch, our statements present a relatively simple picture of a small yet very important agency in the legislative branch. We focus most of our financial activity on the execution of our congressionally approved budget with most of our resources devoted to the people needed for our mission.

In fiscal year 2014, our budgetary resources included new direct appropriations of \$505.4 million, and \$30.0 million in spending authority from offsetting collections, primarily from the lease of space in our headquarters building and certain audits of agency financial statements. In addition, we received \$70,000 for our OIG to complete its responsibilities as the Inspector General of the U.S. Commission on Civil Rights. Our total budgetary resources in fiscal year 2014 were \$562.5 million.

Total assets were \$102.6 million, consisting mostly of funds with the U.S. Treasury and property and equipment (including the headquarters building, land and improvements, and computer equipment and software), which is \$7.9 million greater than fiscal year 2013. Our Fund Balance with the Treasury increased \$5.0 million from fiscal year 2013 primarily as a result of the lack of sequestration in fiscal year 2014.

Total liabilities were \$77.7 million, composed largely of employees' accrued annual leave, employees' salaries and benefits, amounts owed to other government agencies, and nongovernmental accounts payable. The balance of total liabilities at the end of fiscal year 2014 remains the same as at the end of fiscal 2013.

## Internal Management Challenges

The Comptroller General, the Executive Committee, and other senior executives identify management challenges through the agency's strategic planning, management, internal controls, and budgetary processes. We monitor our progress in addressing these challenges through our annual performance and accountability process, and ask our IG each year to comment on management's assessment of these challenges. For fiscal year 2015, we will continue to focus high-level management attention on human capital issues and on the challenge relating to improving the efficiency of our engagements and delivery of timely and quality information to the Congress. We have also identified an additional management challenge this year—information security.

### Human Capital Challenge

GAO depends on a diverse, engaged, motivated, and high-performing workforce to effectively deliver on its mission to support the Congress. Attracting and retaining this workforce, requires strategic management of several human capital challenges in a budget-conscious environment. In fiscal year 2014, we made progress in

- **Hiring and recruiting.** We hired many more new employees in 2014 than in 2013, reconstituted our intern program, improved hiring by using subject-matter-experts to assess candidates' qualifications, and used hiring flexibilities to expedite hiring for certain positions.
- **Developing employees.** We positioned ourselves to graduate and place our current class of candidates for the Senior Executives Service in early fiscal year 2015 and to advertise and select a new candidate class for development. We also fielded 20 new courses to address staff development needs and completed an in-depth analysis of our leadership development curricula to guide future efforts.
- **Managing a mobile workforce.** We completed implementation of enhanced telework pilots in all 11 field offices to help staff address work-life balance issues and achieve infrastructure cost savings. We continued to survey pilot participants to gauge their satisfaction and augmented this effort with a GAO-wide telework survey to help with our comprehensive evaluation.
- **Performance-based compensation (PBC) and performance management.** We completed implementation of our new PBC system, monitored its implementation through periodic surveys and discussion sessions,

briefed staff on the new PBC, and trained supervisors on their roles and responsibilities in providing effective performance management.

- **Diversity and inclusion.** We remained one of the best places to work in government as reported by the Partnership for Public Service—among the top five since 2005—and were ranked first among midsize federal agencies for our support of diversity in 2013. We also established a community of practice on diversity and inclusion and continued our work to increase the representation of minorities and staff with disabilities in leadership positions and representation of Hispanics, people with disabilities, and veterans in our workplace. See full report (<http://www.gao.gov/products/GAO-15-1SP>).

## Engagement Efficiency Management Challenge

In the third year of our focus on the engagement efficiency management challenge, we made notable progress. Specifically, we piloted an updated engagement management process and companion new engagement management system (EMS) to streamline the way in which we conduct our work—positioning us for agency-wide rollout in 2015. To help ensure user acceptance, we solicited and incorporated participant feedback throughout the pilot to identify and incorporate needed refinements. With EMS in place, we were able to retire one legacy system, and are positioning ourselves to retire two more in the future. We also continued our work to acquire New Blue— a software platform to improve how we draft, review, edit, verify, publish, and distribute GAO products—and are on track to issue a Request for Proposal (RFP) in fiscal year 2015.

## Information Security

In 2012, following 3 years of clean IG assessments on the implementation and continuous monitoring of our information security program, we removed information security from our list of management challenges. Due, however, to the rapidity and constancy of possible cyber threats to our network, and the need for constant vigilance of our software and hardware configuration, we are electing this year to bring information security back as a management challenge.

## Mitigating External Factors

In addition to the resource constraints and uncertainty of the budget for fiscal year 2015, which directly affect our internal management challenges, other external factors that could affect our performance and progress toward our goals include shifts in congressional interests, the ability of other agencies to make improvements needed to implement our recommendations in a constrained budget environment, and access to agency information. We mitigate these factors in several ways.

Demand for our work is very high, with 892 congressional requests and new mandates in fiscal year 2014. To be prepared to address timely and relevant issues, we communicate frequently with our congressional clients to stay abreast of their interests. We strive to maintain flexibility in deploying our resources in response to shifting priorities and have successfully redirected our resources when appropriate and maintained broad-based staff expertise. We devoted

33 percent of our audit resources to mandates in fiscal year 2014. We are also working with the Congress to revise or eliminate mandates that have outlived their usefulness.

The extent to which we can obtain access to agency information also plays a role in our ability to serve the Congress. While we generally receive very good cooperation, over time we have experienced access issues at certain departments and agencies. We actively pursue access issues as they arise, and we are engaged in discussions and efforts with the executive branch to enhance our access to information. In fiscal year 2014, GAO experienced difficulty with the State Department and U.S. Agency for International Development (USAID) providing copies of documents deemed to be Sensitive But Unclassified (SBU)—routinely provided by other executive branch agencies. GAO is currently engaged in ongoing discussions with senior officials at both the State Department and USAID regarding changes to their policies.

Another issue relating to our access to information is in the context of the Intelligence Community—specifically 2011 Intelligence Community Directive (ICD) 114 that governs our access to information in the possession of an element of the Intelligence Community. In fiscal year 2014, we successfully worked through a number of issues with various elements of the Intelligence Community related to obtaining information we requested. We will continue to monitor the implementation of ICD 114 moving forward (see pages 62-63 of the full report <http://www.gao.gov/products/GAO-15-1SP>).

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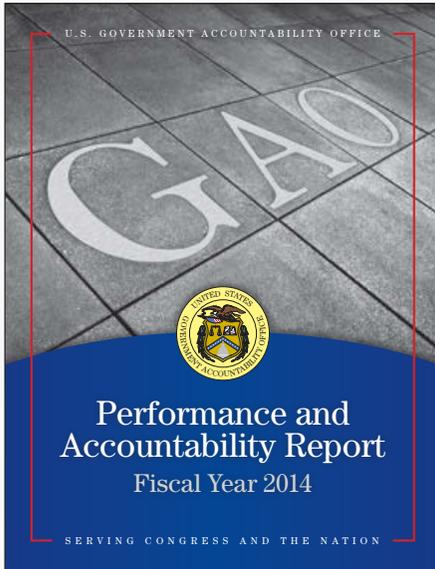
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