

U.S. Government and Accountability Office

# Performance and Accountability Report Fiscal Year 2021

GAO-22-4SP

Accessible Version

# SERVING THE CONGRESS

## 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.

## Core Values

### MISSION VALUES:

- **Accountability:** Enhance the economy, efficiency, effectiveness, and credibility of the federal government
- **Integrity:** Conduct professional, objective, fact-based, non-partisan, non- ideological, fair, and balanced work
- **Reliability:** Produce timely, accurate, useful, clear, and candid products

### PEOPLE VALUES:

- **Valued :** Seek out and appreciate each person's perspectives
- **Respected:** Treat everyone with dignity
- **Treated Fairly :** Foster a work environment that provides opportunities for all

## 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.

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## How to Use This Report

This report describes for the Congress and the American taxpayer the United States (U.S.) Government Accountability Office's (GAO) performance measures, results, and accountability processes for fiscal year 2021 (October 1, 2020 through September 30, 2021). In assessing our performance, we compared actual results against targets and goals that were set in our [annual performance plan](#) and performance budget and were developed to help carry out our [strategic plan](#). Our complete set of strategic planning and performance and accountability reports is available on our website at <https://www.gao.gov/about/what-gao-does/performance>.

This report has an introduction, four parts, and supplementary appendixes as follows:

### Introduction

This section includes the letter from the Comptroller General and a statement attesting to the completeness and reliability of the performance and financial data in this report and the effectiveness of our internal control over financial reporting. This section also includes a summary of our mission, strategic planning process, organizational structure, strategies we use to achieve our goals, and process for assessing our performance.

### Management's Discussion and Analysis

This section discusses our agency-wide performance results and use of resources in fiscal year 2021. It also includes information on our internal controls and the management challenges and external factors that affect our performance.

### Performance Information

This section includes details on our performance results by strategic goal in fiscal year 2021 and our targets for fiscal year 2022. It also includes a summary of four program evaluations for fiscal year 2021.

### Financial Information

This section includes details on our finances in fiscal year 2021, including a letter from our Chief Financial Officer, audited financial statements and notes, and the reports from our external auditor and Audit Advisory Committee. This section also includes an explanation of the information each of our financial statements conveys.

### Inspector General's View of GAO's Management Challenges

This section includes our Inspector General's perspective of our agency's management challenges.

### Appendixes

This section provides the report's abbreviations and describes how we ensure the completeness and reliability of the data for each of our performance measures.

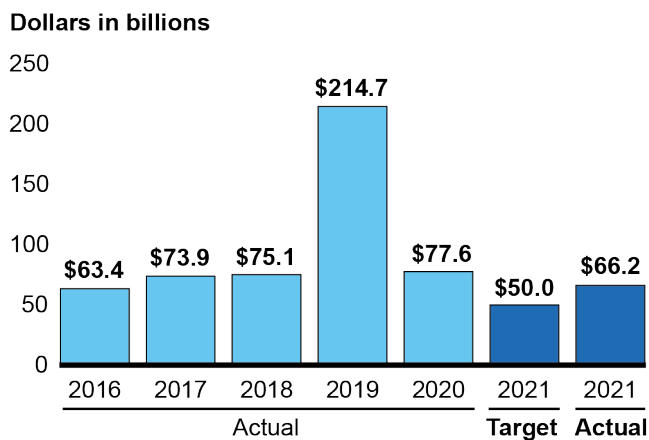
# A Fiscal Year 2021 Performance and Financial Snapshot for the American Taxpayer

## Did you know?

### In fiscal year 2021:

- The Congress used GAO’s work extensively to identify legislative solutions to emerging problems, achieve cost savings, and enhance efficiencies in federal agencies and programs.
- GAO’s work yielded about \$66.2 billion in financial benefits—a return of about \$93 for every dollar invested in GAO.
- GAO also identified 1,239 other benefits—those that cannot be measured in dollars, but led to program and operational improvements across the government.
- GAO reported on 36 areas previously designated as high risk due to vulnerability to fraud, waste, abuse, and mismanagement because they face economy, efficiency, or effectiveness challenges. This work yielded 157 reports, 37 testimonies, \$52 billion in financial benefits, and 508 other benefits.
- GAO received requests for work from 90 percent of the standing committees of the Congress.
- Senior GAO officials were asked to testify 67 times on a wide range of issues that touched virtually all major federal agencies.
- GAO was again recognized as one of the best places to work in the federal government. In June 2021, the Partnership for Public Service ranked GAO as first among mid-size federal agencies as a “best place to work.”

**Figure 1: Financial Benefits GAO Recorded**

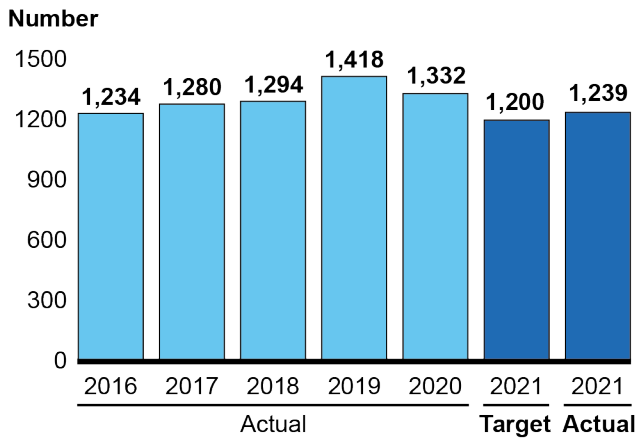


Source: GAO. | GAO-22-4SP

Data table for Figure 1.

Year	Dollars in billions
2016	63.4
2017	73.9
2018	75.1
2019	214.7
2020	77.6
2021	50
2021	66.2

**Figure 2: Other Benefits**

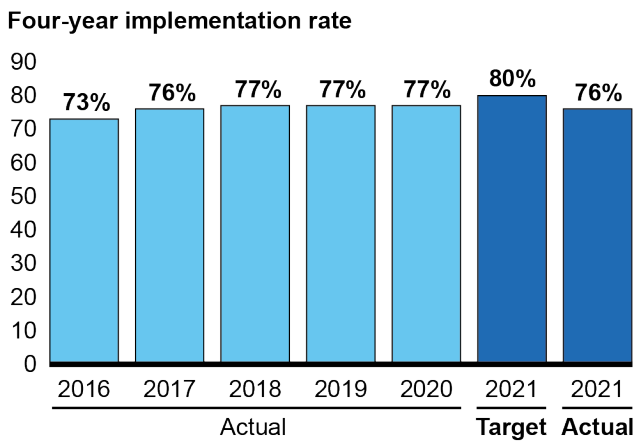


Source: GAO. | GAO-22-4SP

**Data table for figure 2**

Year	Number
2016	1234
2017	1280
2018	1294
2019	1418
2020	1332
2021	1200
2021	1239

**Figure 3: Percentage of Past Recommendations Implemented**

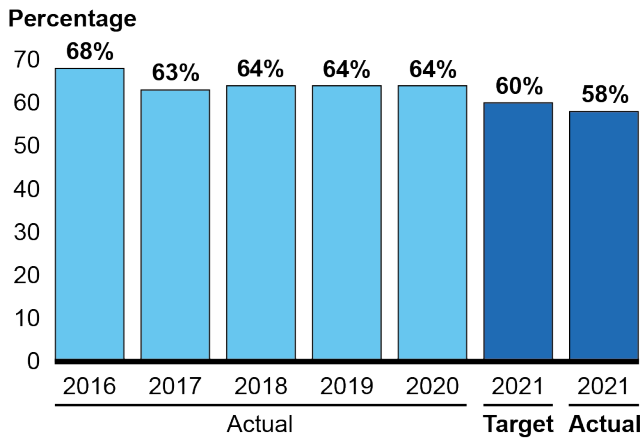


Source: GAO. | GAO-22-4SP

**Data table for Figure 3.**

Year	Implementation rate (%)
2016	73
2017	76
2018	77
2019	77
2020	77
2021	80
2021	76

**Figure 4: Percentage of New Products with Recommendations**

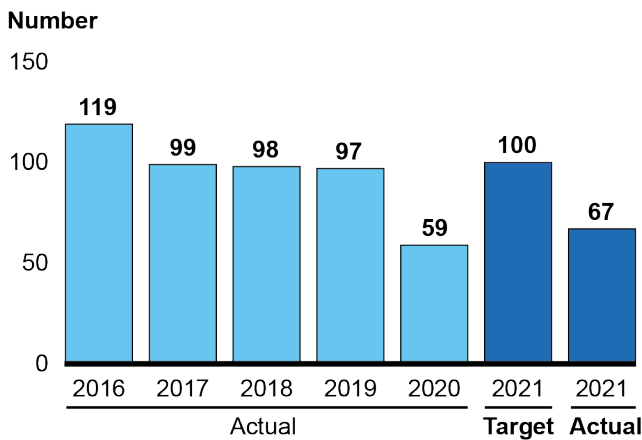


Source: GAO. | GAO-22-4SP

**Data table for figure 4.**

Year	Percentage
2016	68
2017	63
2018	64
2019	64
2020	64
2021	60
2021	58

**Figure 5: Testimonies**

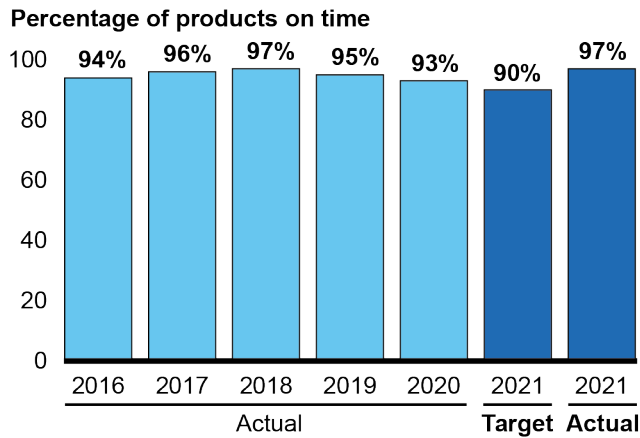


Source: GAO. | GAO-22-4SP

**Data table for figure 5.**

Year	Number
2016	119
2017	99
2018	98
2019	97
2020	59
2021	100
2021	67

### Figure 6: Timeliness

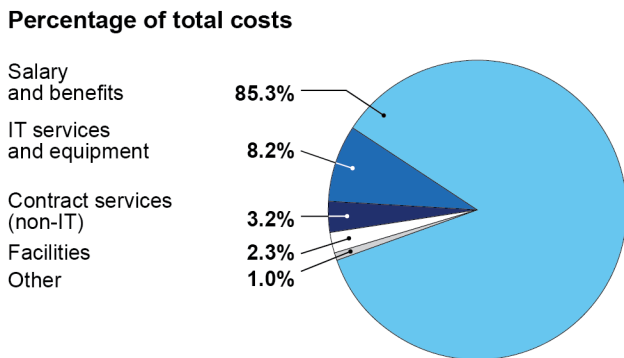


Source: GAO. | GAO-22-4SP

Data table for figure 6.

Year	Percentage of products on time
2016	94
2017	96
2018	97
2019	95
2020	93
2021	90
2021	97

### Figure 7: Use of Fiscal Year 2021 Funds by Category



Source: GAO. | GAO-22-4SP

Salaries and benefits	Other	Facilities	Contract services (non-IT)	IT services & equipment
0.853	0.01	0.022	0.032	0.082

Source: GAO. | GAO-22-4SP

Note: See [Part I](#) for further details on these results, and [Part V](#) for detailed information on data sources used to assess each measure, steps taken by independent reviewers, and steps taken to verify and validate the data.

**Table 1: GAO Reporting Summary**

	Fiscal Year 2021	Fiscal Year 2020
Clean opinion on financial statements	Yes	Yes
Clean opinion on internal control over financial reporting	Yes	Yes
Timely and accurate GTAS reporting	Yes	Yes
Material weaknesses in internal control	None	None
Significant internal control deficiencies	None	None

Source: GAO. | GAO-22-4SP

Note: GTAS is a system used by agencies to report budget execution information and proprietary financial reporting information to the Department of the Treasury.

**Table 2: GAO’s Financial Summary (Dollars in millions)**

	Fiscal Year 2021	Fiscal Year 2020
<b>Total Assets</b>	\$301.	\$189.
<b>Total Liabilities</b>	\$113.	\$99.
<b>Total Net Position</b>	\$188.	\$89.
<b>Net Cost of Operations by Goal</b>		
Goal 1: Well-being / Financial Security of American People	\$257.	\$257.
Changing Security Threats / Challenges of Global Interdependence	156.	173.
Help Transform the Federal Government to Address National Challenges	198.	160.
Goal 4: Maximize the Value of GAO	14.	12.
Other Costs in Support of the Congress	66.	64.
Visible services not attributable to above cost categories	(17.5)	(13.0)
<b>Total Net Cost of Operations</b>	\$676.	\$656.
<b>Actual Full-time Equivalents (FTE)</b>	3,200	3,170

More information on GAO’s performance is included in [Part I](#) and [Part II](#) of this report. Detailed information on GAO’s financials are included in [Part III](#). [Part V](#) provides details on how we set and calculate our performance measures.

## What’s Next? Future Challenges and Priorities

The federal government has responded in an unprecedented manner to address the COVID-19 pandemic and the resulting severe economic repercussions—taking actions totaling \$4.8 trillion since March 2020. However, the pandemic continues to result in substantial loss of life and damage to the stability and security of our nation. Until public health goals can be achieved, the pandemic will likely remain a significant obstacle to more robust economic activity. After such goals are attained and the economy substantially recovers, the Congress and the administration should swiftly pivot to developing an approach to place the government on a sustainable long-term fiscal path.



In the interim, we will continue to monitor the nation’s fiscal health, oversee the federal response to COVID-19, and undertake work based on congressional interest.<sup>1</sup>

## Impacts of Evolving Science and Technology

The ongoing recovery from COVID-19 demonstrates the value of keeping pace with emerging and rapidly evolving scientific and technological advances, as well as the risk of not doing so. U.S. and international efforts have delivered safe and effective vaccines at unprecedented speed. However, new challenges have emerged, such as increased numbers of cases due to the Delta variant and issues with vaccine manufacturing and distribution. Other technological challenges remain in the areas of energy infrastructure, supply chains, market concentration, and a shortage of skilled workers.

Since its establishment in 2019, our Science, Technology Assessment, and Analytics (STAA) team has taken its place as a key resource for the Congress in monitoring and addressing such challenges. Its growing portfolio of ongoing and future work includes (1) technology assessments on satellite constellations, persistent pollutants, carbon capture, and vaccine development for future pandemics; and (2) performance audits on scientific integrity, facial recognition, funding for U.S.-China research collaboration, and the global semiconductor shortage. The team’s Innovation Lab continues to transform and modernize GAO through advanced analytics and emerging technologies. The Lab focuses on applying machine learning, cloud services, blockchain, and other solutions to help solve GAO’s oversight and operational challenges.

## Addressing Cyber-based Threats to the Nation’s Systems and Critical Infrastructure

Escalating cybersecurity threats, including new and more destructive attacks from around the globe, highlight the critical and persistent need for effective information security. Our work will continue to include (1) the security of federal information systems, such as the ability of key agencies to detect, prevent, and address security incidents; (2) the nation’s response to cyber incidents, breaches, and weaknesses in the IT supply chain (such as the Solarwinds attack); (3) the cybersecurity of critical infrastructure, such as K-12 school systems and the communications and energy sectors; and (4) government-wide initiatives to improve cybersecurity strategy and implementation.

## Assisting the Congress in Overseeing the Department of Defense (DOD) and Health Care Challenges

We will also continue to assist the Congress with:

- (1) Examining the sustainability and integrity of the Medicare and Medicaid programs and overseeing the Department of Veterans Affairs (VA), DOD, and Indian Health Service health care services. Health care spending now accounts for over 25 percent of the federal budget and is one of the fastest growing federal expenditures.
- (2) Evaluating DOD’s progress in improving its acquisition of weapon systems—including its emphasis on speed and agility—and the cost and effectiveness of sustaining those weapon systems, as well as its ability to detect and counter cyber threats, build and maintain its cyber workforce, and meet the challenge of cyber issues in the broader environment of the electromagnetic spectrum.

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<sup>1</sup> For more information on the nation’s fiscal health see: America’s Fiscal Future | U.S. GAO and for more information on COVID-19 see: Coronavirus Oversight | U.S. GAO.

# Introduction

## From the Comptroller General

November 15, 2021

In this year of GAO's centennial, I am pleased to present our Performance and Accountability Report (PAR) for fiscal year 2021. GAO's 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. For the past 100 years, GAO has provided reliable, professional, fact-based, non-partisan information to the Congress and the public on a host of domestic and international challenges and priorities.

Throughout fiscal year 2021, the COVID-19 pandemic has continued to have far-reaching and devastating effects on the nation, including its public health and economy. GAO continued to oversee and evaluate the \$4.8 trillion in spending in response to COVID-19—the largest rescue package in U.S. history. We issued seven comprehensive COVID-19 oversight reports and over 100 targeted COVID-19-related reports, testimonies, and science and technology spotlights in areas such as housing protections, Medicare and Medicaid program flexibilities, and Food and Drug Administration (FDA) emergency use authorizations from June 2020 through September 2021. These products included 209 recommendations and four matters for congressional consideration across our body of COVID-19 reports.

We also continued supporting congressional oversight across a wide array of government programs and operations through our High Risk work and our work to identify areas that could reduce fragmentation, overlap, and duplication. We have also continued to bolster our expertise in science and technology through targeted hiring in key areas and the expansion of our Innovation Lab.

These efforts, combined with our solid results on our fiscal year 2021 performance measures, demonstrate GAO's unwavering commitment to our mission amidst persisting challenges related to the pandemic.

### **Financial Benefits:**

In fiscal year 2021, we documented \$66.2 billion in financial benefits for the government—a return of about \$93 for every dollar invested in us. Our average return on investment for the past 5 years is \$158 to \$1. We also reached a return on investment of at least \$100 to \$1 for 8 of the past 10 years.

More than half of our financial benefits for this year were in the health care (about \$37 billion) and defense (about \$10 billion) areas. Among our health care-related accomplishments were revising spending limits for Medicaid demonstration projects (\$29.5 billion) and establishing site-neutral payments under Medicare (\$2.8 billion). Our defense-related accomplishments included reducing the Navy's appropriation for a Virginia Class submarine to avoid workflow disruptions at shipyards potentially leading to construction inefficiencies (\$2.8 billion) and reducing DOD's operation and maintenance appropriation for unused funds (\$1.9 billion) and appropriation for

bulk fuel because costs were lower than anticipated (\$1.7 billion). These examples are discussed further in [Part I](#).

## Legislative Impacts:

In fiscal year 2021, the Congress used GAO's work extensively to inform key legislative decisions. Examples linked directly to GAO's work include:

- The Consolidated Appropriations Act, 2021 (and Joint Explanatory Statements) included numerous actions based on GAO's work, including
  - Directing the implementation of a GAO recommendation for increased surveillance, maintenance, and risk-reduction activities associated with legacy nuclear waste sites;
  - Repealing a provision of the Middle Class Tax Relief and Job Creation Act of 2012 mandating that the Federal Communications Commission (FCC) auction the T-Band radio spectrum, allowing law-enforcement, fire officials, and Emergency Medical Services to continue using the T-Band spectrum to operate their radios for day-to-day life saving operations [Don't Break up the T-Band Act (December 2020)]; and
  - Directing the Internal Revenue Service (IRS) to report on progress toward implementing GAO's recommendations aimed at addressing numerous deficiencies that increased the risk that IRS's network devices and systems could be used by unauthorized individuals to access sensitive taxpayer data.
- The Fiscal Year 2021 National Defense Authorization Act (and Joint Explanatory Statements) included numerous actions based on GAO's work, including
  - Establishing the statutory National Cyber Director position in the Executive Office of the President with the authorities GAO identified;
  - Directing DOD to take steps to assess its processes for managing contractors who have safety, health, or fair labor standards violations; and
  - Directing DOD to clearly identify the associated goals, risks, and costs of re-designing the Autonomic Logistics Information System, which is the information infrastructure used in the F-35 joint strike fighter.
- The Secure Federal Leases from Espionage and Suspicious Entanglements Act (December 2020). Based on GAO's work, the Congress required certain federal agencies to obtain information about whether the owner of the space is a foreign person or entity in order to prevent possible security threats.

## Other Benefits:

Many other benefits resulting from our work cannot be measured in dollars but lead to program and operational improvements. In fiscal year 2021, we recorded 1,239 of these other benefits. For example, our work on **public safety and security**:

- Led the FDA to release information on its review of COVID-19 therapeutic emergency use authorizations (EUAs) and COVID-19 vaccine EUAs, increasing public transparency about the products' safety and effectiveness;
- Helped ensure DOD develops and acquires hypersonic weapons—estimated to cost almost \$15 billion between fiscal years 2015-2024—in a streamlined and more cost-effective manner by better defining and documenting roles and responsibilities to ensure coordinated leadership in its efforts; and
- Led the Office of Federal Procurement Policy (OFPP) and the Department of Health and Human Services (HHS) to issue guidance to track data that could help assess the effectiveness of using Defense Production Act authorities to address some medical supply chain issues during the COVID-19 pandemic, thereby reducing U.S. reliance on foreign suppliers.

Similarly, our work related to **vulnerable populations**:

- Prompted the Congress to include provisions in the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 and the VA to collect, verify, and clarify information to protect veterans from financial exploitation and scams and ensure better oversight of pension benefits;
- Prompted the FDA to develop a timeline to finalize its guidance to manage the risk of arsenic in infant rice cereal and to coordinate with the U.S. Department of Agriculture (USDA) on developing methods to detect arsenic in food, which will better protect human health and reduce potential duplication in research; and
- Led the Environmental Protection Agency (EPA) to clarify guidance and procedures for consulting with Indian tribes when its efforts to clean up contaminated sites may affect tribal interests.

