

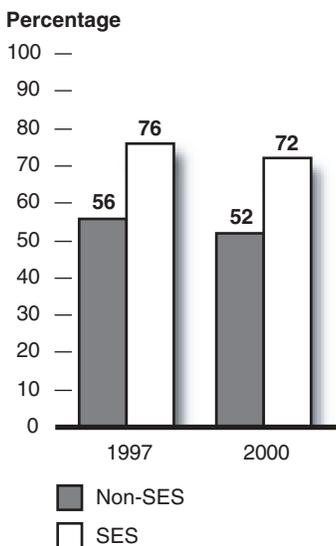


Strategic Objective:

*Support Congressional Oversight of the Federal Government's Progress toward Being More Results-Oriented, Accountable, and Relevant to Society's Needs*

**Issue:** During the past decade, the Congress has sought to instill a greater focus on results and accountability by enacting a statutory framework with the Government Performance and Results Act (GPRA) as its centerpiece. However, GAO has reported that performance improvements do not take place merely because a set of management requirements has been established and that building organizational cultures that help create and sustain a focus on results remains a work in progress. Linking the GPRA strategic planning process to institutional and individual performance management and reward systems can serve to significantly accelerate movement toward a more results-oriented and accountable federal government. In GAO's governmentwide surveys, for example, federal managers have reported that their top leaders still do not show a consistently strong commitment to achieving results (see fig. 3.3).

**Figure 3.3: Extent to Which Top Leadership Is Perceived as Demonstrating a Strong Commitment to Achieving Results, 1997 and 2000**

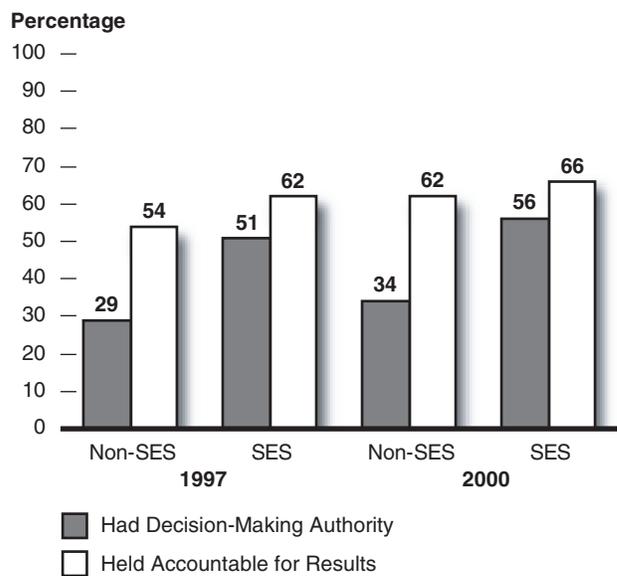


Note: Survey respondents were both Senior Executive Service (SES) members and non-SES members. "Top leadership" refers to the leadership of the agencies in which the respondents serve.

Source: GAO survey data.

Also, in crafting GPRA, the Congress recognized that if federal managers were to be held accountable for program results, they would need the authority and flexibility to achieve those results. However, managers also reported that while they often are held accountable for results, they sometimes do not have the decision-making authority they need to accomplish agency goals (see fig. 3.4).

**Figure 3.4: Extent to Which Managers Believe They Have Needed Decision-Making Authority and Are Held Accountable for Results, 1997 and 2000**



Notes: "Needed" decision-making authority refers to the authority managers responding to the survey believe managers at their level need to help their agencies accomplish their strategic goals.

Source: GAO survey data.

Part of a results-oriented framework is relevance; that is, the extent to which programs meet society's priorities. Performance indicators can help decision makers gauge the relevance of programs in meeting societal needs.

The President's Management Agenda for Fiscal Year 2002 also seeks to instill a greater focus on governmental results, presenting a number of governmentwide initiatives, including the aforesaid human capital goals, and pro-

gram-specific initiatives intended to improve federal management and to deliver results. For example, consistent with GAO's position, the agenda identified improving financial performance as an important initiative to stop erroneous benefit and assistance payments and to ensure that agencies supply reliable, accurate, and timely information to enhance accountability to the American people. Furthermore, among the specific initiatives is the development of better criteria for federal investment in science and technology. Although science and technology are major factors in economic growth, there must be accountability for the investment of the federal money supporting these activities in terms of effectiveness in achieving specific goals.