Furthermore, our work in the area of **agency operations**:

- Led the Centers for Disease Control and Prevention (CDC) to implement 195 recommendations to help address weaknesses in cybersecurity controls, which will help protect its systems from threats and vulnerabilities and ensure the security of sensitive data about the nation's health;
- Led the U.S. Agency for International Development (USAID) to fill staffing gaps to improve the timeliness of processing equal employment opportunity complaints and enhance reporting on its diversity efforts to better foster a workforce that reflects the diversity of the U.S.; and
- Prompted the Office of Science and Technology Policy to work with select agencies and implement leading practices, such as clearly defining agency roles, to address supply issues with certain critical materials, such as rare earth materials used in weapon systems and cell phones.

## **Building Bodies of Knowledge:**

Through the products issued this year, we continued to build on bodies of work related to 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 the Congress respond to changing security threats and the challenges of global interdependence, and (3) help transform the federal government to address national challenges. Examples include:

- **Protection of children and students.** We reported on the challenges posed by the COVID-19 pandemic on students in K-12 schools, including how schools are (1) recovering in light of exacerbated mental health issues, trauma, and reduced classroom time; (2) teaching English language learners and students with disabilities who had difficulty participating in distance learning; and (3) tracking COVID-19 relief spending to clearly show how relief funds are being used to address the pandemic-related needs of students.
- **Veterans.** We reported on (1) continued scheduling and quality challenges in VA's community care program and (2) the need for better data to assess the health outcomes of lesbian, gay, bisexual, and transgender veterans.
- **Science and Technology.** This year, our STAA team continued to bolster our expertise in science and technology through targeted hiring in areas including environmental chemistry, geoscience, and machine learning—reaching a total of 120 staff as of the end of September 2021. In addition, our Innovation Lab continues to develop ground-breaking advanced analytics and emerging technology prototypes across GAO while modernizing toward more agile, user-focused reporting. For example, we developed interactive comparisons of readiness across COVID vaccine candidates, which were updated with latest available data as a part of the Operation Warp Speed oversight effort.

We continued to issue our Science and Tech Spotlights, which distill complex issues into a two-page summary. We issued seven such products in areas including renewable ocean energy, air quality sensors, and tracing the source of chemical weapons—bringing our total to almost 30 since

2019. We also issued in-depth Technology Assessments on (1) the accuracy of forensic algorithms, (2) defense navigation capabilities to complement GPS, (3) 5G wireless, (4) quantum IT technology, (5) contact tracing apps, and (6) the use of artificial intelligence to augment health care. We also issued our first framework for oversight of artificial intelligence and reported on federal support for COVID-19 vaccines.

- **COVID-19 Response and Recovery.** We have provided ongoing monthly briefings to the Congress and reported on a bimonthly or quarterly basis beginning in June 2020. Of the 209 recommendations we made from June 2020 through September 2021, agencies had addressed 33 of these recommendations and partially addressed another 48 as of September 30, 2021. The Congress implemented one of our suggestions through the Consolidated Appropriations Act, 2021, which permits the Social Security Administration (SSA) to share its complete data on deaths with the Treasury to enhance its efforts to identify and prevent improper payments to deceased individuals.

Our eighth oversight report, issued in October 2021, makes 16 recommendations to federal agencies in 10 areas, including recommendations related to relief funds for health care providers, fraud risks to unemployment insurance programs, recovery funds for states and localities, and payroll support for aviation businesses.

- **Disaster Preparedness, Recovery, and Resilience.** In fiscal year 2021, we issued 20 products and made 53 recommendations in areas such as: (1) earthquake monitoring, including the need for the U.S. Geological Service to identify resources needed to achieve the Earthquake Hazard Program's mission; (2) hazard mitigation, including the need for the Federal Emergency Management Agency (FEMA) to assess and streamline its hazard mitigation grant programs; and (3) disaster response contracting, including the need to assess fraud risk for purchase card use in support of disaster response.

By implementing our recommendations, for example, the Department of Housing and Urban Development can more effectively manage its portfolio of Community Development Block Grant Disaster Recovery grants and FEMA can better coordinate with authorities who supply alerts and warnings through the Integrated Public Alert and Warning System.

Additionally, the Congress enacted legislation based on our disaster-related work. Through the Safeguarding Tomorrow through Ongoing Risk Mitigation Act (January 2021), the Congress directed FEMA to prioritize hazard mitigation funding applications that involve a partnership between two or more eligible entities, clarified Puerto Rico's eligibility for funding, and required grantee audits to improve oversight of the funds.

And, through the Federal Advance Contracts Enhancement Act (December 2020), the Congress directed FEMA to address nine of our disaster contracting recommendations, including to (1) update its advance contracting strategy, (2) issue new guidance to its contracting workforce on the use of advance contracts, and (3) promote advance contracts to local and state governments. FEMA completed those efforts as of May 2021, which will improve its ability to respond quickly to a disaster.

- **High Risk.** In 2021, we issued the biennial update of our High Risk report to focus attention on government operations that are vulnerable to fraud, waste, abuse, and mismanagement or need transformation—offering solutions to 36 high-risk problems.

This year, our high-risk work yielded \$52 billion in financial benefits, 508 other benefits, 157 reports, and 37 testimonies. Financial benefits to the federal government due to progress in addressing high-risk areas over the past 15 years (fiscal year 2006 through fiscal year 2020) totaled nearly \$575 billion.

- **Fragmentation, overlap, and duplication.** In 2021, we issued our eleventh annual report, which identified 112 new actions in 29 new areas (and 4 existing areas) that could reduce fragmentation, overlap, and duplication, or provide other cost savings and opportunities to enhance revenue across the federal government. From 2011 to

2021, we identified 1,200 such actions. As of August, the Congress and executive branch agencies had fully addressed 666 of these actions and partially addressed 207, yielding about \$515 billion in financial benefits—\$486 billion between 2010 and 2021, and \$29 billion more projected in the future.

## Serving Our Clients

In fiscal year 2021, we received 652 requests for work from 90 percent of the standing committees of the Congress—supporting a broad range of congressional interests. We issued 578 reports and made 1,602 new recommendations. We were asked to testify 67 times before 45 separate committees or subcommittees on topics including the federal government’s response to COVID-19; facial recognition technology; DOD’s prevention, response, and oversight of domestic abuse; VA’s acquisition supply chain management strategy; and the nation’s fiscal health.

I sent letters to the heads of most federal departments and several agencies—29 letters in 2021, recognizing their progress in implementing our priority recommendations and calling their attention to those still requiring action. These letters were also sent to congressional committees of jurisdiction to inform their oversight and published on our [website](#).

## Focusing on Our People

The hard work and dedication of our diverse and professional multidisciplinary staff positioned GAO to achieve a 97 percent on-time delivery of our products in fiscal year 2021. We exceeded or met our targets for all of our seven people measures—new hire rate, retention rate with retirements, retention rate without retirements, staff development, staff utilization, experience with supervisors, and organizational climate.

GAO was again recognized as one of the best places to work in the federal government. In June 2021, the Partnership for Public Service ranked GAO as first among mid-size federal agencies as a “best place to work.”

## Managing Our Internal Operations

In fiscal year 2021, we continued efforts to support our fourth strategic goal—to maximize our value by enabling quality, timely service to the Congress, and being a leading practices federal agency. To enhance our workforce during the pandemic, we continued to operate with two overarching principles: (1) to fulfill our mission and (2) to protect the health and safety of our employees. We continued providing our expertise and reports to the Congress and provided our employees the tools and resources to work remotely. We implemented a maximum telework posture from March 13, 2020 through August 2, 2021, when we re-opened all our offices for staff to return voluntarily. Communications remained a top management priority, including frequent all-agency teleconferences.

To maintain our operations, we participated in more than 125 virtual recruiting events and hired and on-boarded 300 employees, 196 of whom joined our entry-level Professional Development Program (PDP). We relied heavily on our IT during the pandemic to do our work and sustain training, team and relationship building, and collaboration and connectedness. We enhanced our IT security by developing and refining our IT cloud strategy.

To improve our engagement efficiency, we implemented industry-standard project management practices, such as user-friendly software to support the planning and management of engagements. We also continued to refine and modernize our publishing to generate products in a web-based format accessible to our clients and the public on any device, including mobile devices.

Our Office of the General Counsel (OGC) handled about 2,000 bid protests and issued more than 500 decisions on the merits. It also published 20 appropriation law products addressing government-wide and agency-specific use of appropriations, including issues such as whether reprogramming notification requirements are applicable to agency reorganizations and whether the President pausing the construction of a wall on the southern border was a violation of the Impoundment Control Act (ICA). OGC also testified on possible amendments to the Antideficiency Act and other statutes pertaining to GAO authorities.

This fiscal year, we also made significant contributions to the domestic and international auditing communities. For example, over 6,800 auditors attended virtual domestic audit forums to build their skills in areas such as Equity in COVID-19 Vaccination Distribution and Supporting Vulnerable Populations through Performance Auditing. Our Center for Audit Excellence and the USAID (1) signed a new, multi-year Memorandum of Understanding to enhance the capacity of international accountability organizations, (2) provided training, mentoring, and organizational development services to over 300 auditors in Ethiopia, Georgia, Armenia, the Dominican Republic, and the Philippines, and (3) identified opportunities for improving the quality and timeliness of audits in the Bahamas.

We again received from independent auditors an unmodified or “clean” opinion on our financial statements for fiscal year 2021. There was no reportable noncompliance for fiscal year 2021 with provisions of applicable laws, regulations, contracts, and grant agreements tested and no other matters. We have demonstrated that the detailed performance and financial information in this report is complete and reliable and meets our high standards for accuracy and transparency.

In fiscal year 2022 and beyond, we look forward to continuing to serve the Congress and the public on issues affecting the lives of all Americans.

Gene L. Dodaro Comptroller General of the United States

# Management Assurance Statements

November 15, 2021

## Assurance Statement on Internal Control over Operations, Reporting, and Compliance

GAO management is responsible for managing risks and maintaining effective internal control to meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). These are objectives that we set for ourselves even though, as part of the legislative branch of the federal government, GAO is not subject to the FMFIA. GAO conducted its assessment of risk and internal control consistent with Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of the assessment, GAO can provide reasonable assurance that internal control over operations, reporting, and compliance as of September 30, 2021, was operating effectively and that no material weaknesses were found in the design or operation of internal control.

## Assurance Statement on Internal Control over Financial Reporting

GAO's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that transactions are (1) properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) executed in accordance with provisions of applicable laws (including laws governing the use of budget authority); regulations; contracts; and grant agreements, noncompliance with which could have a material effect on the financial statements.

GAO management is responsible for designing, implementing, and maintaining effective internal control over financial reporting. GAO conducted its assessment of the effectiveness of internal control over financial reporting according to the criteria established under FMFIA and OMB Circular No. A-123. Based on the results of the assessment, GAO can provide reasonable assurance that its internal control over financial reporting as of September 30, 2021, was operating effectively and that no material weaknesses were found in the design or operation of internal control over financial reporting.

## Assurance Statement on Financial Management Systems

GAO conducted reviews of its financial management systems consistent with Appendix D of OMB Circular No. A-123, *Compliance with the Federal Financial Management Improvement Act of 1996* (FFMIA). We conduct these reviews even though, as part of the legislative branch of the federal government, GAO is not subject to the FFMIA. Based on the results of these reviews, GAO can provide reasonable assurance that it has implemented and maintained financial management



systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the

U.S. Government Standard General Ledger at the transaction level consistent with the requirements of the FFMIA.



Gene L. Dodaro Comptroller General of the United States

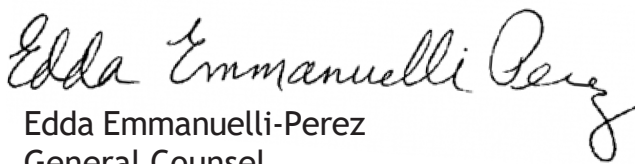
Karl J. Maschino

Chief Administrative Officer/Chief Financial Officer



Orice Williams Brown Chief Operating Officer

William L. Anderson Controller



Edda Emmanuelli-Perez  
General Counsel

# About GAO

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 executive branch agencies; however, we generally hold ourselves to the spirit of many such laws, including FMFIA; the Government Performance and Results Act (GPRA) Modernization Act of 2010 (GPRAMA); and the Federal Information Security Modernization Act of 2014 (FISMA).<sup>2</sup> Accordingly, this performance and accountability report for fiscal year 2021 provides information that we consider comparable to that reported by executive branch agencies that choose to prepare annual performance and accountability reports in lieu of Agency Financial Reports.

This report also fulfills our requirement to report annually on the work of the Comptroller General under 31 United States Code (U.S.C.) § 719.

## GAO Past and Present

### GAO’s Start

GAO got its start in 1921 when the Budget and Accounting Act transferred auditing responsibilities, accounting, and claims functions from the Treasury to this new agency. GAO was created because federal financial management was in disarray after World War I. Wartime spending had driven up the national debt, and the Congress saw that it needed more information and better control over expenditures. The act made GAO independent of the executive branch and gave it a broad mandate to investigate how federal dollars are spent.

### The Early Years

Responding to the needs of the Congress and the nation, GAO has evolved over the years in how it does its work. Until the end of World War II, GAO primarily checked the legality and adequacy of government expenditures. The work was done centrally, which meant that government agencies had to send their fiscal records to GAO. Legions of audit clerks worked in the great hall of the Pension Building—GAO’s home from 1926 to 1951—reviewing stacks of paperwork documenting government expenditures.

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<sup>2</sup> 2FMFIA requires executive agencies to establish systems of internal accounting and administrative controls consistent with standards for internal control in the federal government issued by the Comptroller General and to evaluate such systems annually. Pub. L. No. 97-255, 96 Stat. 814 (Sept. 8, 1982), codified at 31 U.S.C. § 3512 (c)-(d). GPRAMA Pub. L. No. 111-352, 124 Stat. 3866 (Jan. 4, 2011) updated the Government Performance and Results Act of 1993 (GPRA), Pub. L. No. 103-62, 107 Stat. 285 (Aug. 3, 1993), and, among other things, requires executive branch agencies to prepare strategic plans, annual performance plans, and annual performance reports. FISMA, Pub. L. No. 113-283, 128 Stat. 3073 (Dec. 18, 2014), codified at 44 U.S.C. §§ 3551-3558, largely superseded the very similar Federal Information Security Management Act of 2002, Pub. L. No. 107-347, title III, 116 Stat. 2899, 2946 (Dec. 17, 2002), setting requirements for federal agencies to implement policies and procedures to cost-effectively reduce IT risks.

During President Franklin D. Roosevelt's New Deal in the 1930s, federal money poured into recovery and relief efforts to fight the Great Depression. More government programs meant more paperwork for GAO to examine. GAO, which started with about 1,700 employees grew to about 5,000 employees by 1940. With the U.S. entry into World War II, military spending triggered a paperwork explosion that overwhelmed GAO's ability to keep up with central voucher auditing. Even with a staff that had grown to more than 14,000 by 1945, the agency faced a backlog of 35 million unaudited vouchers.

## **After World War II**

After the war, GAO recognized that it could best serve the Congress and the nation by doing broader, more comprehensive audits that examined the economy and efficiency of government operations. Instead of scrutinizing every government fiscal transaction, GAO began to review financial controls and management in federal agencies.

Starting in the late 1940s, GAO also worked with the Treasury and the Bureau of the Budget (now OMB) to help executive branch agencies improve their accounting systems and controls over spending. With the move to comprehensive auditing, GAO further reduced the number of audit clerks and began to hire accountants.

By 1951, when GAO moved into its new headquarters (HQ) across the street from the Pension Building, its staff numbered just under 7,000. The 1950s saw a rise in government spending because of the Cold War and the build-up of U.S. military forces in Europe and Asia. GAO's work increasingly focused on defense spending and contract reviews. Although the agency first began doing field work in the 1930s, it formally established a network of regional offices in 1952. Various national crises affected GAO's work in the 1960s and 1970s. During the Vietnam War, for example, GAO opened an office in Saigon to monitor military expenditures and foreign aid. And, in 1972, some of GAO's reviews touched on Watergate.

In 1974, the Congress broadened GAO's evaluation role and gave it greater responsibility in the budget process. The agency's staff, mostly accountants, began changing to fit the work. In the 1970s, GAO started to recruit scientists, actuaries, and experts in fields such as health care, public policy, and computers. In 1986, GAO assembled a team of professional investigators, many with law enforcement backgrounds, to look into allegations of possible criminal and civil misconduct.

## **Recent Years**

GAO has sought to improve accountability by alerting policymakers and the public to emerging problems throughout government. For example, the agency reported on problems in the savings and loan industry, and it has repeatedly warned about government spending and the nation's fiscal health.

GAO also built domestic and international partnerships with federal inspectors general, state and local audit organizations, and other countries' national audit offices to enhance our ability to perform audits and allow us to shape professional audit standards and serve as a leader within the accountability community.

In the 1990s, GAO worked with executive branch agencies to strengthen financial management, urging federal agencies to modernize outmoded financial systems, prepare yearly financial statements, and submit them for audit. In 2004, GAO's legal name was changed from the General

Accounting Office to the Government Accountability Office to better reflect the mission and services it provides.

In the 2000s, GAO increased its attention on disaster preparedness, recovery, and resilience; cybersecurity threats; the evolving impacts of science and technology; and most recently, COVID-19. Since 2002, GAO's work has resulted in \$1.26 trillion in financial benefits and almost 26,000 program and operational benefits that helped change laws, improve public safety and other services, and promote better management throughout government.

## 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.

## Core Values

Our three mission core values—accountability, integrity, and reliability—form the basis for all of our work, regardless of its origin. These core mission values work in concert with our three core people values—that our staff are valued, respected, and treated fairly—to create a synergy that is essential for us to achieve our mission. (See the [inside front cover](#) of this report for more detail, along with our scope of work.)

## Strategic Goals

GAO has three externally focused goals and one internally focused goal.

- Goal 1: Address Current and Emerging Challenges to the Well-being and Financial Security of the American People
- Goal 2: Respond to Changing Security Threats and the Challenges of Global Interdependence
- Goal 3: Help Transform the Federal Government to Address National Challenges
- Goal 4: Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and by Being a Leading Practices Federal Agency

For additional information, see [Part II](#) of this report and [GAO's Strategic Plan](#).

## Organizational Structure

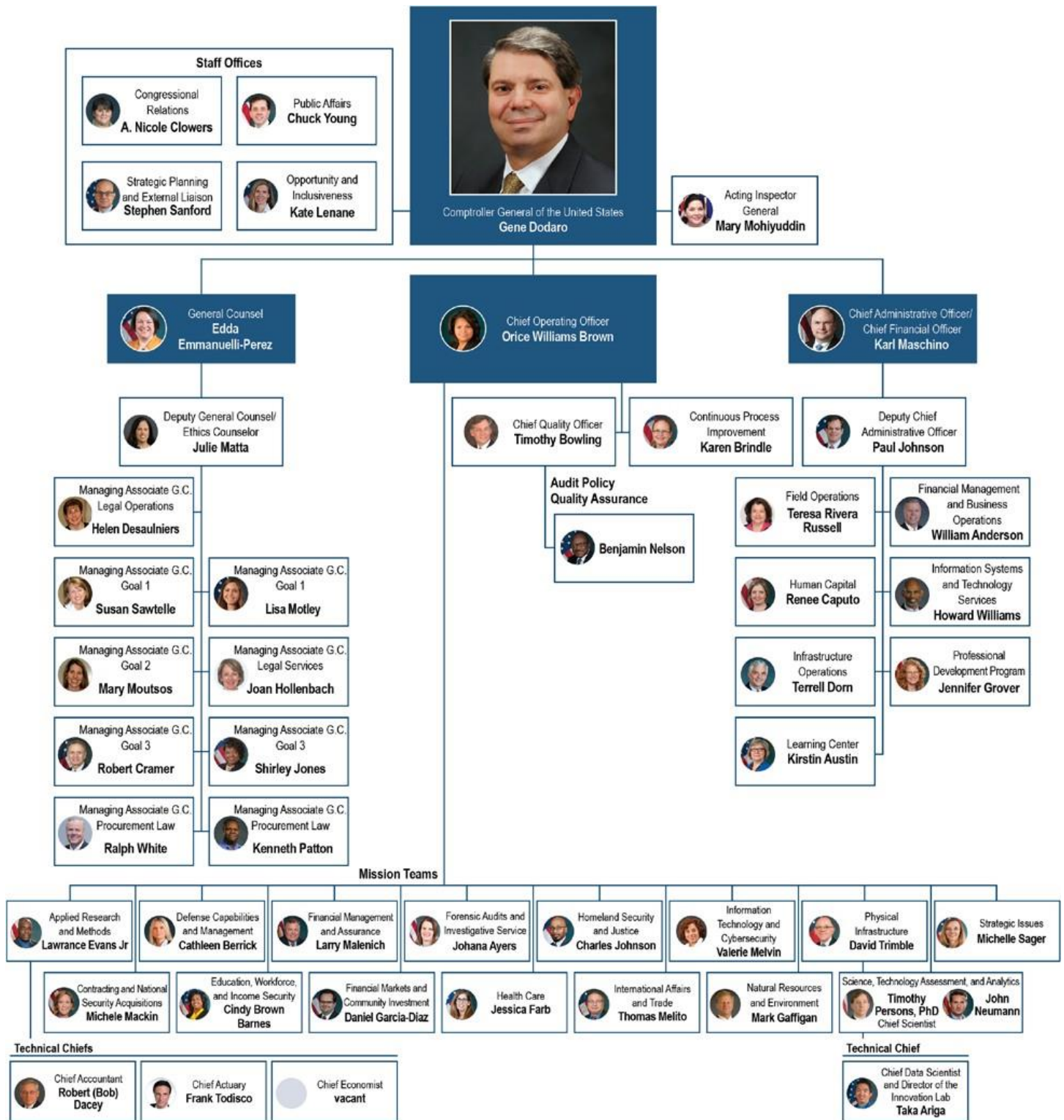
As the Comptroller General of the United States, Gene L. Dodaro is the head of GAO. On December 22, 2010, he was confirmed as Comptroller General after serving as the Acting Comptroller General since March 2008. Prior to that, Mr. Dodaro served as GAO's Chief Operating Officer for 9 years. Three other executives join Comptroller General Dodaro to form our Executive Committee: Chief Operating Officer Orice Williams Brown, Chief Administrative Officer/Chief Financial Officer Karl J. Maschino, and General Counsel Edda Emmanuelli Perez (see [fig. 8](#)).