Also, today, there are widespread concerns about the accountability profession's role in serving the public's interest. GAO assists the Congress in this important area, such as by overseeing the governance of the auditing profession, setting the standards auditors use to perform audits of federal funds and activities, and working collaboratively with the inspectors general to issue a methodology for conducting federal financial statement audits.

**Performance Goals:** To support congressional oversight of the federal government's progress toward being more results-oriented, accountable, and relevant to society's needs, GAO will

- analyze and support efforts to instill result-oriented management across the government,
- highlight the federal programs and operations at highest risk and the major performance and management challenges confronting agencies,
- identify ways to strengthen accountability for the federal government's assets and operations,
- promote accountability in the federal acquisition process,
- assess the management and results of the federal investment in science and technology and the effectiveness of efforts to protect intellectual property,
- identify ways to improve the quality of evaluative information, and
- develop new resources and approaches that can be used in measuring performance and progress on the nation's 21<sup>st</sup> century challenges.

## *Analyze and Support Efforts to Instill Results-Oriented Management Across the Government*

### *Key Efforts*

- ❑ Monitor agencies' progress in making the implementation of GPRA an integral part of their operations
- ❑ Assess the progress agencies and the Office of Management and Budget are making in integrating performance considerations into resource allocation decisions
- ❑ Examine how different program tools, strategies, and organizational arrangements can be used to maximize results
- ❑ Analyze how the shift to a results orientation is promoting more complete integration of budget, accounting, and performance information

### *Significance*

The federal government has been moving toward results-oriented management. This direction shifts the focus from activities to the results of those activities. Many agencies face long-standing and substantial challenges to becoming results-oriented. They need to focus on results, align organizational structures within and across agencies, employ management flexibilities and incentives effectively, and use credible results-oriented performance information systems for decision making and accountability. GAO's work has shown that agencies can meet these challenges by employing results-oriented approaches, such as planning better for how mission-critical challenges and risks are to be addressed, coordinating crosscutting programs, considering the performance consequences of budget decisions, integrating human capital and performance planning, and building the capacity to gather and use performance information. GAO's work also helps the Congress use the information provided under the Government Performance and Results Act (GPRA) in carrying out its appropriations and oversight roles.

### *Potential Outcomes that Could Result when GAO's Work Is Used*

Agencies' providing more objective information to congressional decision makers on achieving statutory objectives and the relative effectiveness and efficiency of federal programs and spending

Improved management of federal programs by establishing a focus on results, service quality, and customer satisfaction

Increased accountability of federal agencies for achieving program objectives

Increased congressional and public confidence in the integrity of budgetary data used for accountability and decision making

## *Highlight the Federal Programs and Operations at Highest Risk and the Major Performance and Management Challenges Confronting Agencies*

### *Key Efforts*

- ❑ Determine the progress agencies are making in addressing the high-risk areas and major management challenges identified in GAO's most recent *Performance and Accountability Series* and *High-Risk Update*
- ❑ For each new Congress, update areas identified as high-risk and major management challenges—adding new ones and removing ones that are no longer applicable
- ❑ Identify actions that GAO believes agencies or the Congress should take to resolve high-risk areas and major management challenges

### *Significance*

GAO continues to provide the Congress with periodic updates on government programs and operations GAO has identified as high-risk and other major management challenges facing individual agencies and the government as a whole. Twenty-one agency-specific and two governmentwide areas, human capital management and information security, are currently designated as high risk. GAO's *Performance and Accountability Series* and *High-Risk Update* also highlight other management challenges that limit agencies' effectiveness in carrying out their missions, corrective actions taken or initiated to address these challenges, and further actions needed. The most recent series also provided a governmentwide perspective on a range of challenges and opportunities to enhance the performance and accountability of the federal government and position the country for the future. These reports continue to help congressional and administration officials consider actions needed to support the transition to a more results-oriented and accountable federal government. A number of the governmentwide and program-specific reforms contained in the President's Management Agenda for Fiscal Year 2002 focus on high-risk areas and other management challenges recently reported on by GAO.

### *Potential Outcomes that Could Result when GAO's Work Is Used*

Sustained commitment to complete actions to resolve high-risk areas and overcome major management challenges and enhanced recognition of the operational and strategic challenges facing the nation

Greater awareness of the extent and severity of high-risk areas and major management challenges at agencies at the beginning of each new Congress

Consideration of recommendations to get at the root causes of fraud, waste, abuse, and mismanagement in high-risk government programs and to achieve greater economy, efficiency, and effectiveness in government operations

## *Identify Ways to Strengthen Accountability for the Federal Government's Assets and Operations*

### *Key Efforts*

- ❑ Perform financial analyses, undertake specifically requested financial reviews, and conduct a wide range of statutorily mandated financial audit work
- ❑ Assess internal control and recommend improvements to ensure effective internal control is in place and operating as intended
- ❑ Conduct forensic audits and investigations to highlight vulnerabilities and to identify potential instances of fraud and abuse
- ❑ Identify and suggest improvements in a range of areas affecting program performance and accountability such as improper payments, debt collection, deferred maintenance, asset control, user fees, credit cards, and social insurance
- ❑ Analyze the activities and capacity of the accountability community, including the inspectors general, in overseeing federal programs and funds

### *Significance*

The government faces a wide range of financial management issues that affect program performance and accountability and that result in substantial losses of taxpayers' funds. For example, the President's Management Agenda for Fiscal Year 2002 points to one such area for attention—the government has identified over \$20 billion in erroneous benefit and assistance payments associated with just 13 programs. GAO's work provides foresight into the extent and causes of and solutions to pressing financial management issues such as this and puts a face on control weaknesses in critical government programs.

### *Potential Outcomes that Could Result when GAO's Work Is Used*

Greater congressional insight on the viability and financial status of major government entities

Stronger systems of internal control to help deter waste, fraud, abuse, and mismanagement

Enhanced accountability for managing programs more efficiently, effectively, and economically

Strengthened accountability community's efforts to work cooperatively and help ensure that resources are used soundly to effectively oversee government programs and funds

*Promote Accountability in the Federal Acquisition Process**Key Efforts*

- Determine whether contracting agencies in the protested procurements acted lawfully

*Significance*

GAO is statutorily vested with authority to resolve disputes concerning awards of government contracts. In this role, GAO issues decisions on bid protests, resolving complaints that solicitations for contracts unduly restrict competition or that contracts have been awarded improperly. When a bid protest is found to have merit, GAO recommends appropriate actions to correct the violation of law involved in the procurement at issue. In addition, GAO's bid protest decisions collectively constitute a substantial, uniform body of law relied on by the Congress, the courts, contracting agencies, and the public. By providing an objective, independent, and impartial forum for resolving bid protests, GAO contributes to protecting the integrity of the procurement system and to promoting public confidence in that system.

*Potential Outcomes that Could Result when GAO's Work Is Used*

Improved integrity of the procurement system and increased public confidence in the system

Increased consistency of governmentwide interpretations of procurement statutes and regulations

## *Assess the Management and Results of the Federal Investment in Science and Technology and the Effectiveness of Efforts to Protect Intellectual Property*

### *Key Efforts*

- ❑ Identify ways to improve the funding and coordination of activities across government agencies
- ❑ Assess the management and results, including economic impact and human capital initiatives, of major federal science and technology programs
- ❑ Determine the effectiveness of technology transfer, patent office, and federal information services
- ❑ Identify options for restructuring and better managing the nation's deteriorating federal laboratories
- ❑ Evaluate the National Aeronautics and Space Administration's efforts to control and manage the nation's multibillion-dollar research investment in the International Space Station, Space Shuttle fleet, Space Launch initiative, and assess implementation of GPRA
- ❑ Conduct one or more technology assessments to evaluate the implications of the technology for public policy and congressional decision making

### *Significance*

The federal government's investment in science and technology is critical to long-term U.S. economic growth. Over the past 50 years, developments in science and technology have generated at least half of the nation's productivity growth and have created millions of high-skill, high-wage jobs. The quality of life in America has been bolstered by the pursuit of science and technology. Also, intellectual property—patents, trademarks, and copyrights—has been characterized as the fuel that drives the U.S. economic engine and is an important component of the nation's knowledge-based economy. Each year, the federal government spends over \$90 billion on research and development activities and grants or registers nearly 300,000 patents and trademarks and over 500,000 copyrights. The Congress's challenges are to ensure that federal resources are allocated to the most promising, highest payoff areas and that, in a global economy, the nation's investment in science and technology—its intellectual property—is protected here and abroad.