To achieve our mission, our staff is organized primarily into 15 evaluation, audit, research, and investigative teams that support our three external strategic goals—with several of the teams supporting more than one strategic goal. For example, our Forensic Audits and Investigative Service team (FAIS), in addition to its

own engagements, coordinates and collaborates with other teams when its special services are required for (1) specific fraud allegations or (2) assistance in evaluating security matters. FAIS also manages FraudNet, which is our online system created for the public to report to GAO allegations of fraud, waste, abuse, or mismanagement of federal funds. FAIS is an integrated unit composed of investigators, analysts, and auditors who have experience with forensic auditing and data mining; they are assisted by staff in the OGC.

Senior executives in the teams manage a portfolio of engagements to ensure that we quickly meet the Congress's need for independent and unbiased information on emerging issues, while continuing longer-term work that flows from our [strategic plan](#). To serve the Congress effectively with a finite set of resources, senior managers consult with our congressional clients and determine the timing and priority of engagements for which they are responsible.

Figure 8: Organizational Structure



Legend:

The Executive Committee

Note: Everyone listed on this table, other than the Comptroller General, is a Senior Executive Service (SES) level manager. Also, with the exception of the Comptroller General of the United States, the Chief Operating Officer, the Chief Administrative Officer, the Deputy Chief Administrative Officer, the Inspector General, the General Counsel, the Deputy General Counsel, the Chief Quality Officer, the Chief Information Officer, the Chief Human Capital Officer, the Chief Learning Officer, and the Technical Chiefs, the SES managers are titled "Managing Director."

As described in greater detail below, OGC provides legal counsel to all of our teams. In addition, the Applied Research and Methods (ARM) team assists the other teams on matters requiring expertise in areas such as economics, research design, and statistical analysis. Staff in many offices, such as Strategic Planning and External Liaison (SPEL), Congressional Relations (CR), Office of Opportunity and Inclusiveness (OO&I), Audit Policy and Quality Assurance (APQA), Public Affairs, and the Chief Administrative Office (CAO), support the efforts of the teams. This matrixed structure increases our effectiveness, flexibility, and efficiency in using our expertise and resources to meet congressional needs on complex issues.

OGC is structured to facilitate the delivery of legal services to the teams and staff offices that support our four strategic goals. This structure allows OGC to (1) provide legal support to our staff offices and serve as engagement counsel to audit teams concerning all matters related to their work, including fulfilling our responsibility to ensure the legal sufficiency of all GAO products; and (2) produce legal decisions and opinions on behalf of the Comptroller General. Specifically, the legal groups that support our three external goals are organized to provide each of the audit teams with a corresponding team of attorneys dedicated to acting as engagement counsel for each team. In addition, these groups prepare advisory opinions for committees and members of the Congress on agency adherence to laws applicable to their programs and activities.

The Legal Services group provides in-house support to our management on a wide array of human capital matters and initiatives and on information management and acquisition matters. It also defends the agency in administrative and judicial forums. The Ethics team in OGC helps to assure an ethical culture and guides employees on ethics, independence, conflicts of interest, and financial disclosure matters.

The Opportunity and Inclusiveness team within OGC provides legal advice and assistance to OO&I, GAO management, and others on issues related to GAO's Equal Employment Opportunity and OO&I program. Attorneys in the Procurement Law group prepare administrative decisions and opinions adjudicating protests to the award of government contracts.

Attorneys in the Appropriations Law group opine on the availability and use of appropriated funds and publish products related to GAO's statutory responsibilities under the ICA of 1974. Finally, GAO also issues opinions related to issues arising under the Congressional Review Act (CRA).

For our one internal strategic goal (Goal 4), staff in CAO take the lead. Our Office of Continuous Process Improvement leads the agency's efforts to improve efficiency and effectiveness of the work conducted by our mission and mission support operations.

Other teams and offices across GAO, including ARM, SPEL, CR, OO&I, APQA, and Public Affairs, assist in achieving specific key efforts. As previously mentioned, attorneys in OGC, primarily in the Legal Services group and the OO&I team, provide legal support for Goal 4.

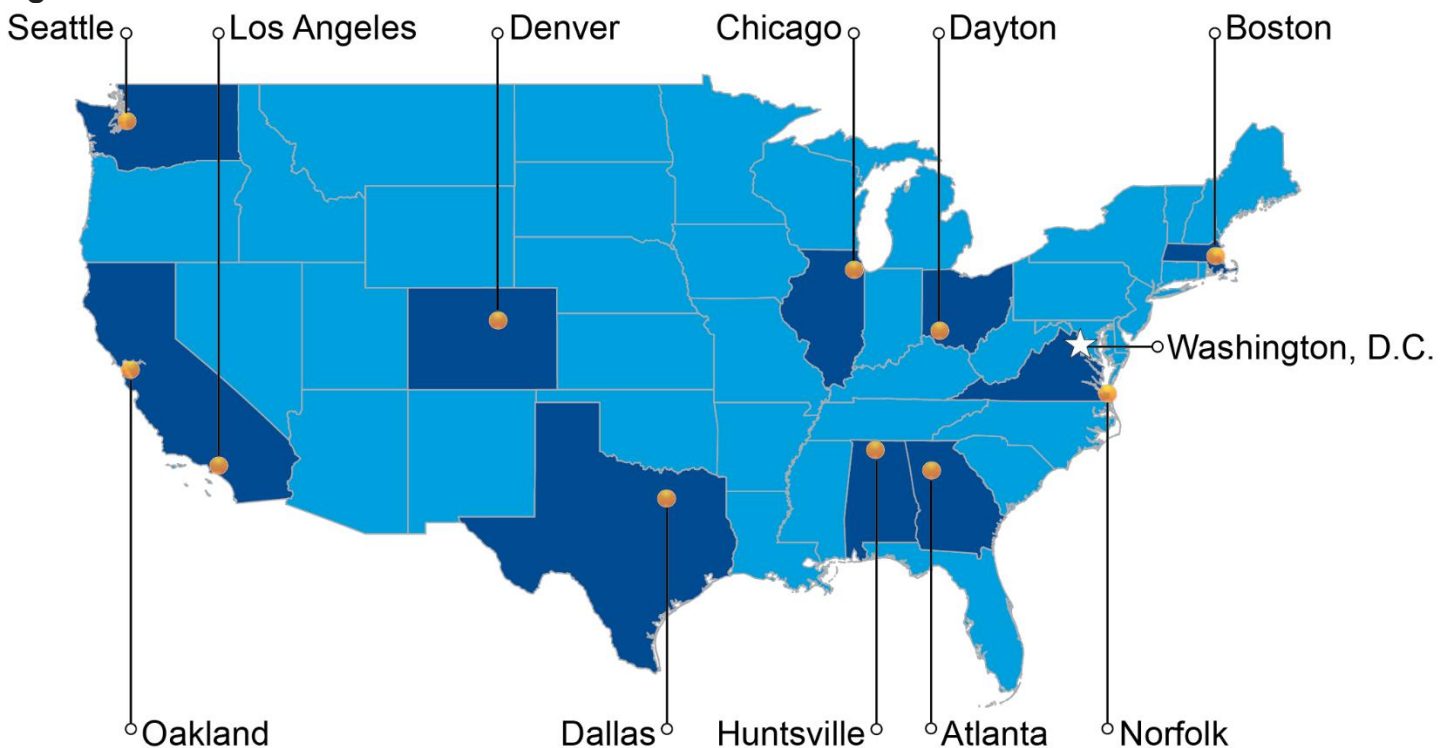
The Government Accountability Office Act of 2008 established GAO's Office of Inspector General (OIG) as a statutory office within the agency. The Inspector General (IG) is appointed by, and reports to, the Comptroller General. The IG is responsible for conducting audits and investigations relating to GAO programs and operations and makes recommendations to promote its economy, efficiency, and effectiveness. The IG also keeps the Comptroller General and the Congress fully informed through semiannual reports that summarize the IG's findings. In addition, the IG investigates allegations concerning activities within GAO that may constitute

the violation of any law, rule, or regulation; mismanagement; a gross waste of funds; or other wrongdoing.

We maintain a workforce with training in many disciplines, including accounting, law, engineering, public and business administration, economics, and the social and physical sciences. Seventy percent of our 3,318 employees are based at our HQ in Washington, D.C.; the rest are deployed in 11 field offices across the country (see [fig. 9](#)). Staff in these field offices are aligned with our research, audit, investigative, and evaluation teams and perform work in tandem with our HQ staff in support of our external strategic goals.

Since March 13, 2020, employees began teleworking to the maximum extent possible due to the COVID-19 emergency. Voluntary return to all office spaces was effective August 2, 2021.

**Figure 9: GAO's Office Locations**



Source: Map Resources (map). | GAO-20-1SP

## Strategic Planning and Foresight

In February 2018, we issued our [strategic plan](#) for fiscal years 2018 through 2023, which describes our goals and strategies for supporting the Congress and the nation. This plan reflects the full scope of the federal government's operations, as well as emerging and future trends that may affect government and society.

As part of our strategic planning process, we emphasize foresight, continuous environmental scanning, and trend analysis as essential to helping inform our decision-making and long-term planning. Our continuous scanning of trends helps to ensure GAO remains an agile and responsive organization. The plan outlines the areas in which we expect to conduct research, audits, analyses, and evaluations to meet our clients' needs and allocate resources. We developed this plan based on a review of external literature, discussions with outside advisors and selected



experts, input from our mission teams based on their discussions with congressional clients, our staff's subject matter expertise, and our foresight work.

GAO's strategic plan consists of three parts:

- Goals and Objectives ([GAO-18-1SP](#));
- Key Efforts ([GAO-18-395SP](#)); and
- Trends Affecting Government and Society ([GAO-18-396SP](#)).

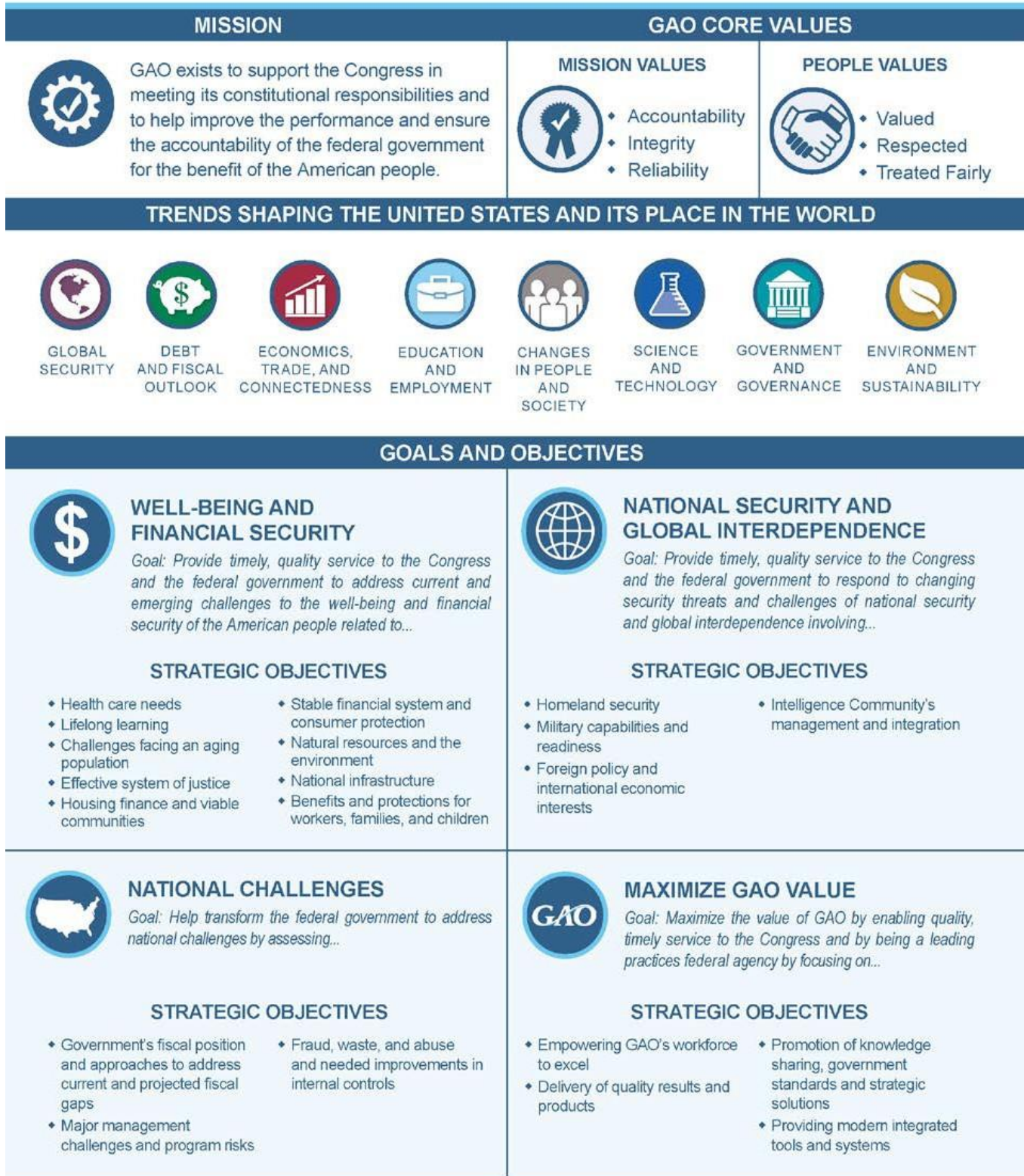
We engage in a range of ongoing foresight activities, including through GAO's Center for Strategic Foresight, to explore the implications of emerging issues that pose both risks and opportunities for the federal government. Our strategic plan identified eight broad trends shaping the United States and its place in the world (see [fig. 10](#)). These eight trends are discussed in greater detail in our [strategic plan](#).

We will periodically update our trends and key efforts, as appropriate, to reflect shifts in congressional priorities and GAO's expected areas of work based on our foresight work. Any revisions to our strategic plan or resource allocations are disclosed in our annual performance plans, available on our website.

Our work is aligned under our four strategic goals (see [fig. 10](#)). Specifically, our audit and investigative work is conducted primarily under the first three strategic goals in our plan, which span domestic and international issues affecting the lives of all Americans. Our fourth strategic goal is focused on our internal operations.

Figure 10: GAO's Strategic Plan Framework

# GAO'S STRATEGIC FRAMEWORK



Source: GAO. | GAO-22-4SP

# Text of Figure 10 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.

## **GAO Core Values**

### Mission Values

- Accountability
- Integrity
- Reliability

### People Values

- Valued
- Respected
- Treated Fairly

## **Trends Shaping the United States and its place in the world.**

- Global Security
- Debt and Fiscal outlook
- Economics, trade and connectedness
- Education and employment
- Changes in people and society
- Science and technology
- Government and Governance
- Environment and Sustainability

## **Goals and Objectives**

### Well-being and Financial Security

Goal: 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:

#### **Strategic Objectives**

- Health care needs

- Lifelong learning
- Challenges facing an aging population
- Effective system of justice
- Housing finance and viable communities
- Stable financial system and consumer protection
- Natural resources and the environment
- National infrastructure
- Benefits and protections for workers, families, and children

### National Security and Global Interdependence

Goal: Provide timely, quality service to the Congress and the federal government to respond to changing security threats and challenges of national security and global interdependence involving:

#### **Strategic Objectives**

- Homeland security
- Military capabilities and readiness
- Foreign policy and international economic interests
- Intelligence Community’s management and integration

### National Challenges

Goal: Help transform the federal government to address national challenges by assessing:

#### **Strategic Objectives**

- Government’s fiscal position and approaches to address current and projected fiscal gaps
- Major management challenges and program risks
- Fraud, waste, and abuse and needed improvements in internal controls

### Maximize GAO Value

Goal: Maximize the value of GAO by enabling quality, timely service to the Congress and by being a leading practices federal agency by focusing on:

#### **Strategic Objectives**

- Empowering GAO’s workforce to excel
- Delivery of quality results and products
- Promotion of knowledge sharing, government standards and strategic solutions
- Providing modern integrated tools and systems

Source: GAO-22-4SP

Our strategic plan is based on a four-tiered hierarchy—four strategic goals (the highest tier) followed by strategic objectives, performance goals, and key efforts. The text box below provides an example from our strategic plan.

## Strategies for Achieving Our Goals

The GPRA of 1993, as amended by the GPRAMA of 2010, directs agencies to articulate not just goals, but also strategies for achieving those goals. GAO’s strategic plan provides a detailed roadmap of our goals and strategies. As detailed in [Part I](#) of this report, we emphasize two areas of focus in achieving our goals: (1) providing information from our work to the Congress and the public in a variety of forms, and (2) continuing to strengthen our human capital and internal operations.

Additionally, we emphasize the importance of working with other organizations on cross-cutting issues, effectively addressing the challenges to achieving our agency’s goals, and recognizing the internal and external factors that could impair our performance. With this approach, which has proven successful for us for a number of years, we plan to achieve the level of performance that is needed to meet our performance measures and goals and to achieve our four broad strategic goals.

Attaining our three externally focused strategic goals (1, 2, and 3) and their related objectives rests on providing accurate, professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced information to support the Congress in carrying out its constitutional responsibilities. To implement these performance goals and key efforts related to these three goals, we develop and deliver information in a number of ways, including:

- Evaluations of federal policies, programs, and the performance of agencies;
- Oversight of government operations through financial and other management audits to determine whether public



## An Example of Our Four-tiered Strategic Planning Process

Each strategic goal is composed of strategic objectives, for which there are specific strategies (performance goals). Each performance goal has a set of key efforts.

### Example:

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

**Strategic Objective 3.3:** Support Congressional Oversight of Crosscutting Issues, Major Management Challenges, and Program Risks

**Performance Goal 3.3.1:** Highlight high-risk federal programs and operations and assess government-wide management reforms

### Key Efforts:

- Update progress in addressing high-risk areas with every new Congress and identify areas, if any, to be newly designated as high risk
- Assist congressional and presidential transitions by highlighting key challenges and recommendations to improve the performance and accountability of the federal government and by assessing the administration's management agenda
- Monitor implementation of government-wide management reform initiatives, including risk management and the Program Management Improvement Accountability Act funds are spent efficiently, effectively, and in accordance with applicable laws;
- Investigations to assess whether illegal or improper activities are occurring;
- Analyses of the financing for government activities;
- Legal opinions that determine whether agencies are in compliance with applicable laws and regulations;
- Policy analyses to assess needed actions and the implications of proposed actions; and
- Additional assistance to the Congress in support of its oversight and decision-making responsibilities.

We conduct specific engagements as a result of requests from congressional committees and mandates written into legislation, resolutions, and committee reports. In fiscal year 2021, we devoted 95 percent of our engagement resources to work requested or mandated by the Congress. We devoted the remaining six percent of engagement resources to work initiated under the Comptroller General's authority.<sup>3</sup> Much of this work addressed various challenges that are of broad-based interest to the Congress, such as high-risk areas in the federal government, the 2020 Census, drug use prevention efforts in schools, and efforts to protect critical technologies.

Our reviews of government programs and operations have identified those programs that are at high risk for fraud, waste, abuse, and mismanagement. These reviews help support our biennial High Risk Report, which we updated this year. By making recommendations to improve the accountability, operations, and services of government agencies, we contribute to increasing the effectiveness of federal spending and enhancing the taxpayers' trust and confidence in their government.

Our staff are responsible for following high standards for gathering, documenting, and supporting the information we collect and analyze. *Government Auditing Standards*, developed by the Comptroller General of the United States, together with the GAO policies that we apply in conducting our audits are consistent with the Fundamental Auditing Principles of the International Standards of Supreme Audit Institutions.

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<sup>3</sup> Numbers do not add to 100 percent due to rounding.

This is especially important given the increased focus in recent years on the development and adoption of international accounting and auditing standards.

Information developed during our reviews is usually presented in products that are made available to the public. Over the past 5 years, we have issued, on average, 687 products annually. In addition, we publish more than 560 legal decisions and opinions annually, the vast majority of which are bid-protect decisions. In some cases, we develop products that contain classified or sensitive information that cannot be made available publicly. Our products include:

- Reports and written correspondence;
- Testimonies and statements for the record, where the former are delivered orally by one or more of our senior executives at a congressional hearing and the latter are provided for inclusion in the congressional record;
- Briefings, which are usually given directly to congressional staff members; and
- Legal decisions and opinions resolving bid protests and addressing issues of appropriations law, as well as opinion on the scope and exercise of the authority of federal officers.

We also produce special publications on specific issues of general interest to many Americans, such as our reports on the fiscal future of the U.S. and our decisions on federal bid protests.<sup>4</sup> Our publication, *Principles of Federal Appropriations Law*, is viewed both within and outside of the government as the primary resource on federal law related to the availability, use, and control of federal funds.<sup>5</sup> In addition, we maintain the government's repository of reports on Antideficiency Act violations and make available on our website information extracted from those reports. Such special publications are valuable because they help us highlight areas of focus on important policy and management issues facing the nation. Collectively, our products contain information and often conclusions and recommendations that allow us to achieve our external strategic goals.

Another means of ensuring that we are achieving our goals is by examining the impact of our past work and using that information to shape our future work. Consequently, we evaluate actions taken by federal agencies and the Congress in response to our past recommendations. The results are reported in terms of financial benefits and other benefits. We actively monitor the status of our open recommendations—those that remain valid but have not yet been implemented—and post our findings to a [recommendations database](#).