### *Potential Outcomes that Could Result when GAO's Work Is Used*

Increased confidence that the federal science and technology programs are being well managed, achieving intended results, and contributing to the overall economic well-being of the nation

Better understanding of the policy options that stimulate technological innovation and encourage partnering and cooperation among research institutions while protecting intellectual property rights

A more informed congressional review of the International Space Station and activities to keep the Space Shuttle fleet safe while a suitable alternative is developed

## *Identify Ways to Improve the Quality of Evaluative Information*

### *Key Efforts*

- ❑ Help build the government's capacity to evaluate the implementation and effects of policies and programs
- ❑ Identify and assess methodological tools for measurement and analysis
- ❑ Identify strategies for evaluating issues that cross program boundaries

### *Significance*

Increased globalization, rapid technological advances, and new economic and national security activities will require the government to revise its priorities, processes, and programs to effectively address public expectations and needs. At the same time that performance indicators are being used to support congressional oversight of the federal government's progress toward being more results-oriented and accountable, additional evaluative information is often needed to show the extent to which programs are achieving the desired effect on society's problems. Agencies' progress in demonstrating these effects has been hindered by the difficulty in identifying the unique federal contribution to results and by agencies' limited capacity to gather and use performance measures and program evaluations. In the face of emerging needs and challenges, congressional oversight must span traditional program boundaries to rationalize and coordinate crosscutting program efforts. Agencies and the Congress need credible evaluative and analytic information to assess whether current programs and policies remain relevant, appropriate, and effective.

### *Potential Outcomes that Could Result when GAO's Work Is Used*

Enhanced congressional capability to oversee and evaluate program effectiveness

Enhanced agency capability to identify ways to improve program performance

Better understanding of the extent to which policies and programs are meeting the societal needs to which they were designed to contribute

## *Develop New Resources and Approaches that Can Be Used in Measuring Performance and Progress on the Nation's 21<sup>st</sup> Century Challenges*

### *Key Efforts*

- ❑ Solicit advice and input from national leaders on the challenges involved in measuring national performance
- ❑ Develop definitions for broad-level indicators that can measure the effects of policies and programs on societal needs and create new electronic information resources on assessing national performance
- ❑ Understand and contribute to the state of the practice in large-scale performance measurement in GAO, the Congress, the United States, and around the world

### *Significance*

While vast challenges and opportunities face the United States in this new century, available resources have real limits. Dramatic changes affecting the country all demand new and more cross-sectoral responses, with complex interdependencies, that will require new information sources to support public debate and inform decisions. To have a democracy that is performance-oriented and fully accountable, appropriate key national performance indicators are necessary to assess the position and overall progress of the nation and to help chart its future direction.

For the last decade, the movement to bring strategic planning and performance management into government has been growing—notably through the implementation of the Government Performance and Results Act. While some progress has been made, the need to assess what has worked and what has not is increasing. What results have been achieved, what progress has been made, and what challenges remain? Where does the United States stand in comparison with other major industrialized nations?

Hence, a more expansive effort is required to augment the process of setting and measuring progress in key areas as a context for governance efforts. For example, in security, what indicators will be used to measure national preparedness? In health care, how will the nation measure the health and welfare of an aging population? In education, will new national standards be sufficient to assess the quality of outcomes for the nation's children? And, more generally, are the most useful information sources available to assess the nation's degree of economic and social progress? Only if these questions are addressed effectively can leaders—and the public—decide the respective roles of the public, commercial, and nonprofit sectors in solving the challenges we face.

### *Potential Outcomes that Could Result when GAO's Work Is Used*

Increase the insight and foresight available to the Congress and the American public on priority and emerging national challenges and policy decisions

Enhanced congressional, agency, state, local, and GAO capability to oversee and evaluate governmental performance at every level