To attain our fourth strategic goal—an internal goal—and its three related objectives, we implement projects to address the key efforts in our [strategic plan](#). We conduct surveys of our congressional clients and internal customers to obtain feedback on our products, processes, and services and identify ways to improve them. We also perform internal management studies and evaluations.

Achieving our strategic goals and objectives also requires coordination with other organizations with similar or complementary missions. To this end, we use advisory panels and other bodies to inform our strategic and annual work planning, coordinate as appropriate with other legislative branch agencies, and maintain collaborative working relationships with national and international

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<sup>4</sup> GAO, Bid Protest Annual Report to Congress for Fiscal Year 2020, GAO-21-281SP (Washington, D.C.: Dec. 23, 2020).

<sup>5</sup> Principles of Federal Appropriations Law, also known as the Red Book, is a multi-volume treatise concerning federal fiscal law. GAO-17-797SP (Washington, D.C.: Sept. 14, 2017), GAO-16-463SP (Washington, D.C.: Mar. 10, 2016), GAO-16-464SP (Washington, D.C.: Mar. 10, 2016), GAO-15-303SP (Washington, D.C.: Mar. 12, 2015), GAO-08-978SP (Washington, D.C.: Sept. 1, 2008), GAO-06-382SP (Washington, D.C.: Feb. 1, 2006), GAO-04-261SP (Washington, D.C.: Jan. 1, 2004).

government accountability and professional organizations, including the federal inspectors general, state and local audit organizations, and the national audit offices of other countries.

These networks allow us to extend our institutional knowledge and experience, leverage our resources, and improve our service to the Congress and the American people. Our SPEL office takes the lead and provides strategic focus overall for the work with external partner organizations. Our research, audit, and evaluation teams lead the work with most of the issue-specific external organizations as they conduct their work.

## How We Measure Our Performance

To help us determine how well we are meeting the needs of the Congress and maximizing our value as a leading practices federal agency, we assess our performance annually using a balanced set of quantitative performance measures that focus on four key areas—results, client, people, and internal operations.

- **Results.** Focusing on results and the effectiveness of the processes needed to achieve them is fundamental to accomplishing our mission. To assess our results, we measure financial benefits, other benefits, recommendations implemented, and percentage of new products with recommendations.

Financial benefits and other benefits provide quantitative and qualitative information, respectively, on the outcomes and results that have been achieved from our work. They often represent outcomes that occurred or are expected to occur over a period of several years.

For financial benefits and other benefits, we first set targets for the agency as a whole, and then we set targets for each of the external goals (1, 2, and 3) to reach the agency-wide targets. We expect variation by goal in these measures due to factors such as variation in audited agency, priority issues, and congressional interest. For past recommendations implemented and percentage of products with recommendations, we set targets and report performance for the agency as a whole because we want to encourage consistent performance across goals.

Internally, we track our performance by strategic goal in order to understand why we met or did not meet the agency-wide target. We also use this information to provide feedback to our teams on the extent to which they are contributing to the overall target and to help them identify areas for improvement.

- **Client.** To measure how well we are serving our client, we capture our timeliness in delivering products to the Congress and the number of times that our senior executives were asked to present expert testimony.<sup>6</sup> We use an electronic client feedback form to collect quantitative and qualitative data and information on the services we are providing to our congressional clients.

We also set a target at the agency-wide level for the number of testimonies and then assign a portion of these testimonies as a target for each of the external goals (1, 2, and 3) based on that goal's expected contribution to the agency-wide total. We base this target on our assessment of the congressional calendar and hearing trend data. As for measuring the results of our work, we track our progress on this measure at the goal level in order to understand where we met or did not meet the agency-wide target. We set an agency-wide target for timeliness because we want our performance on this measure to be consistent across goals.

- **People.** As our most important asset, our people define our character and capacity to perform our work.

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<sup>6</sup> For purposes of this performance measure, we define senior executives as those above the GS-15 or equivalent level.



A variety of data sources, including an internal survey, provide information to help us measure how well we are attracting and retaining high-quality staff and how well we are developing, supporting, using, and leading staff. We set agency-wide targets for these measures.

- **Internal operations.** GAO's ability to carry out its mission and retain a skilled and talented workforce is supported by our administrative services (e.g., IT, infrastructure operations, human capital, and financial management). Through an internal Customer Satisfaction Survey (CSAT), we gather information on three areas: (1) how well our internal operations help employees get their jobs done, how our internal operations improve employees' quality of work life, and how satisfied employees are with our IT tools. Examples of surveyed services include information security, pay and leave, building security and maintenance, and technology tools. We set agency-wide targets for these measures.

## Setting Performance Targets

To establish targets for all of our measures, we consider our past performance, including recent patterns and 4-year rolling averages, as well as known upcoming events and external factors that influence our work (see [Mitigating External Factors](#)). Some external factors are not in our control, such as the pace at which agencies implement our recommendations and the number of hearings at which we are asked to testify (see [Other Measures of Our Results](#) and [Focusing on Our Client](#)).

Based on this information, the teams and offices that are directly engaged in the work discuss with our top executives their views of what we have planned to accomplish in the [strategic plan](#) and what they believe they can accomplish in the upcoming fiscal year. Our Executive Committee then establishes targets for the performance measures.

Once approved by the Comptroller General, the targets become final and are presented in our [annual performance plan](#) and [budget](#). We may adjust these targets after they are initially published when our expected future work or level of funding warrants doing so. If we make changes, we include the changed targets in later documents, such as this performance and accountability report, and indicate that we have changed them and why this was done. In [Part V](#), we include detailed information on data sources that we use to assess each of these measures, as well as the steps we take to verify and validate the data.

On the pages that follow, we assess our performance for fiscal year 2021 against our previously established performance targets. We also present our financial statements, our Audit Advisory Committee's report, the independent auditor's report, and a statement from GAO's Inspector General.

Figure 11: GAO's Performance and Accountability Report Awards

# Awards

## 2020 CEAR Award

*Last year, the Association of Government Accountants awarded GAO (for the 20th consecutive year) its Certificate of Excellence in Accountability Reporting (CEAR) for our Performance and Accountability Report for fiscal year 2020.*

# PART I

## Management's Discussion and Analysis

### Assisting the Congress and Benefiting the Nation During Challenging Times

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 ways we 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 recommend improvements on a wide variety of issues.

In fiscal year 2021, demand for our work was high with 652 congressional requests and new mandates. Our work in key areas helped inform the Congress and the administration on issues relevant to all Americans. This section contains information on:

#### Overall Performance Toward Our Goals

- [Results](#)
- [Client](#)
- [Internal Operations](#)

#### Other Ways GAO Served the Congress and the American People

- [GAO's High Risk Program](#)
- [Opportunities to Reduce Fragmentation, Overlap, and Duplication, and Achieve Other Financial Benefits](#)
- [General Counsel Decisions and Other](#)
- [Legal Work](#)

#### [Strategic Partnerships](#)

#### [Managing Our Resources](#)

#### [Management Challenge](#)

# Overall Performance Toward Our Goals

The results of our efforts reflect our solid performance in fiscal year 2021 (see [table 3](#)).

## Results

We exceeded our target of \$50.0 billion in financial benefits by \$16.2 billion—reaching \$66.2 billion. This represents about a \$93 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 39 benefits, accomplishing 1,239 other benefits.

We fell short of our target of 80 percent for past recommendations implemented by 4 percentage points, at 76 percent—similar to our performance for the past 4 fiscal years, despite COVID-19. We will continue to take actions in 2022 to facilitate implementation of four recommendations.

We fell short of our target of 60 percent for new products with recommendations by 2 percentage points, at 58 percent. Given GAO’s reporting requirements in the CARES

Act, rather than issue many separate reports on the pandemic’s effect on governmental operations, we issued quarterly CARES Act reports in fiscal year 2021 that produced a total of 209 recommendations. As a result, we issued fewer separate products with recommendations.

## Client

Based on our congressional client survey, we exceeded our target of 90 percent for delivering products and testimonies in a timely manner by 7 percentage points—reaching 97 percent on-time delivery for fiscal year 2021. Our senior executives were asked to testify 67 times, falling 33 testimonies short of our fiscal year 2021 target of 100. This was due, in part, to fewer opportunities to testify due to COVID-19 and a general decline in the number of hearings held in recent years—both factors not in our control. We were asked to testify before 45 separate committees or subcommittees on topics spanning most federal agencies.

## People

We exceeded or met the targets for all of our seven people measures. For retention rate with retirements, we exceeded our target of 92 percent by 4 percentage points, at 96 percent. We also exceeded our target rate of 96 percent for retention rate without retirements by 2 percentage points at 98 percent.

For staff development, we exceeded our target of 80 percent by 2 percentage points, at 82 percent; exceeded our target of 76 percent for staff utilization by 9 percentage points, at 85 percent; exceeded our target of 82 percent for experience with supervisors by 9 percentage points, at 91 percent; and exceeded our target of 76 percent for organizational climate by 11 percentage points, at 87 percent. We met our new hire rate target of 80 percent by filling 300 critical positions, against a target of 376. (See [Appendix II, Data Quality](#))

## Internal Operations

We assessed staff satisfaction with our three internal operations measures for fiscal year 2021 through our internal customer satisfaction (CSAT) survey. In this survey, we measured how well our administrative services (e.g., travel support, counseling, building security) (1) help

employees get their job done—we exceeded our target of 80 percent by 1 percentage point, at 81 percent; and (2) improve quality of worklife—we exceeded our target of 80 percent by 6 percentage points, at 86 percent.

The survey also assesses how satisfied employees are with IT tools. We fell short of our goal of 80 percent by 24 percentage points, at 56 percent. While employees expressed satisfaction with the IT customer support provided and new collaboration tools deployed in fiscal year 2021, we are prioritizing new laptops in the next fiscal year to address issues related to functionality and connectivity.

**Table 3: Agency-wide Summary of Annual Measures and Targets**

Performance measure	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target actual	Met/ not met	2022 target	
<b>Results</b>									
Financial benefits (dollars in billions)	\$63.4	\$73.9	\$75.1	\$214.7 <sup>e</sup>	\$77.6	\$50.0	\$66.2	Met	\$50.0
Other benefits	1,234	1,280	1,294	1,418	1,332	1,200	1,239	Met	1,200
Past recommendations implemented	73%	76%	77%	77%	77%	80%	76%	Not met	80%
New products with recommendations	68%	63%	64%	64%	64%	60%	58%	Not met	60%
<b>Client</b>									
Testimonies	119 <sup>a</sup>	99	98	97	59	100	67	Not met	100
Timeliness	94%	96%	97%	95%	93%	90%	97%	Met	90%
<b>People</b>									
New hire rate	81%	83%	85%	89%	76%	80%	80%	Met	80%
Retention rate									
With retirements	93%	94%	94%	94%	95%	92%	96%	Met	92%
Without retirements	96%	97%	97%	96%	97%	96%	98%	Met	96%
Staff development	N/A <sup>b</sup>	N/A <sup>b</sup>	N/A	N/A <sup>b</sup>	81%	80%	82%	Met	80%
Staff utilization	N/A <sup>b</sup>	N/A <sup>b</sup>	N/A	N/A <sup>b</sup>	85%	76%	85%	Met	80%
Experience with supervisors	N/A <sup>b</sup>	N/A <sup>b</sup>	N/A	N/A <sup>b</sup>	90%	82%	91%	Met	82%
Organizational climate	N/A <sup>b</sup>	N/A <sup>b</sup>	N/A	N/A <sup>b</sup>	86%	76%	87%	Met	80%
<b>Internal operations</b>									
Help get job done	N/A <sup>c,d</sup>	84%	85%	82%	83%	80%	81%	Met	80%
Quality of worklife	N/A <sup>c,d</sup>	82%	82%	82%	86%	80%	86%	Met	80%
IT tools	N/A <sup>c,d</sup>	74%	73%	56%	69%	80%	56%	Not met	80%

Source: GAO. | GAO-22-4SP

Note: Information explaining all of the measures included in this table appears in the [Appendix II, Data Quality](#).

<sup>a</sup> In 2016, we modified our methodology for counting testimonies to include hearings where two separate statements are delivered on different aspects of GAO's work (see [Appendix II, Data Quality](#)).

<sup>b</sup> In 2020, we revised our Employee Feedback Survey (now Employee Experience Survey (EES)), based on agency-wide feedback. These revisions included the portions used to assess Staff Development, Staff Utilization, Effective Leadership by Supervisors (now Experience with Supervisors), and Organizational Climate. The nature and extent of these revisions requires establishing a new trend baseline for these four People Measures.

<sup>c</sup> We conducted the survey for these measures on a calendar year basis in 2016, and, therefore, do not have fiscal year-end results to report—denoted by N/A. For fiscal years 2017- 2021, the survey was conducted on a fiscal year basis.

<sup>d</sup> The targets for all three categories in 2016 were 80 percent.

<sup>e</sup> The \$214.7 billion in financial benefits we achieved in fiscal year 2019 was due primarily to one large financial benefit of \$136.1

billion for contributing to reductions in DOD's procurement costs for weapon systems acquisitions.

## Overall Performance Toward Our Goals

Our fiscal year 2021 targets for 15 of our 16 performance measures are the same as the targets we reported in our fiscal year 2021 performance plan. We reduced testimonies from 120 to 100 given recent trends and the pandemic.

We use 4-year rolling averages for key performance measures to help us examine trends over time, including financial benefits, other benefits, new products with recommendations, and testimonies. We use 4-year rolling averages for these measures because this calculation minimizes the effect of an atypical result in any given year. We consider this calculation, along with other factors, when we set our performance targets. See [Table 4](#).

We use several factors to set our annual testimonies target—the number of times we expect our senior executives to be asked to testify. These factors include the cyclical nature of the congressional calendar, our 4-year rolling averages, and our past performance. We set our target at 100 testimonies for 2021, but fell short of this target by 33 testimonies. This was due in part to the reduced number of opportunities to testify and changes to the congressional schedule resulting from COVID-19. There has also been a general decline in the number of requests for GAO's senior executives to testify in recent years, which mirrors the general decline in the number of oversight hearings held by the Congress. For 2022, we have again set our target at 100 testimonies, which we consider a stretch goal, given the level of testimony requests in recent years.

**Table 4: Four-Year Rolling Averages for Selected GAO Measures**

Performance measure	2016	2017	2018	2019	2020	2021
<b>Results</b>						
Financial benefits (billions)	\$61.0	\$66.6	\$71.8	\$106.8	110.3	\$108.4
Other benefits	1,281	1,272	1,274	1,307	1,331	1,321
New products with recommendations	65%	65%	65%	65%	64%	62%
<b>Client</b>						
Testimonies	118	114	106	103	88	80

Source: GAO. | GAO-22-4SP

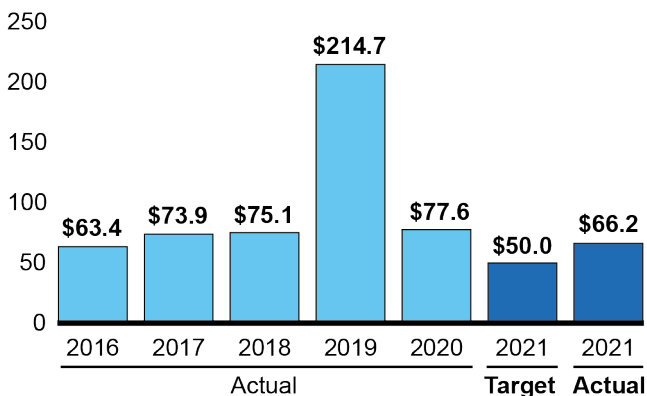
Our findings and recommendations produce measurable financial benefits for the federal government after the Congress or agencies act on them and government expenditures are reduced or funds are reallocated to other areas. For example, a financial benefit can be the result of changes in business operations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

In fiscal year 2021, our work generated about \$66.2 billion in financial benefits (see [fig. 12](#)). We exceeded our target of \$50 billion by about \$16.2 billion. More than half of our financial benefits

for this year were in the health care (about \$37 billion) and defense (almost \$10 billion) areas. Among our health care-related accomplishments were revising spending limits for Medicaid demonstration projects (\$29.5 billion), establishing site-neutral payments under Medicare (\$2.8 billion), and applying Medicare rates to care for Native Americans (\$2.15 billion). Our defense-related accomplishments included reducing ( \$2.8 billion) and reducing DOD’s operation and maintenance appropriation for unused funds (\$1.9 billion) and appropriation for bulk fuel because costs were lower than anticipated (\$1.7 billion).

In light of our (1) performance in fiscal year 2021; (2) expected future financial benefits based on our past, ongoing, and unexpected work; and (3) uncertainty about the exact amount of financial benefits our recommendations will yield in 2022, we have set our 2022 target for financial benefits at \$50 billion.

**Figure 12: Financial Benefits GAO Recorded**  
Dollars in billions



Source: GAO. | GAO-22-4SP

Data table for Figure 12.

Year	Dollars in billions
2016	63.4
2017	73.9
2018	75.1
2019	214.7
2020	77.6
2021	50
2021	66.2



# Financial Benefits

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 of taking the action that we recommended. Financial benefit amounts vary depending on the nature of the benefit, and we can claim financial benefits over multiple years based on a single agency or congressional action. For financial benefits covering 1 or more years, 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 limit the period over which benefits from an accomplishment can accrue to no more than 5 years. For instance, fiscal year 2021 was our fourth year of financial benefits for ensuring federal agencies can fully adjust civil penalties for inflation. In year 1 (2018) we claimed new financial benefits of \$80 million; in year 2 (2019), \$100 million; in year 3 (2020), \$110 million; and in year 4 (2021), \$140 million. This change helped increase federal revenue by about \$430 million since fiscal year 2018. Fiscal year 2022 would be the fifth and final year we would claim new financial benefits, as applicable. See [table 5](#) for examples of new financial benefits for fiscal year 2021.

To calculate our financial benefits, we rely primarily on estimates from non-GAO sources. These sources are typically the agency that acted on our work, a congressional committee, or the Congressional Budget Office. For more information on financial benefits, see [Appendix II](#).

**Table 5: Examples of GAO’s Major New Financial Benefits Reported in Fiscal Year 2021**

Description of New Financial Benefits	Amount (Dollars in billions)
<p><b>Ensuring the Budget Neutrality of Medicaid Demonstration Projects.</b> States may test new approaches for delivering Medicaid services (with approval from HHS), but these demonstration projects must be budget-neutral. In multiple reports since the 1990s, we reported that HHS allowed states to use questionable methods that resulted in inflated demonstration spending limits and increased the federal government’s fiscal liability. In response, HHS issued a new policy in 2017 to better ensure that these demonstration projects are budget-neutral. HHS estimated that this policy reduced the federal government’s fiscal liability in 10 states by \$29.5 billion for 2020. (<a href="#">GAO-17-312</a>, <a href="#">GAO-15-239</a>, <a href="#">GAO-13-384</a>, <a href="#">GAO-08-87</a>, <a href="#">GAO-02-817</a>)</p>	\$29.5
<p><b>Reducing the Navy’s Submarine Appropriations.</b> The Navy’s FY 2019 budget plans called for procuring two Virginia Class submarines in FY 2020. However, the Navy subsequently requested FY 2020 funding to procure three submarines. We reported that the \$2.8 billion in requested FY 2020 funding for a third submarine would not be sufficient and that this submarine could cause workflow disruptions at the Navy’s shipyards. We suggested that the Congress fund only the construction of the two submarines as the Navy had previously planned. The Congress subsequently reduced the Navy’s FY 2020 budget request for the third submarine by \$2.8 billion.</p>	\$2.8

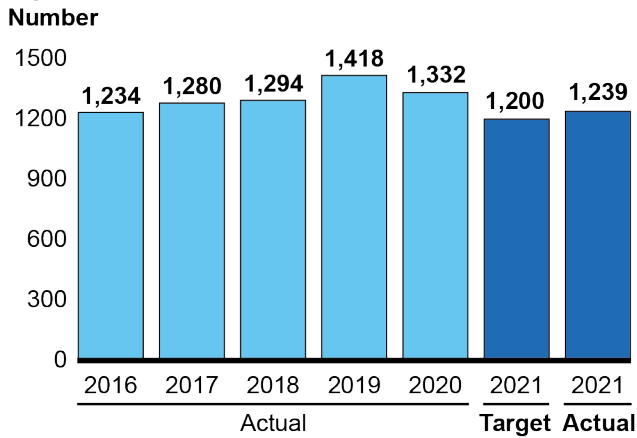
Description of New Financial Benefits	Amount (Dollars in billions)
<p><b>Establishing Site-Neutral Payments under Medicare.</b> In 2015, we found that the increased consolidation of physician offices to hospitals was likely leading Medicare to pay more than necessary for certain services. Once consolidated, physician offices could obtain Medicare payments for certain office visits at the often-higher hospital outpatient department rate. We recommended that the Congress consider directing HHS to equalize payment rates between physician offices and hospital outpatient departments for these visits. The Bipartisan Budget Act of 2015 established site-neutral payments for certain office visits under Medicare, which will save an estimated \$2.8 billion between FYs 2019-2021. (<a href="#">GAO-16-189</a>)</p>	\$2.8
<p><b>Helping Prevent IRS from Issuing Invalid Tax Refunds.</b> Identity theft tax refund fraud is a threat to taxpayers and tax administration. In 2014, we found IRS could help combat this by matching wage information that employers report on the W-2 tax form to individuals' tax returns before issuing refunds. However, W-2 data were not available until months after IRS issued most refunds. We recommended IRS assess the costs and benefits of accelerating W-2 deadlines and report this to the Congress, which IRS did in 2015. In response, the Congress advanced the deadline for employers to file W-2s—which helped IRS save \$1.4 billion (in FY2021 dollars) by using W-2 information to prevent invalid refunds. (<a href="#">GAO-14-633</a>)</p>	\$1.4
<p><b>Increasing Financial Benefits to the National Flood Insurance Program (NFIP).</b> NFIP makes federally backed flood insurance available to property owners, and the government has absorbed the majority of financial losses to insured properties from flood damage. As of March 2011, NFIP owed Treasury about \$17.8 billion. In June 2011, we suggested that the Congress help improve NFIP's financial stability. In 2012, the Congress addressed some of NFIP's structural challenges, including phasing out subsidies for some properties. FEMA, which manages NFIP, had collected an additional \$418.1 million in premium payments as of the end of FY 2019—helping the program become more financially stable. (<a href="#">GAO-11-297</a>)</p>	\$0.418
<p><b>Improving IT Acquisition Management at DHS.</b> Since 2016, we have made over 50 recommendations to the Department of Homeland Security (DHS) to address IT acquisition management challenges. For example, we recommended that DHS update a risk rating process for major IT investments and maintain an inventory of the department's human resources IT systems. DHS has implemented 40 of our recommendations. For example, DHS identified opportunities to consolidate its human resources IT systems. As a result, we determined in FY 2021 that DHS expects to save \$2.6 million and provide additional human resources services to some of its agencies. (<a href="#">GAO-19-164</a>, <a href="#">GAO-19-60</a>, <a href="#">GAO-18-46</a>, <a href="#">GAO-17-284</a>, <a href="#">GAO-16-253</a>)</p>	\$0.002

Source: GAO. | GAO-22-4SP

Note: Click on report covers below to access key reports related to Table 5. Additional examples of fiscal year 2021 financial benefits can be found in [Part II](#) of this report. It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II, Data Quality](#).

Many of the benefits that result from our work cannot be measured in dollar terms, so we refer to them as “other benefits.” During fiscal year 2021, we recorded a total of 1,239 other benefits (see [fig. 13](#)). We exceeded our target by about 3.3 percentage points. We have set our 2022 target for these other benefits at 1,200 again given our past, ongoing, and expected work.

**Figure 13: Other Benefits**

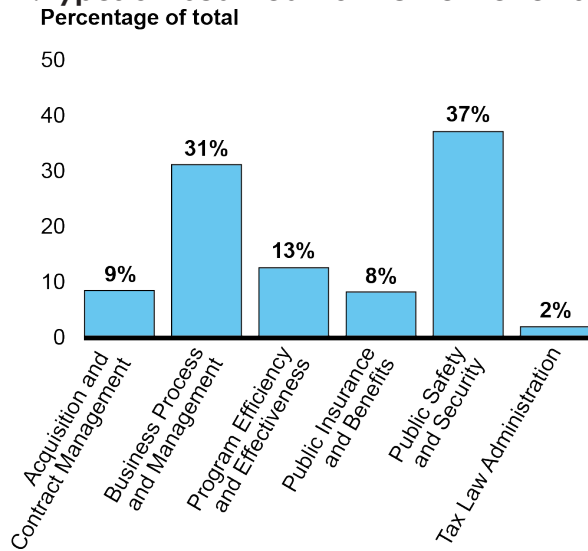


Source: GAO. | GAO-22-4SP

**Data table for figure 13**

Year	Number
2016	1234
2017	1280
2018	1294
2019	1418
2020	1332
2021	1200
2021	1239

**Figure 14: Types of Fiscal Year 2021 Other Benefits**



Source: GAO. | GAO-22-4SP

**Data table for Figure 14**

Benefit	Percentage of total
Acquisition and Contract Management	8.56
Business Process and Improvement	31.23
Program Efficiency and Effectiveness	12.67
Public Insurance and Benefits	8.31
Public Safety and Security	37.21
Tax Law Administration	2.02

Source: GAO. | GAO-22-4SP

We categorize our other benefits into six areas—similar to those on our High Risk List (see [fig. 14](#)). This year, most of our other benefits were in public safety and security (37 percent) and business process and improvement (31 percent). We claim these benefits generally within 2 fiscal years of the action taken. See [table 6](#) and [Part II](#) of this report for specific examples, and [Appendix II](#) for more information on other benefits.

## Other Benefits

Examples of programs included in the six categories in figure 14 are:

- **Acquisition and contract management.** DOD weapon systems acquisitions, National Aeronautics and Space Administration (NASA) acquisition management, and all federal agency and interagency contract management.
- **Business process and management.** Federal financial reporting; federal information systems; federal real property; human capital management; and DOD business transformation, business systems modernization, financial management, support, infrastructure management, and supply chain management.
- **Program efficiency and effectiveness.** Fraud, waste, and abuse; U.S. financial regulatory system; federal oil and gas resources; U.S. Postal Service (USPS); transportation funding; and telecommunications funding.
- **Public insurance and benefits.** Medicare, Medicaid, VA, and DOD health care, disability programs, food assistance, education programs, housing programs, national flood insurance, federal deposit insurance, and other insurance programs.
- **Public safety and security.** Homeland security and justice programs; critical infrastructure, including information security; critical technologies; food safety; transportation safety; telecommunications safety; international food assistance; public health; consumer protection; environmental issues; national defense; foreign policy; international trade; and the intelligence community.
- **Tax law administration.** IRS business systems modernization, tax policy, and enforcement of tax laws.

**Table 6: Examples of GAO’s Other Benefits Reported in Fiscal Year 2021**

Category	Description
<b>Business Process and Management</b>	<b>Ensuring Aviation Safety Workforce Has Necessary Skills.</b> More than half of the Federal Aviation Administration (FAA) safety inspectors and engineers—who work to ensure airlines are safe and that aircraft are designed and built to meet flight safety standards—will be eligible to retire by 2025. In addition, FAA’s safety workforces must keep pace with changing technology and new data-driven oversight methods. In November 2020, we found FAA did not regularly assess these workforces to find the areas where needed skills are lacking. We recommended that FAA perform hiring and training assessments, which would help ensure that its safety workforces can achieve safety mission goals. ( <a href="#">GAO-21-94</a> )
<b>Business Process and Management</b>	<b>Improving the Reliability of the General Fund.</b> Treasury manages the General Fund, which finances daily and long-term government operations, including annual cash activity of more than \$20 trillion. In 2021, we issued our financial audit report of the 2020 Schedules of the General Fund, but could not give an opinion on the reliability of the schedules because of issues we previously identified. However, Treasury addressed 14 of our prior recommendations, including resolving differences with the amounts agencies reported to the General Fund and substantiating the amounts an agency can spend. This helped in substantiating a \$2.3 trillion General Fund balance. ( <a href="#">GAO-21-362</a> )
<b>Program Efficiency and Effectiveness</b>	<b>Improving Federal Chemical Security Programs.</b> Thousands of facilities use hazardous chemicals, and hundreds are subject to both DHS anti-terrorism standards and other federal chemical safety/security programs. We found in 2021 that some facilities may be developing duplicative information to comply with multiple programs, while others (such as water systems) may have gaps in oversight. In response, DHS has

Category	Description
	met with other agencies to discuss issues like identifying facilities subject to regulations and studying the security of chemicals used by water systems. DHS is on track to incorporate this information into its guidance by the end of 2021. ( <a href="#">GAO-21-12</a> )
Public Insurance and Benefits	<b>Improving Low-Income Americans' Ability to Obtain Internet Service.</b> The FCC's Lifeline program helps low-income Americans afford internet service, which is vital to connect people to jobs, healthcare, and education. Lifeline applicants must verify eligibility using FCC's new online "Verifier." We reported in 2021 that applicants are unaware of the Verifier and find its document submission process challenging, especially those who are elderly or unfamiliar with technology. We made 6 recommendations to FCC to address such concerns, and FCC agreed to implement them. Doing so will help low-income Americans obtain internet service. ( <a href="#">GAO-21-235</a> )
Public Safety and Security	<b>Increasing the Transparency of FDA Decisions on COVID-19 Vaccines/ Therapeutics.</b> FDA may temporarily allow the use of vaccines and therapeutics through emergency use authorizations (EUAs) if it finds that they may be effective and potential benefits outweigh potential risks. In November 2020, we found FDA's decisions to authorize therapeutics to treat COVID-19 through EUAs were not always transparent since FDA did not release information on its review of the products' safety and effectiveness. We recommended FDA release such information with its EUAs. In response, FDA released information on its review of COVID-19 therapeutic EUAs and COVID-19 vaccine EUAs, increasing public transparency. ( <a href="#">GAO-21-207</a> )

Source: GAO. | GAO-22-4SP

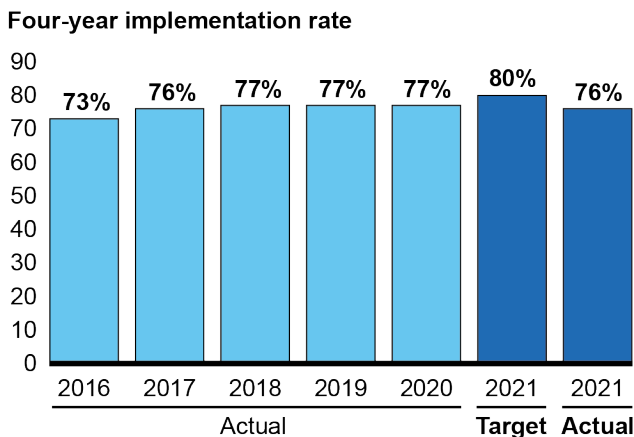
Note: Click on report covers below to access key reports related to Table 6. Additional examples of other benefits for fiscal year 2021 can be found in [Part II](#) of this report. It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II, Data Quality](#).

## Other Measures of Our Results

### Past Recommendations Implemented

One way we measure our effect on improving the government's accountability, operations, and services is tracking the percentage of recommendations that we made 4 years ago that have since been implemented. Putting these recommendations into practice generate tangible benefits for the nation. We use a 4-year reporting window because it generally takes that much time to fully implement some of our recommendations.

**Figure 15: Percentage of Past Recommendations Implemented**



Source: GAO. | GAO-22-4SP

Data table for Figure 15.

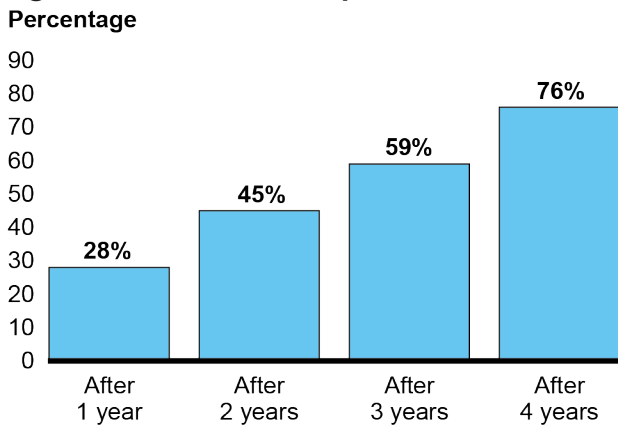
Year	Implementation rate (%)
2016	73
2017	76
2018	77
2019	77
2020	77
2021	80
2021	76

We achieved a 76 percent implementation rate for fiscal year 2021. We fell below our target of 80 percent by 4 percentage points, similar to our performance for the past 4 fiscal years (see [fig. 15](#)). This is notable, given the extraordinary circumstances posed by COVID-19.

We continued to highlight the status of key recommendations in our annual fragmentation, overlap, and duplication work—including progress made and the benefits of full implementation. We also continued to send letters to the heads of most federal departments—29 in 2021, recognizing their progress in implementing our priority recommendations and calling their attention to those still requiring action. In addition, federal agencies subject to the 2019 Good Accounting Obligation in Government Act (GAO-IG Act) provided updates on the status of our open recommendations in their annual budget justifications.

As [figure 16](#) shows, agencies need time to act on our recommendations. Our experience indicates that recommendations remaining open after a 4-year period are generally not implemented in subsequent years.

**Figure 16: Cumulative Implementation Rate for Recommendations Made in Fiscal Year 2017**



Source: GAO. | GAO-22-4SP

Data table for Figure 16.

	Implementation rate
After 1 year	28%
After 2 years	45%
After 3 years	59%
After 4 years	76%

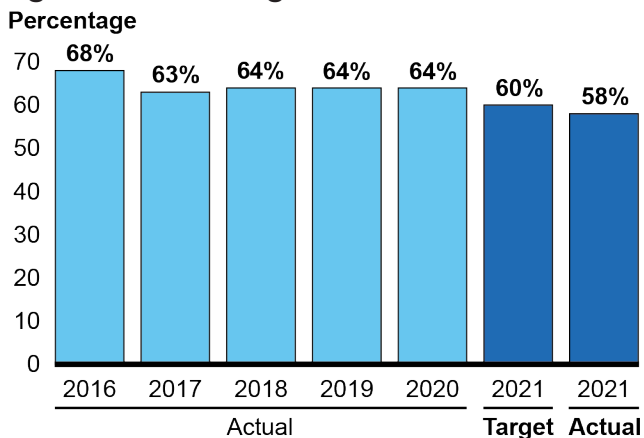
We are retaining our target of 80 percent for past recommendations implemented for fiscal year 2022 and will continue to take appropriate actions to reach this target. (See [Setting Performance Targets](#).)

## New Products Containing Recommendations

In fiscal year 2021, about 58 percent of the 504 written products we issued contained recommendations (see [fig. 17](#)). We track the percentage of new products with recommendations because we want to focus on developing recommendations that, when implemented, produce financial and other benefits for the nation. We did not meet our target of 60 percent by 2 percentage points. Given GAO's reporting requirements in the CARES Act, rather than issue many separate reports on the pandemic's effect on governmental operations, we issued quarterly CARES Act reports in fiscal year 2021 that covered various areas, involved all mission teams, and produced a total of 209 recommendations. As a result, we issued fewer separate products with recommendations and fell slightly short of the 60 percent target for new products with recommendations.

We are maintaining the 60 percent target for 2022 because we recognize that including recommendations in our products is not always warranted, and the Congress and agencies often find informational reports as useful as those that contain recommendations. Our informational reports have the same analytical rigor and meet the same quality standards as those with recommendations and, similarly, can help to bring about substantial financial and other key benefits. Hence, this measure allows us some flexibility in responding to requests that result in reports without recommendations.

**Figure 17: Percentage of New Products with Recommendations**



Source: GAO. | GAO-22-4SP

**Data table for figure 17.**

Year	Percentage
2016	68
2017	63
2018	64
2019	64
2020	64
2021	60
2021	58

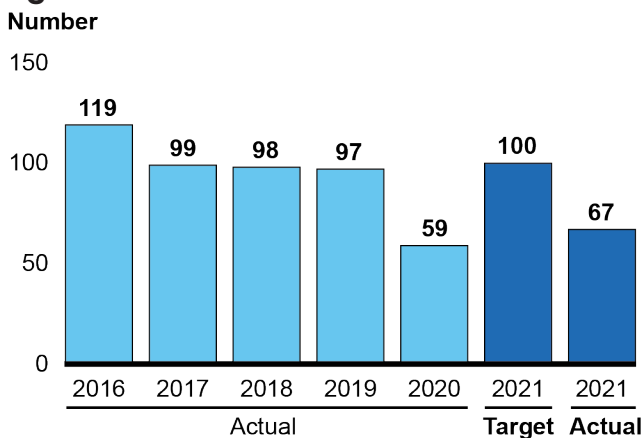
Source: GAO. | GAO-22-4SP

Note: See [Part V](#) for detailed information on data sources that we use to assess each performance measure, as well as the steps we take to verify and validate the data.

## Focusing on Our Client

To fulfill the informational needs of the Congress, we plan to 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. In fiscal year 2021, we received requests for work from 90 percent of the standing committees of the Congress and 26 percent of the subcommittees. Our 4-year average for these requests is 90 percent and 31 percent, respectively. We strive to respond to all congressional requests for testimony and deliver our products when promised, based on our clients' needs. We issued 678 total products and completed work for 90 covered the scope of our mission areas. Fifty-five percent of the testimonies that our senior executives delivered were related to our high-risk areas and programs.

**Figure 18: Testimonies**



Source: GAO. | GAO-22-4SP

Data table for figure 18.

Year	Number
2016	119
2017	99
2018	98
2019	97
2020	59
2021	100
2021	67

## 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 2021, our senior executives were asked to testify 67 times and we fell 33 testimonies short of our target (see [fig. 18](#)). Although we did not meet our target, we were asked to testify before 45 separate committees or subcommittees— on topics spanning most federal agencies (see [table 7](#)).

This measure is client-driven based on invitations to testify; therefore, we cannot always anticipate clients' specific subject area interests. The number of opportunities we had to testify this year was also reduced by the COVID-19 pandemic and related restrictions implemented to safeguard public health. The 67 testimonies that our senior executives delivered in fiscal year 2021 We also delivered 27 member briefings, and were asked to submit (1) two Statements for the Record in



lieu of testifying and (2) responses to 37 sets of Questions for the Record, which become part of the official hearing records. Moreover, GAO's work was cited by Members of the Congress and witnesses in 163 hearings beyond those at which we testified.

Our senior executives also participated in two roundtables sponsored by congressional committees, subcommittees, or working groups. The topics covered by the roundtables included the security clearancebacklog and the Workforce Innovation & Opportunity Act reauthorization.

For fiscal year 2022, we will maintain our target of 100 testimonies to better reflect the average number of testimonies we have delivered over the past 5 years. (See [Setting Performance Targets.](#))

**Table 7: Selected Testimony Topics • Fiscal Year 2021**

**Goal 1: *Address Current and Emerging Challenges to the Well-being and Financial security of the American People***

- Describing Full-Time Workers Who Rely on Federal Health Care and Food Assistance Programs
- Addressing Factors Affecting the Aviation Industry's Recovery from COVID-19
- Improving the Oversight and Management of the Capitol Police
- Managing Climate Change Risks at EPA's Superfund Sites
- Improving HHS's Response to COVID-19 in Nursing Homes
- Improving VA's Growing Use of Contracted Examiners for Disability Exams
- Strengthening Agencies Collaborative Abilities to Address Potential Interference with Spectrum
- Improving Oversight of Facial Recognition Technology
- Improving the Bureau of Land Management's Oil and Gas Royalty Relief Policy
- Addressing Concerns over FDA's Ability to Manage Pharmaceutical Inspections during the Pandemic
- Increasing Assistance for Distance Learning at Indian Schools
- Improving VA's Ability to Effectively Manage Its Real Property Assets
- Helping IRS and the Department of Education Address Risks Associated with For-Profit College Conversions
- Using Data to Promote Greater Diversity and Inclusion in the Financial Services Industry

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

- Improving Oversight and Fraud Risk Management for the Small Business Administration (SBA) COVID-19 Loans
- Enhancing DOD's Prevention, Response, and Oversight of Domestic Abuse
- Increasing Focus on DOD's Acquisition Knowledge to Achieve Intended Performance and Innovation Outcomes
- Enhancing DOD's Prevention, Response, and Oversight of Domestic Abuse
- Taking Steps to Address Some Pipeline Security Program Weaknesses
- Providing Factors to Consider in Making Disaster Block Grants Permanent
- Improving DOD's Space Systems Acquisitions
- Strengthening DOD Oversight of Military Housing
- Addressing Cost and Schedule Risks in F-35 Joint Strike Fighter Modernization Program
- Cutting Billions in Estimated Costs to Achieve F-35 Aircraft Affordability
- Preventing Sexual Assaults in the Military

- Improving Navy and Marine Corp Readiness
- Improving DOD’s Business Operations and Defense-wide Agencies and Programs
- Addressing Long-Standing Management and Operational Challenges with DHS’s Inspector General Office

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

- Improving the Nation’s Fiscal Health
- Safeguarding the National Institutes of Health (NIH) Research from Undue Foreign Influence
- Strengthening Efforts to Address Cybersecurity and IT High Risk Areas
- Addressing Existing Challenges in VA Acquisition Supply Chain Management Strategy
- Strengthening Agencies’ Efforts to Develop and Implement Modernization Plans for Critical Legacy Systems
- Ensuring Transparency over Census Data Quality Given the COVID-19 Pandemic
- Ensuring Census Data Quality and Data Protection Given the COVID-19 Pandemic
- Taking Action to Improve IT and Cybersecurity to
- Address High-Risk Areas
- Addressing VA’s System Modernization, Cybersecurity and IT Management Issues
- Addressing IRS’s Operational Challenges and Improving IT Management

Source: GAO. | GAO-22-4SP

Note: Additional information on selected testimonies can be found in [Part II](#) of this report.

### **Comptroller General Testifying before the Congress**

March 2, 2021

The Comptroller General testified before the Committee on Oversight and Reform, U.S. House of Representatives on GAO’s High Risk areas. ([GAO-21-383T](#)) May 12, 2021

The Comptroller General testified before the Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, U.S. Senate on reducing duplication and achieving cost savings in the federal government. ([GAO-21-544T](#))

Source: GAO (two photos above, screenshots of GAO website, and covers of GAO reports). | GAO-22-4SP

### **Timeliness**

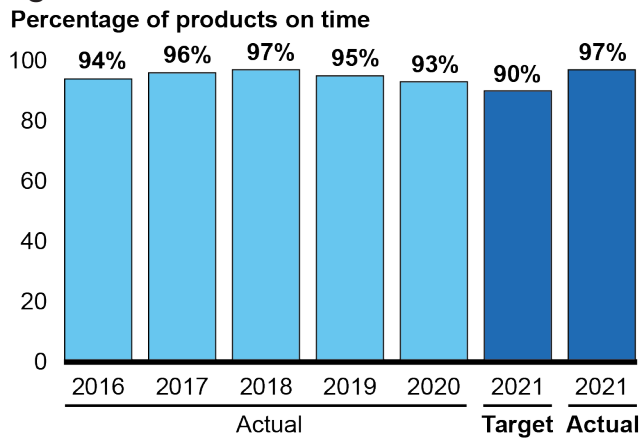
To be useful to the Congress, our products must be available when our clients need them. In fiscal year 2021, we exceeded our timeliness target of 90 percent by 7 percentage points (see [fig. 19](#)). We reach out directly to our clients through several means, including an electronic feedback form. We 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. To calculate this result, we tally responses from the client survey form we send to key congressional staff working for the requesters of our testimony statements and more significant written products (e.g., engagements assigned an interest level of “high” by our senior management and those expected to reach 500 staff days or more), which represented about 42 percent of the congressionally requested written products we issued in fiscal year 2021.

Because our products usually have multiple requesters, we often send forms to more than one congressional staff person per testimony or product. One of the questions on each form asks the client whether the product was provided or delivered on time.

In fiscal year 2021, of the congressional staff that responded to the question on timeliness, 97 percent said our products were on time. Overall, the response rate to our entire form was about 15 percent. We received feedback on 43 percent of the products for which we sent forms.

We have consistently set a high target for timeliness because it is important for us to meet congressional needs when they occur. We have again set our fiscal year 2022 target at 90 percent because we believe that this is realistic given current staffing levels and workload demands.

**Figure 19: Timeliness**



Source: GAO. | GAO-22-4SP

Data table for figure 19.

Year	Percentage of products on time
2016	94
2017	96
2018	97
2019	95
2020	93
2021	90
2021	97

Source: GAO. | GAO-22-4SP

Note: See [Part V](#) for detailed information on data sources that we use to assess each performance measure, as well as the steps we take to verify and validate the data.

## Focusing on Our People

Our highly diverse, professional, and multidisciplinary staff were critical to our fiscal year 2021 performance. Our ability to hire, develop, retain, and lead staff is key to fulfilling our mission of serving the Congress and the American people. Over the last 13 fiscal years, we have refined our processes for measuring how well we manage our human capital. In fiscal year 2021, we exceeded or met the targets for 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](#).

### New Hire Rate

Our new hire rate is the ratio of the number of people hired to the number we planned to hire. GAO's annual workforce planning process helps to identify the human capital resource requirements needed to accomplish its mission. It is the key tool to put strategic goals into human capital actions that are needed to respond to changing work environments. The workforce plan takes into account strategic goals, projected workload requirements, and other changes, such as retirements, attrition, promotions, and skill gaps. It specifies the number of planned hires

for the upcoming year. Adjustments to the plan are made throughout the year, if necessary, to respond immediately to the most pressing issues for congressional oversight and decision-making.

Table 8 shows that in fiscal year 2021, we met our new hire rate of 80 percent. We hired 300 new staff against a target of 376 new staff by the end of the year. These resources supported work across areas such as health care, defense, disaster assistance, science and technology, and cyber security.

**Table 8: Actual Performance and Targets Related to Our New Hire Rate Measure**

Performance measure	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target	2021 actual
<b>People</b>							
New hire rate	81%	83%	85%	89%	76%	80%	80%

Source: GAO. | GAO-22-4SP

## 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. Table 9 shows that in fiscal year 2021, we exceeded our target rate of 92 percent for retention with retirements by 4 percentage points at 96 percent. We also exceeded our target rate of 96 percent for retention rate without retirements by 2 percentage points at 98 percent.

**Table 9: Actual Performance and Targets Related to Our Retention Rate Measures, Including and Excluding Retirements**

Performance measures	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target	2021 actual
<b>People</b>							
<b>Retention rate</b>							
With retirements	93%	94%	94%	94%	95%	92%	96%
Without retirements	96%	97%	97%	96%	97%	96%	98%

Source: GAO. | GAO-22-4SP

# Staff Development and Utilization, Experience with 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 EES. This anonymous, 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 experience with immediate supervisors. (See Part V of this report on pp. 133-137 for additional information about this survey.) This fiscal year, 74 percent of our employees completed the survey, and we exceeded all four targets (see table 10). Our performance on staff development exceeded our target of 80 percent by 2 percentage points, at 82 percent. For staff utilization, we exceeded our target of 76 percent by 9 percentage points, at 85 percent. For experience with supervisors, we exceeded our target of 82 percent by 9 percentage points, at 91 percent. For organizational climate, we exceeded our target of 76 percent by 11 percentage points, at 87 percent. Given our performance on these measures in recent years and their centrality to GAO’s mission, we have decided to increase our targets for two of our measures—Staff Utilization and Organizational Climate.

**Table 10: Actual Performance and Targets Related to Our Measures of Employee Satisfaction with Staff Development, Staff Utilization, Supervisors, and Organizational Climate**

Performance measures <sup>a</sup>	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target	2021 actual	2022 target
<b>People</b>								
Staff development <sup>b</sup>	N/A	N/A	N/A	N/A	81%	80%	82%	80%
Staff utilization <sup>b</sup>	N/A	N/A	N/A	N/A	85%	76%	85%	80%
Supervisors (experience with) <sup>bc</sup>	N/A	N/A	N/A	N/A	90%	82%	91%	82%
Organizational <sup>b</sup> climate	N/A	N/A	N/A	N/A	86%	76%	87%	80%

Source: GAO. | GAO-22-4SP

<sup>a</sup>Certain portions of our web-based survey are used to develop these four measures (see [Appendix II, Data Quality](#)).

<sup>b</sup>In fiscal year 2020, we revised the questions underlying these four people measures. Therefore, we are rebaselining them, and not reporting the data from prior years.

<sup>c</sup>In fiscal year 2020, we changed “effective leadership by supervisors” to “experience with supervisors” to better reflect the revised underlying questions and senior management’s information needs.

## Managing Our Internal Operations

Our mission and people are supported by our administrative services, including information management, infrastructure operations, human capital, and financial management. We use information from our annual CSAT to assess our performance and set targets related to how well

our administrative services help employees get their jobs done and improve the quality of their work life, and employee satisfaction with IT tools (see [table 11](#)).

We ask staff to rate internal services available to them, indicating their satisfaction with each service from “very dissatisfied” to “very satisfied,” or to indicate that they did not use the service. Our internal operations measures are directly related to our efforts under Goal 4 of our [strategic plan](#) to enable quality, timely service to the Congress and be a leading practices federal agency. (See [Appendix II, Internal Operations Measures](#).)

The first measure includes services that help employees get their jobs done, such as hiring, IT support, internal communications, and report production. The second measure includes services that affect quality of worklife, such as assistance related to pay and leave, building security and maintenance, and reasonable accommodations. The third measure includes IT tools, such as our internal engagement management system, our document management system, and the intranet. Using survey responses, we calculate a composite score for each service category.

Table 11 shows that in fiscal year 2021, we exceeded our target rate of 80 percent for “help get job done” by 1 percentage point at 81 percent (e.g., customer support services). We also exceeded our target of 80 percent for quality of work life by 6 percentage points at 86 percent. We fell short of our target of 80 percent for IT tools by 24 percentage points at 56 percent satisfaction.

While employees expressed satisfaction with the IT customer support provided and new collaboration tools deployed in fiscal year 2021, employees were dissatisfied with laptop functionality and connectivity; we are prioritizing new laptops in the next fiscal year to address these issues. Given our recent performance and planned improvements, we have decided to keep these targets for fiscal year 2021. (See [Setting Performance Targets](#)).

**Table 11: Actual Performance and Targets Related to Our Internal Operations Measures**

Performance measures	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target	2021 actual	2022 target
<b>Internal operations</b>								
Help get job done	N/A <sup>a</sup>	84%	85%	82%	83%	80%	81%	80%
Quality of work life	N/A <sup>a</sup>	82%	82%	82%	86%	80%	86%	80%
IT tools	N/A <sup>a</sup>	74%	73%	56%	69%	80%	56%	80%

Source: GAO. | GAO-22-4SP

Notes: Information explaining the measures included in this table appears in the [Appendix II, Data Quality](#).

<sup>a</sup>We did not have data to report for fiscal year 2016 because the survey was conducted on a calendar year basis (denoted by N/A).

# Other Ways GAO Served the Congress and the American People

## GAO's High Risk Program

In 2021, we issued the biennial update of our High Risk Report to focus attention on government operations that are vulnerable to fraud, waste, abuse, and mismanagement or need transformation—offering solutions to 36 high-risk problems.

Financial benefits to the federal government due to progress in addressing high-risk areas over the past 15 years (fiscal year 2006 through fiscal year 2020) totaled nearly

\$575 billion—averaging about \$38 billion per year. This year, our high-risk work yielded 157 reports, 37 testimonies, \$52 billion in financial benefits, and 508 other benefits.

Our experience for more than 29 years has shown that the key elements needed to make progress in high-risk areas are (1) congressional action, (2) high-level administration initiatives, and/or (3) agency efforts targeted to address the risk.

This year, we removed one area from the 2019 list—DOD Support Infrastructure Management due to DOD's progress on this issue—bringing the total areas removed to 27. We have added two new areas to the list since 2019: (1) Emergency Loans for Small Businesses and (2) National Efforts to Prevent, Respond to, and Recover from Drug Misuse. A complete list of these areas is shown on the next page ([table 12](#)) and details can be found on our [website](#). Our next update will be issued in 2023.

## Opportunities to Reduce Fragmentation, Overlap, and Duplication, and Achieve Other Financial Benefits

In 2021, we issued our [eleventh annual report](#) to the Congress on federal programs, agencies, offices, and initiatives that have duplicative goals or activities, as well as opportunities to achieve greater efficiency and effectiveness that result in cost savings or enhanced revenue collection. This report identified 112 new actions in 29 new areas (and 4 existing areas) that could reduce fragmentation, overlap, and duplication, or provide other cost savings and revenue enhancement opportunities across the federal government.

Significant progress has been made in addressing many of the 1,200 actions that we identified from 2011 to 2021 to reduce costs, increase revenues, and improve agency operations. As of August 2021, the Congress and executive branch agencies had fully or partially addressed 73 percent of all actions (873 of 1,200)—56 percent (666) fully addressed and 17 percent (207) partially addressed. This yielded about \$486 billion in financial benefits between 2010 and 2020, with \$29 billion more projected in the future.

This work has also led to key other (non-financial) benefits, including (1) DHS updating and communicating the National Strategy for Transportation Security to better position the government to prevent terrorist attacks; and (2) USDA establishing a nutrition promotion working group to better coordinate nutrition education, maximize program reach, and avoid potentially wasteful duplication of effort.



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 [ActionTracker](#), located on our website under the “Duplication and Cost Savings” collection.

**Table 12: GAO’s High Risk List as of September 30, 2021**

High risk area	Year designated
<b>Strengthening the Foundation for Efficiency and Effectiveness</b>	
Emergency Loans for Small Businesses	2021
Improving Federal Management of Programs that Serve Tribes and Their Members <sup>a</sup>	2017
2020 Decennial Census <sup>a</sup>	2017
U.S. Government’s Environmental Liabilities <sup>a</sup>	2017
Improving the Management of IT Acquisitions and Operations	2015
Limiting the Federal Government’s Fiscal Exposure by Better Managing Climate Change Risks <sup>a</sup>	2013
Management of Federal Oil and Gas Resources	2011
Modernizing the U.S. Financial Regulatory System <sup>t</sup>	2009
Resolving the Federal Role in Housing Finance <sup>a</sup>	2009
USPS Financial Viability <sup>a</sup>	2009
Funding the Nation’s Surface Transportation System <sup>t</sup>	2007
Managing Federal Real Property	2003
Strategic Human Capital Management	2001
<b>Transforming DOD Program Management</b>	
DOD Approach to Business Transformation	2005
DOD Business Systems Modernization	1995
DOD Financial Management	1995
DOD Weapon Systems Acquisition	1990
<b>Ensuring Public Safety and Security</b>	
National Efforts to Prevent, Respond to, and Recover from Drug Misuse	2021
Government-wide Personnel Security Clearance Process <sup>a</sup>	2018
Protecting Public Health through Enhanced Oversight of Medical Products	2009
Transforming EPA’s Processes for Assessing and Controlling Toxic Chemicals <sup>a</sup>	2009
Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests <sup>a</sup>	2007
Improving Federal Oversight of Food Safety <sup>a</sup>	2007
Strengthening Department of Homeland Security Management Functions	2003
Ensuring the Cybersecurity of the Nation <sup>t</sup>	1997
<b>Managing Federal Contracting More Effectively</b>	
VA Acquisition Management	2019
DOD Contract Management	1992
DOE’s Contract Management <sup>a</sup> for the National Nuclear Security Administration and Office of Environmental Management	1990
NASA Acquisition Management <sup>a</sup>	1990
<b>Assessing the Efficiency and Effectiveness of Tax Law Administration</b>	
Enforcement of Tax Laws <sup>a</sup>	1990
<b>Modernizing and Safeguarding Insurance and Benefit Programs</b>	

High risk area	Year designated
Managing Risks and Improving VA Health Care <sup>a</sup>	2015
National Flood Insurance Program <sup>a</sup>	2006
Improving and Modernizing Federal Disability Programs	2003
Pension Benefit Guaranty Corporation Insurance Programs <sup>a</sup>	2003
Strengthening Medicaid Program Integrity <sup>a</sup>	2003
Medicare Program and Improper Payments <sup>a</sup>	1990

Source: GAO. | GAO-22-4SP

<sup>a</sup>Legislation is likely to be necessary in order to effectively address this area.

## General Counsel Decisions

In addition to benefiting from our audit and evaluation work, which reflects considerable legal input, the Congress and the public also benefited from the legal products and activities undertaken by our OGC in fiscal year 2021. The following exemplify some of our key contributions.

OGC handled approximately 2,000 bid protests during the course of fiscal year 2021.<sup>7</sup> The bid protest process was authorized by the Congress, as part of the Competition in Contracting Act of 1984, to provide companies with an administrative forum to challenge the award, or solicitation for the award, of a federal contract. The statute requires that GAO resolve protest disputes in no more than 100 calendar days, and, in most cases, requires agencies to stop work on a contract until the protest is resolved. The Congress adopted this stop work approach to preserve the possibility for meaningful relief upon completion of the protest.

In fiscal year 2021, we issued more than 500 decisions on the merits, which are accessible on GAO's Bid Protest Decisions [web page](#). These decisions addressed a wide range of issues involving compliance with, and the interpretation of, procurement statutes and regulations. Certain of these protests involved highly visible government programs and received extensive media coverage.

Many of our fiscal year 2021 protests were resolved without a written decision on the merits because the federal agency involved voluntarily took corrective action to address the protest, in some cases after GAO used Alternative Dispute Resolution techniques. The remaining protests were decided on the merits, dismissed for procedural deficiencies, or withdrawn by the protester. The Comptroller General is also required by the Competition in Contracting Act to report annually to the Congress on federal agencies that do not fully implement a recommendation made by GAO in connection with a bid protest decided in the prior fiscal year.

For all of fiscal year 2021, OGC operated in a maximum telework environment in response to COVID-19, with the exception of a small number of matters involving classified documents. Despite the virtual operating environment, GAO's bid protest work has continued to move forward without interruption. Specifically, we have continued to hold teleconferences with parties

<sup>7</sup> The precise number of filings each fiscal year is included in GAO's bid protest annual report, which is required to be filed with the Congress not later than January 31 of the next calendar year. The requirement for the annual report is in the Competition in Contracting Act of 1984, 31 U.S.C. § 3554(e)(2). The number of filings in the last 3 years are as follows: 2,149 filings in fiscal year 2020; 2,198 filings in fiscal year 2019; and 2,607 filings in fiscal year 2018.

to the protest; convene telephonic hearings, where appropriate; and resolve all bid protests within 100 calendar days.

Within OGC, six attorneys appointed by the General Counsel also serve on our Contract Appeals Board, established by the Congress in 2007 to hear and decide the appeals of contracting officer decisions with respect to contract disputes involving all legislative branch agencies. In addition to using Alternative Dispute Resolution procedures, the GAO Contract Appeals Board also issues [formal decisions](#) as necessary to adjudicate contract appeals.

During fiscal year 2021, the GAO Contract Appeals Board opened four new appeals and closed four appeals. Of the appeals that were closed, two were dismissed for procedural reasons, one was dismissed based on the parties' settlement, and one was the subject of a decision by the GAO Contract Appeals Board sustaining in part and denying in part the appeal. There were also a number of instances involving the submission of appeals over which the GAO Contract Appeals Board did not have jurisdiction, and for which no appeal file was opened. At the end of fiscal year 2021, the board had three pending appeals on its docket, which is the same as the number of appeals pending at the end of fiscal year 2020.

In fiscal year 2021, we published 20 appropriations law products addressing government-wide and agency-specific use of appropriations. These decisions address a variety of novel appropriations law issues arising from a broad scope of activities across the federal government. They are available on our [Appropriations Law Decisions web page](#). For example, on January 20, 2021, the President issued a proclamation directing a pause in the construction of a wall on the southern border of the United States. We examined whether the resulting delays in obligation and expenditure of the funds were consistent with the ICA. We concluded that the delays were programmatic delays rather than impoundments and, therefore, that no violation of the ICA occurred.<sup>8</sup>

Some examples of the many other issues we addressed in our decisions include the:

- Applicability of reprogramming notification requirements to agency reorganizations;<sup>9</sup>
- Application of the account closing law to amounts disbursed for a grant program;<sup>10</sup> and
- Availability of appropriations for reimbursement of the cost of employee home-to-work travel via taxi or rideshare service.<sup>11</sup>

Additionally, in testimony before the House Committee on the Budget, the Deputy General Counsel discussed legislative proposals that would amend two key statutes—the Antideficiency Act and the ICA—as well as other statutes pertaining to GAO's authorities.<sup>12</sup> These proposals would strengthen reporting requirements, reinforce the primacy of the Congress's constitutional appropriations power, and aid GAO as we assist the Congress in the discharge of its constitutional power of the purse.

GAO is also sometimes asked to provide decisions on CRA-related issues, primarily with regard to whether an agency action other than promulgation of a rule (e.g., issuing guidance or a memorandum) constitutes a "rule" as defined by the CRA. We issued one CRA decision in fiscal year 2021.

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<sup>8</sup> B-333110, June 15, 2021.

<sup>9</sup> B-330108, Dec. 23, 2020; B-329964, Oct. 8, 2020.

<sup>10</sup> B-331892, Nov. 19, 2020.

<sup>11</sup> B-332633, June 3, 2021.

<sup>12</sup> B-333181, Apr. 29, 2021.

Finally, GAO is asked to provide decisionson Federal Vacancies Reform Act (FVRA)- related issues, primarily with regard to whether an official may lawfully act in a presidentially appointed, Senate confirmedposition under the act. We issued one FVRA decision in fiscal year 2021.

## Other Legal Work

Attorneys from OGC also provided ongoingappropriations law assistance to various congressional committees and federal agencies on a number of topics, including the application of the Antideficiency Act and the ICA of 1974. We also informally assisted the Congress on a number of other matters, including agency reorganizations, continuing resolutions, legislative drafting, and transfer authority.

GAO's *Principles of Federal Appropriations Law*, commonly known as the [Red Book](#), continued to be the primary resource for appropriations law guidance in the federal community.<sup>13</sup> In fiscal year 2021, the Red Book was downloaded thousands of times as attorneys, budget analysts, financial managers, project managers, contracting officers, and accountable officers from all three branches of government accessed it to research questions about budget and appropriations law.

Appropriations law attorneys continued to provide training on appropriations law, including a full-day course on appropriationslaw and shorter appropriations law seminars. The attorneys presented a framework for understanding and properly applying provisions of appropriations law— helping to ensure that agencies use public money as the Congress provides by law. We held 21 classes across 18 agencies, includingclasses and custom-designed seminars for congressional staff.

We also provided briefings for the staff ofthe appropriations and budget committeesof both the Senate and the House of Representatives. In addition, attorneys spoke on our appropriations law work at conferences and trainings hosted by one agency. To enhance communication withinthe appropriations law community across all agencies and within the three branchesof government, we hosted our 17th annualAppropriations Law Forum in 2021.

For fiscal year 2021, we received 20 Antideficiency Act reports and also made selected information from reportsreceived in fiscal year 2020 available on our website. Since the Congress amended the Antideficiency Act in 2004 requiring agencies to send us a copy of any report of an Antideficiency Act violation, we have received 270 reports and maintain an officialrepository of Antideficiency Act reports.

We continued to report under the CRA on major rules proposed by federal agencies tothe standing committees of jurisdiction of both houses of the Congress. We issued 149reports for rules received in fiscal year 2021.

We also continued to fulfill our responsibilities under the FVRA. FVRA requires executive departments and agencies to immediately report to the Congress and the Comptroller General certain vacancies that require presidentialappointment and Senate confirmation. It requires the Comptroller General to reportto the Congress, the President, and the Office of Personnel

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<sup>13</sup> Principles of Federal Appropriations Law, also known as the Red Book, is a multi-volume treatise concerning federal fiscal law.

GAO-17-797SP (Washington, D.C.: Sept. 14, 2017), GAO-16-463SP (Washington, D.C.: Mar. 10, 2016), GAO-16-464SP (Washington, D.C.: Mar.10, 2016), GAO-15-303SP (Washington, D.C.: Mar. 12, 2015), GAO-08-978SP (Washington, D.C.: Sept. 1, 2008), GAO-06-382SP (Washington, D.C.: Feb. 1, 2006), GAO-04-261SP (Washington, D.C.: Jan. 1, 2004).

Management (OPM) if the Comptroller General determines that an acting official is serving longer than the allowable time period established by the act.

OGC was involved in the analysis of a wide range of the agency's federal employment and labor relations issues, as well as privacy and document disclosure matters, during the course of the year. This year, OGC attorneys continued to advise agency management on a number of employment issues resulting from COVID-19, including operating in a maximum telework work environment. In addition, attorneys represented GAO and its officials in various ongoing litigation pending before the federal courts and administrative boards.

Attorneys continued to provide training for managers on employment and other human capital responsibilities. OGC was also an active stakeholder in ensuring that GAO's acquisition practices and procedures comply with all legal requirements and best practices.

## Strategic Partnerships

Through its domestic and international partnerships, GAO builds collaborative knowledge-sharing and capacity-building networks. We prioritize strong partnerships with federal inspectors general, state and local audit organizations, and other countries' national audit offices—known as supreme audit institutions or SAIs. These networks enhance our ability to perform audits and allow us to shape professional audit standards and serve as a leader within the accountability community.

They also allow GAO to participate in efforts to help strengthen the professional capacities of international and domestic audit organizations.

## Networks, Collaborations, and Partnerships

We share information about our mission and work with visitors and through events and meetings. In fiscal year 2021, we cancelled all in-person events because

of the pandemic; at the same time, we successfully leveraged virtual meeting technologies to host events and meetings with participants from 101 countries. GAO values these interactions as important opportunities to build and reinforce our professional networks and to share knowledge and best practices.

## Domestic Partnerships

GAO is a leader in the accountability community. We work closely with federal inspectors general, and state and local auditors to strengthen expertise around emerging issues. This helps us address the unique challenges of overseeing federal spending that flows to domestic partners and sub-federal grant recipients at the state and local level.

In fiscal year 2021, GAO made significant contributions to the domestic accountability community through its management of the national and regional intergovernmental audit forum networks and various Comptroller General advisory groups. The National Intergovernmental Audit Forum and 10 Regional Intergovernmental Audit Forums were established in 1973 and 1974, respectively, to improve cooperation and communication among federal, state, and local government auditors and improve the efficiency and usefulness of governmental audits.

In fiscal year 2021, GAO planned and held virtual events that reached over 6,800 practitioners to help auditors across the nation better understand and enhance strategies on various topics. Audit Forum topics included Equity in COVID-19 Vaccination Distribution, COVID-19 Data Predictions, Lessons Learned from Vaccine Rollout, U.S. COVID-19 Vaccine Allocation Planner, Future of Office Culture, Supporting Vulnerable Populations through Performance Auditing, and Aligning Strengths, Emotional Intelligence, and Resilience at Work.

Through Comptroller General advisory groups and partnerships, such as the Educator's Advisory Panel (EAP), GAO convened discussions and conducted outreach on a wide range of subjects with leaders in the government auditor and academic communities. The July 2021 EAP virtual meeting (which brought together representatives from academic institutions and GAO leadership) provided GAO a platform to explore several high-priority areas, such as GAO's Disaster Resilience Framework and vaccinations and health equity on college campuses.

GAO convened a national working group consisting of federal inspectors general, state and local government audit offices, and representatives from OMB and Treasury that functioned as a high-level meeting to address issues and inform ongoing work across the levels of government.

GAO also regularly met with Pandemic Response Accountability Committee (PRAC) leadership and IGs who are PRAC members to collaborate on GAO, PRAC, state and local government, and other coordination issues.

## International Partnerships

GAO made substantial contributions to the international accountability community through its leadership role in the International Organization of Supreme Audit Institutions ([INTOSAI](#)), including leadership roles and participation in INTOSAI working groups, the INTOSAI Journal of Government Auditing ([the INTOSAI Journal](#)), and as a member of its Governing Board.

INTOSAI is an umbrella organization for the international government auditing community that provides a framework to promote development and sharing of knowledge and improve government auditing around the world. In fiscal year 2021, GAO continued to lead the INTOSAI response to the pandemic by assisting SAIs with continuity of operations, providing INTOSAI with assistance in prioritizing resources for SAIs needing information technology and protective equipment, leading and participating in knowledge-sharing webinars, and establishing a Comptroller General discussion group on international lessons learned from the pandemic.

The INTOSAI Journal is INTOSAI's official publication developed to promote collaboration and continuous improvement among the international accountability community. GAO manages quarterly publication of the journal on behalf of INTOSAI's 195 members. In fiscal year 2021, we continued to modernize the Journal and expand its reach, with an emphasis on real-time coverage of virtual events and engagement via social media.

Capacity-building efforts help the U.S. government promote good governance and ensure that federal funds for programs abroad are worthwhile investments. When developing countries build the professional capacities and independence of their audit agencies, they more effectively provide oversight of public expenditures and government programs.

GAO continues to advance SAI capacity-building efforts, including the INTOSAI- Donor Cooperation (IDC) initiative. Through this initiative, INTOSAI coordinates with members of the donor community

to facilitate the flow of financial and other assistance from donors and other SAIs to strengthen SAIs in developing countries.

GAO serves as INTOSAI's Vice Chair of IDC and has facilitated the expansion of the Cooperation to assist SAIs during the pandemic with a focus on those that have the greatest capacity development needs.

GAO also supports capacity-building efforts through the International Auditor Fellowship Program (IAFP), a 4-month training for mid- to senior-level staff from SAIs. This program strengthens GAO's partnerships in the international accountability community while also investing in future networks and relationships. In light of the pandemic, GAO suspended the IAFP for 2021 and is shifting to a virtual program for 2022.

## **Center for Audit Excellence**

In 2014, the Congress authorized GAO to establish the [Center for Audit Excellence](#) (Center) to provide training and technical assistance to domestic and international accountability organizations. Although GAO contributes to a number of efforts that promote good governance and enhance accountability community capacity, the Center is unique in its ability to tackle complex training and capacity-building projects because it can offer a wide range of services at locations throughout the world. The Center is authorized to charge fees for its services to recover its costs.

In fiscal year 2021, the Center responded to a large increase in demand from domestic accountability organizations for training services due to their need for virtual training during the COVID-19 pandemic. To meet this increased demand, the Center converted 12 courses to enable virtual delivery, which increased the Center's virtual course inventory to 14. These courses included topics such as federal internal control standards, techniques for successful audit planning, data analytics, performance audit methodologies, effectively leading audits, and reviewing draft reports.

The Center delivered over 100 sessions of its virtual courses. Through this training, the Center enhanced the auditing skills of over 2,400 participants and strengthened the organizational capacity of about 60 domestic accountability organizations, including federal inspectors general and state and local audit offices.

The Center also enhanced the capacity of seven national audit organizations in Europe, Central America, and Asia by strengthening their ability to conduct high-quality financial and performance audits and comply with international audit standards and best practices. In January 2021, the Center and USAID signed a new Memorandum of Understanding with a term of 5 years to collaborate in enhancing the capacity of international accountability organizations.

Working remotely during the pandemic, the Center provided training, mentoring, or organizational development services to SAIs in Ethiopia, Georgia, Armenia, the Dominican Republic, and the Philippines under its Memorandum of Understanding with USAID. The Center provided training to over 300 participants from SAIs on these projects. Under an interagency agreement with the State Department, the Center also conducted a needs assessment of the Bahamas Office of the Auditor General that identified opportunities for improving the quality and timeliness of audits. Finally, the Center completed an assessment to identify capacity-building needs of a European SAI under an agreement with the World Bank. For this project, the Center also shared leading practices for

managing and conducting high-quality financial and performance audits with a focus on achieving improvements in transparency and program results.

## Strategic Planning and Foresight

We continued to strengthen the components of GAO's foresight ecosystem through several initiatives, including the development of a trends analysis for GAO's mission support offices, as well as a series of internal briefing papers on COVID-19's spillover effects and other emerging issues that we are tracking through our continuous environmental scanning system and the Center for Strategic Foresight.

In our capacity as vice-chair to INTOSAI's Supervisory Committee on Emerging Issues (SCEI), we helped lead efforts to assist audit offices around the world, share best practices, and understand the implications of the COVID-19 pandemic.

In addition, the Center (1) collaborated with GAO mission teams and staff offices to develop a series of 12 trend papers to form the foundation of the agency's next strategic plan; (2) partnered with GAO's Innovation Lab to build a data analytics and visualization platform to enhance environmental scanning; (3) rolled out multi-day virtual training on foresight for GAO's executive candidates; and (4) co- led issuance of a framework on Artificial Intelligence (AI) accountability, based on a CG Forum, with our STAA team to provide the audit community with an actionable, practical framework for auditing and providing oversight of algorithms and AI systems.

## Managing Our Resources

### Resources Used to Achieve Our Fiscal Year 2021 Performance Goals

Our financial statements for the fiscal year ending September 30, 2021, were audited by an independent auditor, Clifton Larson Allen, LLP, and received an unmodified opinion. The auditor found our internal controls over financial reporting 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 [auditors' report](#), along with the [statements](#) and accompanying [notes](#), begins on [page 98](#) in this report.



Table 13 summarizes key data.

**Table 13: GAO’s Financial Summary (Dollars in Millions)**

	Fiscal year 2021	Fiscal year 2020
Total Assets	\$301.6	\$189.1
Total Liabilities	\$113.4	\$99.2
Total Net Position	\$188.2	\$89.9
<b>Net Cost of Operations by Goal</b>		
Goal 1: Well-being / Financial Security of American People	\$257.8	\$257.4
Changing Security Threats / Challenges of Global Interdependence	156.0	173.4
Help Transform the Federal Government to Address National Challenges	198.5	160.7
Goal 4: Maximize the Value of GAO	14.0	12.0
Other Costs in Support of the Congress	66.5	64.7
Residual services not attributable to above cost categories	(17.5)	(13.0)
<b>Total Net Cost of Operations</b>	<b>\$676.3</b>	<b>\$656.0</b>
Actual full-time equivalents (FTE)	3,208	3,178

Source: GAO. | GAO-22-4SP

Compared with the financial 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 2021, our appropriations of \$748.1 million included: \$661.1 million in new direct appropriation; additional funding for COVID-19 related audits in an additional \$10.0 million under “Legislative Branch Appropriations Act of 2021” and 5-year funding of \$77.0 million under the “American Rescue Plan Act of 2021.” Total budgetary resources include \$34.5 million in spending authority from offsetting collections, primarily from the lease of space in our headquarters building and certain audits of agency financial statements. Our total budgetary resources, including prior year unobligated balances, in fiscal year 2021 were \$887.5 million.

Total assets at the end of fiscal year 2021 were \$301.6 million, consisting mostly of Fund balance with Treasury and property and equipment (including the HQ building, land and improvements, and computer equipment and software). This represents a \$112.5 million increase from the total assets at the end of fiscal year 2020 of \$189.1 million, primarily represented as an increase in our year-end Fund balance with Treasury of \$116.0 million. Total liabilities were \$113.4 million and primarily consist of amounts earned and unpaid for employees’ salaries and benefits and accrued

annual leave (earned but not used), as well as amounts owed to other government agencies and nongovernmental entities for products and services rendered to GAO. Total liabilities at the end of fiscal year 2020 were \$99.2 million.

Our net cost of operations in fiscal year 2021 is \$676.5 million, compared to \$656.0 million in fiscal year 2020 (an overall increase of \$20.5 million). The largest goal increase, \$37.8 million, was in Goal 3.

The teams contributing the most effort to Goal 3 work during fiscal year 2021 were Financial Management and Assurance, Strategic Issues, and STAA.

During fiscal years 2021 and 2020, GAO used resources to prepare for, and respond to, COVID-19. Enacted on March 27, 2020, the CARES Act included mandates for GAO to carry out oversight of the federal government's response to COVID-19 and an appropriation of \$20 million for GAO to perform this work. In fiscal year 2021, the "Legislative Branch Appropriations Act of 2021" provided an additional \$10 million for this purpose. The separately enacted "American Rescue Plan Act of 2021" (Public Law No: 117-2) appropriated \$77 million to remain available until September 30, 2025 "to prevent, prepare for, and respond to Coronavirus and to support oversight of the Coronavirus response and of funds provided in this Act or any other Act pertaining to the Coronavirus pandemic."

Other audits that touched on COVID-19 related issues but were started prior to or did not fall under the CARES Act were completed using GAO's annual appropriations. For example, ongoing audits that were expanded to include the impact of COVID-19 were funded out of GAO's annual appropriation. Furthermore, the resources used to support our maximum telework stance and sanitation-related enhancements are considered COVID-19 related. These costs were funded by GAO's annual appropriation.

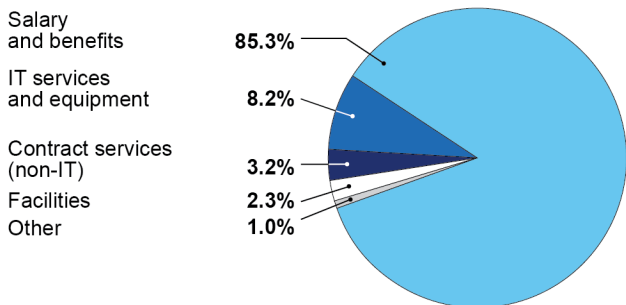
Section 19009 of the CARES Act also provides for salary reimbursements of employees of the Tiny Findings Child Care Center in the GAO building. Tiny Findings is a non-profit organization providing childcare services to GAO HQ employees and other interested parents. This section authorized up to \$600,000 of the \$20 million supplemental appropriation to be used for salary reimbursements between April 1, 2020, and September 30, 2020.

Public Law No: 116-159, the "Continuing Appropriations Act, 2021 and Other Extensions Act" enacted on October 1, 2020, extended the provisions of section 19009 of the CARES Act, authorizing GAO to reimburse the salaries incurred by Tiny Findings until the termination of the public health emergency declared pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d) resulting from the COVID-19 pandemic.

The budgetary resources used and obligations incurred under the CARES and Legislative Branch Appropriations Acts appropriations as of September 30, 2021, were \$17.9 million, with no amounts remaining available after September 30, 2021. The budgetary resources used and obligations incurred under the American Rescue Plan Act appropriation as of September 30, 2021, was \$21.0 million, with \$56.0 million remaining available after September 30, 2021. Other COVID-19 related resources used and obligations incurred using the GAO annual appropriation totaled \$4.1 million as of September 30, 2021. Generally, given the nature of these transactions, COVID-related costs recorded in the statements of net cost would be similar in amount to obligations incurred and budgetary resources used.

Figure 20 shows how our fiscal year 2021 costs break down by category.

**Figure 20: Use of Fiscal Year 2021 Funds by Category**  
 Percentage of total costs



Source: GAO. | GAO-22-4SP

Data table for figure 20.

Salaries and benefits	Other	Facilities	Contract services (non-IT)	IT services & equipment
0.853	0.01	0.022	0.032	0.082

Source: GAO. | GAO-22-4SP

Note: See [Part I](#) for further details on these results, and [Part V](#) for detailed information on data sources used to assess each measure, steps taken by independent reviewers, and steps taken to verify and validate the data.

## Limitation on Financial Statements

Responsibility for the integrity and objectivity of the financial information presented in the financial statements in this report rests with management.

The financial statements were prepared to report our financial position and results of operations, consistent with the requirements of the Chief Financial Officers Act, as amended (31 U.S.C. 3515(b)).

The statements were prepared from our financial records in accordance with Federal GAAP. These financial statements differ from the financial reports used to monitor and control our budgetary resources. However, both were prepared from the same financial records.

Our financial statements should be read with the understanding that as an agency of a sovereign entity, the U.S. government, we cannot liquidate certain liabilities (e.g., accrued annual leave) without legislation that provides resources to do so. Although future appropriations to fund these liabilities are likely and anticipated, they are not certain.

## Summary of Financial Systems Strategies and Framework

GAO utilizes the Legislative Branch Financial Management System (LBFMS) through an interagency agreement with the Library of Congress. The Library of Congress is the system owner and the system is hosted by CGI Federal, Inc. (CGI). The LBFMS operates CGI's Momentum Enterprise Suite as the integrated Financial Management System and hosts the transaction processing system in a Federal Risk and Authorization Management Program compliant and secure facility.

LBFMS utilizes Treasury's Invoice Processing Platform, which allows non-federal customers to submit electronic invoices that, when approved by GAO, are loaded into the accounting system and paid. This improves internal controls over invoice processing, reduces data entry errors, and

increases efficiency and timeliness of payments. GAO also engaged CGI to conduct certain transaction processing services in LBFMS.

In keeping with the effort to continuously improve LBFMS, the Library of Congress completed a major upgrade to the base Momentum software suite in fiscal year 2021. We continue to work on LBFMS improvements to provide full integration capability with Treasury's Government Invoicing (G-Invoicing) platform by the mandated compliance date of October 1, 2022. G-Invoicing is the long-term sustainable solution to improve the quality of Intragovernmental Transactions (IGT) data in support of more accurate financial management by federal trading partners. G-Invoicing will address current buy/sell accounting and reporting challenges by providing a common platform for brokering all IGT buy/sell activity, implementing a federal IGT buy/sell data standard, and providing transparent access to a common data repository of brokered transactions.

Other continued improvement plans include enhancing our agency specific management reporting to contribute to timely and informed decision-making.

## Internal Controls

We recognize the importance of internal controls to ensure our accountability, integrity, and reliability as a leading practices agency. To achieve a high level of quality, management maintains a quality internal control program and seeks advice and evaluation from both internal and external sources. As a legislative branch agency, we are exempt from many laws that apply to executive branch agencies; however, we generally hold ourselves to the spirit of many laws and guidance and voluntarily comply with them, including FMFIA and OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, and applicable appendices.

Our internal controls are designed to safeguard GAO's assets against loss from unauthorized acquisition, use, or disposition; and to provide reasonable assurance that transactions are properly recorded, processed, and summarized accurately in our financial statements. Further, our controls ensure that transactions are executed in accordance with the laws governing the use of budget authority and regulations that could have a direct and material effect on the financial statements.

As part of our review efforts, we performed a risk-based assessment and identified, analyzed and tested the controls for key business processes, including those related to COVID-19 and any corresponding oversight activities. Based on the results of the assessment, we have reasonable assurance that control over operations, reporting, and compliance as of September 30, 2021, was operating effectively and that no material weaknesses were found in the design or operation of internal control. Further, our independent auditor found that we maintained effective internal control over financial reporting and compliance with laws and regulations. The external auditor also found no material weaknesses or significant deficiencies.

In addition, we met the objectives of FFMA and believe we have implemented and maintained financial systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Standard General Ledger (USSGL) at the transaction level as of September 30, 2021. We made this assessment based on criteria established under FFMA and guidance issued by OMB.

While not subject to the Improper Payments Elimination and Recovery Act of 2012 (IPERA), we complied with the spirit of it. IPERA requires that agencies periodically review activities susceptible to significant improper payments, estimate the amount of improper payments—which is de minimis—and implement a plan to reduce and report estimated improper payments. We have implemented and maintained internal control procedures to monitor the disbursement of federal funds for valid obligations.

Our Audit Advisory Committee assists the Comptroller General in overseeing the effectiveness of our financial reporting and audit processes, internal control over financial reporting, and processes that ensure compliance with laws and regulations relevant to our financial operations. The committee is composed of individuals who are independent of GAO and have outstanding reputations in public service or business with financial or legal expertise.

For fiscal year 2021, the members of the committee were:

- Robert H. Attmore (Chair), Certified Public Accountant (CPA), Certified Government Financial Manager—Retired, previously served as the Chairman of the Governmental Accounting Standards Board, New York Deputy State Comptroller, President of the National State Auditors Association, and a Trustee of the Academy for Government Accountability.
- Michael S. Helfer, former Vice Chairman of Citigroup Inc. Prior positions include partner and Chairman of the Management Committee of the law firm Wilmer, Cutler & Pickering. He serves on the Boards of Banco Nacional de Mexico and Shakespeare & Company.
- Robert Mednick, serves on the Board of the National Bureau of Economic Research and the Governing Council of the American Institute of CPAs. He was the former worldwide Managing Partner of Professional and Regulatory Matters of Arthur Andersen, past Chairman of the American Institute of CPAs, and serves on a number of civic and charitable organization Boards.
- Kathleen S. Tighe, former Inspector General of Education, also served as counsel to the inspector general at the General Services Administration (GSA) and as the Deputy Inspector General of the USDA. She has also served on the Digital Accountability and Transparency Act of 2014 (DATA Act) Interagency Advisory Committee and chaired the Recovery Accountability and Transparency Board.

The [committee's report](#) appears in [Part III](#) of this report.

## **Planned Resources to Achieve Our Fiscal Year 2022 Performance Goals**

For fiscal year 2022, GAO requested an appropriation of \$744.3 million, an increase of \$83.2 million or 12.6 percent over the fiscal year 2021 appropriation of \$661.1 million. Currently, GAO is operating under a Continuing Resolution and expects final congressional decisions on our fiscal year 2022 appropriation will occur early in calendar year 2022. As of this writing, neither the House nor Senate has passed an appropriations bill for fiscal year 2022. The current House and Senate proposed funding levels for fiscal year 2022 would allow GAO to continue ongoing hiring efforts toward 3,400 FTEs and addressing planned IT and building infrastructure initiatives.

Going into the second full year of operating under the ongoing COVID-19 pandemic, GAO gradually began to return employees to physical work spaces on a voluntary basis in August 2021. We expect to be in this hybrid working posture at least through the end of the calendar year, at which time we will reassess the situation and follow guidance from the CDC and public health officials.

Our longstanding commitment to telework and investments in virtual technology will allow us to continue serving the Congress and deliver results for the American people, regardless of the future uncertainty with the pandemic. In addition, with the expected fiscal year 2022 funding from the Congress, we anticipate making continued progress on the \$82 million in deferred maintenance on our HQ building, as well as investments to improve or replace IT legacy systems.

## Management Challenges

### Internal Management Challenges

The Comptroller General, the Executive Committee, and other senior executives identify management challenges through the agency's risk management

strategic planning, management, internal controls, and budgetary processes. We monitor our progress in addressing these challenges through our performance and accountability processes, and ask our Inspector General each year to comment on management's assessment of these challenges. In fiscal year 2021, we continued to focus significant management attention on the challenges associated with running the agency in the midst of a global pandemic.

While many of these challenges are similar to those identified in recent years—managing a quality workforce, improving the efficiency of our engagements, and ensuring we are effectively managing risk to our IT services—we recognize in this section the ongoing challenges we are managing, and those that we are deliberating, as we consider the future of our workforce and our operations.

Additional information on progress made and actions planned for the future can be found in [Part II](#).

### **CHALLENGE: Continued Response to the Pandemic**

As we reported in last year's Performance and Accountability Report, early in the pandemic, we identified two overarching principles—to fulfill our mission and to protect the health and safety of our employees. Fulfilling our mission means continuing to provide expertise and reports to the Congress; protecting the health and safety of our employees means providing them the tools and resources to work remotely, while recognizing the challenges of telework for some, such as caring for children and other family members.

In keeping with these principles, GAO implemented a maximum telework policy on March 13, 2020, whereby employee access to our HQ and field office locations was limited to mission-critical work only. This policy was in effect until August 2, 2021, when we re-opened all of our locations for voluntary re-entry. Under voluntary re-entry, employees have the option to work from home, in the office, or any combination of the two, as they voluntarily choose.

Communication remained a top management priority this year, and employees rated internal communications as a top service in the annual CSAT, with a 92 percent satisfaction score. Examples of internal communication include frequent all-agency teleconferences to address employee questions and convey policy and procedural changes, our internal COVID-19 website, and regular Comptroller General meetings with senior leaders and individual mission and operations teams.

We created a number of task teams in 2020 to monitor and report on the health of GAO's mission and its ability to meet the needs of the Congress; employee well-being; and the latest science, data, and public health guidance on COVID-19.

These teams continue to guide and advise senior leadership on these issues. In fiscal year 2021, we established a task team to consider the future of our telework policy and options for further supporting a hybrid workplace. Leveraging the lessons we have learned about our workforce's ability to carry out their work remotely, as well as those related to how we have maintained our operations, is vital to ensuring we remain prepared to meet future challenges, and retain our status as a best place to work in the federal government.

## **CHALLENGE: Maintaining Our Operations**

**Managing a quality workforce.** Virtual recruiting, hiring, and onboarding remained strong, and offered some constructive lessons. Virtual recruiting has given us the opportunity to reach students and professionals across the country in new ways, and to initiate relationships with an even more diverse universe of higher learning institutions. In fiscal year 2021, we participated in more than 125 virtual recruiting events, from hosting job fairs to delivering classroom briefing sessions, and more. We hired and onboarded 300 employees, 196 of whom joined our entry-level PDP for analysts/auditors/specialists. We also hosted 205 analyst and operations interns. Continuing to offer a completely virtual intern experience during the pandemic has resulted in our ability to welcome potential future employees.

Retaining top talent remains a challenge across government, including at GAO. Although our fiscal year 2021 attrition rate remains exceptionally low at 5 percent, we know that employees continue to face a number of pandemic-related challenges, both at work and at home. Our entry-level PDP and other employees hired during the pandemic are performing very well, yet experience remote work in very different ways. For those newer to GAO, it can be difficult to meet colleagues outside of their immediate work team and to establish a deeper connection to GAO's culture.

For our seasoned employees, including our managers, the pandemic has challenged them to maintain their professional and personal GAO network, and to support their staff in a more deliberate way, relying on technology to connect and collaborate. Our Counseling Services team has been central in providing one-on-one support to employees and managers, and offering timely and relevant programs addressing coping skills, dealing with anxiety, and much more. We will continue to focus on employee needs and challenges in the year ahead, and continue to offer workplace flexibilities to help employees manage work-life balance. Ensuring we are providing the right technology, tools, and training to effect positive mission outcomes and foster an engaged workforce in the current environment is critical to our present and future success as an agency.

**Maintaining a reliable, secure IT framework.** While we have long relied on technology to do our work, our maximum telework environment of the past 18 months has demanded a greater reliance on technology to sustain training, team and relationship building, collaboration, and connectedness. In fiscal year 2021, we rolled out Zoom for Government to supplement Skype for Business as an additional video conferencing option, and plan to roll out Microsoft Teams in early fiscal year 2022.

IT security remains a challenge across government, and we took steps this year to develop and refine our IT cloud strategy, including finalizing our business plan for developing and implementing a Cloud Center of Excellence in fiscal year 2022 to help in this transition. The cloud will improve our ability to quickly deliver IT technologies to staff while maintaining the required level of security and reliability. Lastly, we will address the ongoing challenge of laptops and monitors by performing a complete refresh of these devices, as needed, in calendar year 2022.

**Ensuring workplace safety.** For the duration of the pandemic, our HQ building has remained open to accommodate both our building tenants and GAO's mission-critical work, such as classified processing. In early August 2021, we re-opened all of our 11 field office locations for employees to voluntarily return to the office, and also allowed voluntary re-entry to HQ. In all of our locations, we adopted a hoteling option for all employees, whereby any employee may reserve a hoteling office in the event that they do not have an assigned office. To further ensure that our field office locations were safe for employees' return, we verified that each building met CDC's COVID-19-related guidance for heating, ventilation, and air conditioning (HVAC) systems, based on the American Society of Heating, Refrigerating and Air-Conditioning Engineers recommendations. Since the beginning of the pandemic, we have been implementing these recommendations in HQ, including using the maximum amount of outside air that the HQ HVAC system is designed to process and using portable air purifiers in classified work rooms. We have also maintained mask and social distancing policies commensurate with CDC guidelines.

## **CHALLENGE: Improving the Efficiency of Our Engagements**

In addition to managing our administrative operations during the pandemic, we have continued to focus on engagement efficiency as a challenge first identified here in 2011. The stressors on GAO staff resulting from COVID-19 highlighted the need to continue progress on activities to streamline or replace processes, technology, and knowledge-sharing practices to best sustain the production of high-quality products and services.

To help ensure efficient and effective creation, production, and delivery of our products to the Congress, we initiated agency-wide implementation of industry-standard project management practices, to include revisions to the program based on feedback from pilot engagement teams. Revisions include moving to a coaching-heavy implementation model, and integration of user-friendly software to support the planning and management of engagement work. We will implement improvements iteratively over the next few fiscal years.

To further improve the efficiencies of the web-based system we use to track, manage, and report out on our engagements, we updated the system to incorporate hearing and product numbering assignment data into a single application, which enabled data entry consolidation and allowed us to retire multiple enterprise legacy platforms.

Lastly, we continued work to modernize our publishing capability that will facilitate our ability to deliver products in a web-based format that will be accessible to our clients and the public on any device, including mobile devices. We continued to use this system successfully to publish multiple products on federal programs, including government-wide products on the federal response to COVID-19.



## Office of the Inspector General

GAO's OIG independently conducts audits and investigations of GAO programs and operations. During fiscal year 2021, the OIG issued two audit reports. In audit report [OIG-21-1](#), the OIG evaluated the extent to which GAO has (1) followed leading practices for managing the New Blue project, whose intended goals are to streamline the publishing process while enabling GAO reports with a web-based design to be read online with any computer or mobile device; and (2) tracked the cost and schedule performance of the project.

In [OIG-21-2](#), the OIG assessed (1) the completeness, timeliness, quality and accuracy of GAO FY 2020, fourth quarter (July 2020 through September 2020) financial and award data submitted for publication on [USASpending.gov](#), and (2) GAO's implementation and use of the government-wide financial data standards established by OMB and Treasury, as required by the DATA Act. These and other OIG publications are available on GAO's [website](#) or at [www.oversight.gov](#).

In addition, the OIG maintained a hotline for use by employees, contractors, and the public. The hotline is the primary source of complaints or information for identifying suspected fraud and other problems, abuses, and deficiencies relating to GAO programs and operations.

Separate from FraudNet, which supports accountability across the federal government, complainants access the [OIG hotline online](#) or by telephone at 1-866- 680-7963. Complaints are converted to OIG investigations when the complaint contains credible allegations involving GAO operations or its employees and the possible violation of law, regulation, order, or policy. Investigations can substantiate an allegation, find the allegation to be unsubstantiated, or conclude that insufficient evidence exists for criminal, civil, or administrative action. In fiscal year 2021, the OIG initiated 17 investigations and closed 19 investigations.

The OIG has also continued "proactive" inquiries which focus on data analysis and look for outliers or exceptions that require targeted investigative methods. In fiscal year 2021, the OIG initiated three proactive inquiries and closed four.

The results of the IG's work, and actions taken by us to address IG recommendations, are highlighted in the [IG's semiannual reports to the Congress](#). They are also available at <https://www.oversight.gov>.

### ***OIG Recommendations***

The OIG made one recommendation to strengthen GAO's project management practices on future projects. GAO is taking steps to address OIG findings. See [Table 14](#) for additional information on this recommendation.

For further information, see [OIG-21-4SP](#) and [OIG-22-1SP](#). For the IG's comments regarding GAO's management challenges assessment, see [Part IV](#) of this report.

**Table 14: GAO OIG Recommendations**

OIG report	Recommendation	GAO’s summary of actions planned or taken in response to the recommendation
NEW BLUE: Additional Efforts Could Improve Project Management Efficiency, OIG-21-1 (January 26, 2021)	Review and update procedures to ensure that (a) schedule practices address all key project components; project schedules are baselined and appropriate risk analyses are performed; (b) cost estimates fully meet best practices for comprehensiveness, accuracy, and credibility; and (c) all project requirements are tracked and managed.	GAO is reviewing and revising its schedule and cost practices as well as identifying and incorporating requirements for tracking and traceability methods. It has documented a schedule aimed at fully addressing these best practices in a multi-phased effort, with a goal towards full implementation across all major and medium-sized projects by the end of fiscal year 2022.

Source: GAO, based on GAO OIG reports. | GAO-22-4SP

## Mitigating External Factors

For fiscal year 2021, GAO returned substantial benefits for every dollar invested in the agency and supported congressional oversight across a wide array of government programs and operations. The agency did so while navigating several external factors, some of which will likely remain relevant.

These include:

- Effects of the pandemic on the workplace and workload;
- Shifts in legislative and oversight priorities; and
- Access to agency information.

The COVID-19 pandemic’s effect on how people work and congressional priorities has and potentially will have an impact on progress toward our goals. The pandemic shifted most of our interactions with Hill clients to electronic communication platforms. Early in the pandemic, different committees used different video platforms to hold their hearings. This created a transition period where the Congress adopted this new way of holding hearings and also required senior executives testifying before the Congress to be versed in how these platforms worked. In addition, meeting platforms available to both our Hill clients and GAO multiplied and afforded a range of ways to meet. With this came the expected glitches in technology and a need for GAO staff to have access to and competency in using these systems.

Pandemic-related legislation increased the degree to which the Congress relied on GAO for help. In response to the pandemic, the Congress passed multiple bills that modified or created programs and appropriated substantial amounts of money to address the pandemic’s effects. For GAO this meant new requests and reporting requirements.

This demand required GAO to think about how to coordinate across committees that shared jurisdiction for this legislation and those committees with related requests or who had an interest

in the work. This required enhanced tracking of requests, coordination of briefings with multiple congressional committees, and creating new ways of allowing congressional staff to securely access draft reports via an electronic platform before public issuance.

Going forward, the pandemic-related legislation passed by the Congress will require GAO to conduct oversight into the future, and to manage new work in relation to these ongoing commitments. While it is possible that the pandemic will recede and we will return to face-to-face interactions, it is unlikely that the technology adopted as an alternative will recede. This means that GAO will have to be aware of, adapt to, and align the technology it uses for meetings with those preferred by the Congress.

To ensure that our work supports the highest legislative and oversight priorities, GAO continues to engage the Congress. The 652 congressional requests and new mandates GAO received in fiscal year 2021 demonstrate the high demand for our work. To ensure that we can best respond to congressional priorities, the Comptroller General and other senior officials maintained frequent communication with our congressional clients, and we continue to collaborate with the Congress to revise and repeal mandated reporting requirements that are no longer meeting their intended purpose. During FY 2021, GAO provided expertise and information to the Congress on mandates being considered for the FY 2022 National Defense Authorization Act and proposed legislation to shift many low-risk financial audits to other parties so GAO can focus on the audit of Treasury's General Fund and financial management of DOD, as well as COVID-related and DATA Act engagements. We hope to achieve passage of the legislation by the end of the current Congress.

GAO will continue to hire staff with expertise in science, technology, and cybersecurity. The pandemic and the increasing reliance on internet-based processes underscore the importance of tracking rapidly evolving science and technology—including cybersecurity issues. More than 2 years have passed since we created the STAA mission team to focus on science and technology and innovation policy issues, advanced analytics, and emerging technologies. Similarly, our Information Technology and Cybersecurity team regularly provides the Congress with insights into how to ensure the nation's cybersecurity.

As we continue to position ourselves to address congressional interest in science, technology, cybersecurity, and evidence-based policymaking, we plan to focus hiring on additional engineers or scientists and staff with scientific and technology policy analysis and data science experience to broaden our scientific and technical expertise.

Access to information also plays an essential role in our ability to report on issues of importance to the Congress and the American people. We are generally able to obtain the information needed for our engagements. For the most part, departments and agencies continue to be cooperative in providing us access to requested information or working with us toward an accommodation that will allow the work to move forward.

We have reported for the past several years on our experiences in obtaining access from elements of the Intelligence Community (IC) pursuant to Intelligence Community Directive (ICD) 114, which was issued in 2011 by the Director of National Intelligence, in consultation with the Comptroller General. While ICD 114 generally provides for constructive interaction between GAO and the IC, we continue to have concerns with how several key terms in the directive could be

interpreted because they are framed as categories of information that would generally not be made available to us for certain audits or reviews.

During fiscal year 2021, GAO conducted multiple audits involving the IC and, as we previously reported, this work continues to require a considerable amount of time and resources to overcome access issues with certain IC elements, such as the Central Intelligence Agency and the Office of the Director of National Intelligence (ODNI).

This past year, we generally obtained the information from all IC elements necessary to conduct audit work, including reviews involving sensitive issues.

GAO recognizes there are unique sensitivities within the IC and we remain committed to working with the IC to identify ways we can effectively work together to account for these sensitivities while obtaining the information needed to complete our work on behalf of the Congress consistent with our audit standards. GAO has historically held periodic coordination meetings with ODNI leadership, including discussions of access issues and reasonable accommodations consistent with ICD 114, which have been helpful in facilitating positive interaction between ODNI and GAO staff. We will continue these coordination efforts with ODNI, as this interaction may assist in resolving access issues with the IC.

In fiscal year 2017, we reported that we had encountered significant difficulties in obtaining timely and efficient access to information from OPM particularly with regard to Enterprise Human Resources Integration (EHRI) statistical data. Since then, we have made significant progress in obtaining timely access to EHRI data and other information from OPM. During fiscal year 2021, we continued to monitor this area to ensure continued progress in obtaining needed information in a timely manner.

In fiscal year 2020, we reported that we had encountered significant difficulties in obtaining access to EPA information, and in interviewing EPA officials, because of new procedures the agency had imposed on responding to GAO requests. EPA revised those procedures in early 2021, and we have made significant progress since that time in obtaining access to information and agency officials. We will continue to monitor this area to ensure continued progress in obtaining needed access in a timely manner.

As reported in fiscal year 2020, the CARES Act, enacted in March 2020, gives us broad access authorities to facilitate our extensive monitoring and oversight responsibilities under the act, including recurring reports to the Congress.

Specifically, the act provides GAO with a right of access to records pertaining to any federal effort or assistance related to the pandemic, along with the right to make copies of such records, interview staff, and inspect facilities.

These access authorities extend not only to federal agencies, but also to a wide range of others, including state and local agencies and recipients and subrecipients of federal funds (including private entities). These provisions clearly reflect the importance of timely and complete information to robust oversight. Given their importance, we brought these access provisions to the attention of the heads of major agencies shortly after enactment of the CARES Act.

Consistent with these provisions, most agencies have generally provided us with timely access to information needed for our CARES Act work, including data maintained in IT systems. While we have experienced some delays in receiving important information, we have elevated such matters

to senior agency officials for an expedited resolution to ensure that our recurring reports and other CARES Act engagements are as comprehensive as possible. We

will continue to vigorously pursue access to information critical to our monitoring and oversight of activities in connection with the COVID-19 pandemic under the authorities provided in the CARES Act.

We reported in fiscal year 2020 that we had encountered significant challenges obtaining information from SBA about the Paycheck Protection Program established by the CARES Act. The Consolidated Appropriations Act, 2021 reinforced GAO's access authority by requiring the SBA Administrator to comply with GAO requests for information within a specified timeframe. Since then, SBA has made significant progress in providing us with crucial information. We will continue our ongoing efforts in this area to ensure that we receive complete and current data from SBA.

# PART II

## Performance Information

### Performance Information by Strategic Goal

In the following sections, we discuss how each of our four strategic goals contributed to our fiscal year 2021 performance results. For goals 1, 2, and 3—our external goals—we present performance results for the three annual measures that we assess at the goal level, as well as accomplishments under the strategic objectives for these goals. Most teams and units also contributed toward meeting the targets for the agency-wide measures that were discussed in [Part I](#) of this report.

For goal 4—our internal goal—we present selected work and accomplishments for that goal's strategic objectives. There were no changes in our strategic goals or the financial, other benefits, and testimony measures during fiscal year 2021.

## Strategic Goal 1

### Address Current and Emerging Challenges to the Well-being and Financial Security of the American People

Our first strategic goal upholds our mission to support the Congress in carrying out its constitutional responsibilities by focusing on work that helps address the current and emerging challenges affecting the well-being and financial security of the American people. Our multi-year (fiscal years 2018- 2023) strategic objectives under this goal are to provide information that will help address:

- Health care needs;
- Lifelong learning;
- Challenges facing an aging population;
- Effective system of justice;
- Housing finance and viable communities;
- Stable financial system and consumer protection;
- Natural resources and the environment;
- National infrastructure; and
- Benefits and protections for workers, families, and children.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#). The work supporting these objectives is performed primarily by HQ and field staff in the following teams: Education, Workforce, and Income Security; Financial Markets and Community Investment; Health Care; Homeland Security and Justice; International Affairs and Trade; Natural Resources and Environment; and Physical Infrastructure.

#### Example of Work under Goal 1

Overseeing the Federal Public Health Response to COVID-19: More than a year after the U.S. declared COVID-19 a public health emergency, the pandemic continued to result in substantial loss of life and damage to the economy. In February 2021, we testified on the key findings and recommendations from our oversight of the federal government's response to the pandemic, including COVID-19 testing, vaccines and therapeutics, the medical supply chain, COVID-19 health disparities, and COVID-19 health data. (GAO-21-396T)

To accomplish our work under these strategic objectives in fiscal year 2021, we conducted engagements, audits, analyses, and evaluations of programs at major federal agencies.

As shown in [table 15](#), we exceeded the performance targets set for financial and other benefits for Goal 1, but did not meet the target for testimonies.

**Table 15: Strategic Goal 1’s Annual Performance Results and Targets**

Performance measure	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target	2021 actual	Met/ not met	2022 <sup>a</sup> target
Financial benefits (dollars in billions)	\$19.6	\$22.4	\$52.5 <sup>a</sup>	\$60.6 <sup>a</sup>	\$66.8 <sup>a</sup>	\$28.0 <sup>b</sup>	\$48.0 <sup>a</sup>	Met	\$8.3
Other benefits	284	263	262	245	296	235	320	Met	263
Testimonies	38	48	42	43	22	37	33	Not met	40

Source: GAO. | GAO-22-4SP

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2021 as we have left a portion of the financial benefits target unassigned. Experience leads us to believe that we can meet the agency-wide target but we cannot always accurately predict under which goals.

<sup>a</sup>In fiscal years 2018, 2019, 2020, and 2021, we achieved some unexpectedly large financial benefits; however, we do not expect this level of results in fiscal year 2022. Thus we also reduced our 2022 target.

<sup>b</sup>Our fiscal year 2021 target for financial benefits differs from what we reported in our fiscal year 2021 performance plan in May 2020, based on revised estimates from mission teams. Specifically, we decreased our financial benefits target from \$28.5 billion to \$28.0 billion. See [Setting Performance Targets](#).

To help us examine trends for these measures over time, we look at their 4-year averages, which minimize the effect of an unusual level of performance in any single year. These averages are shown below in [table 16](#).

**Table 16: Four-Year Rolling Averages for Strategic Goal 1**

Performance measure	2016	2017	2018	2019	2020	2021
Financial benefits (dollars in billions)	\$27.1	\$27.2	\$36.5	\$38.8	\$50.6	\$57.0
Other benefits	263	261	266	264	267	281
Testimonies	53	50	46	43	39	35

Source: GAO. | GAO-22-4SP

The following sections describe our performance under Goal 1 for each of our quantitative performance measures and the targets for fiscal year 2022.

### Financial Benefits

The financial benefits reported for this goal in fiscal year 2021 totaled \$48 billion, exceeding the target we set by \$20 billion, or about 71 percent. This was due primarily to one large financial accomplishment from revisions to spending limits for Medicaid demonstration projects (\$29.5 billion). Other financial benefits contributing to this total included program savings associated with SSA reducing its backlog of children’s disability reviews (\$4.3

billion) and the Congress establishing site-neutral payments for some hospital outpatient departments (\$2.8 billion). We set our fiscal year 2022 target at \$8.3 billion based on recent performance and discussions with the Goal 1 teams on what they believe can be achieved based on past, ongoing, and expected work.



### **Example of Goal 1's Financial Benefits**

Identifying Unused Department of Energy (DOE) Loan Funding: Growing demands for federal funding and increasing deficits call for careful monitoring of how funds are used. From 2014 through 2020, we identified over \$4 billion in potentially unused funding that had been appropriated for the Advanced Technology Vehicles Manufacturing loan program. We suggested that unless DOE could demonstrate a demand for new loans and viable applications, the Congress may wish to consider rescinding all or part of these remaining funds. In December 2020, the Congress rescinded about \$1.9 billion of the program's appropriations, which can now be used for other priorities. (GAO-21-455SP, GAO-14-343SP, GAO-13-331R, GAO-11-145)

### **Other Benefits**

Other benefits reported for Goal 1 in fiscal year 2021 totaled 320, exceeding our target of 235 by 85 benefits or about 36 percent. Goal 1's other benefits were primarily in the areas of public safety and security, public insurance and benefits, and program efficiency and effectiveness. We set our fiscal year 2022 target at 263, based on recent performance and discussions with the Goal 1 teams on what they believe can be achieved based on past, ongoing, and expected work.

### **Example of Goal 1's Other Benefits**

Strengthening the U.S. Medical Supply Chain: Federal agencies used Defense Production Act (DPA) authorities to address some medical supply chain issues during the COVID-19 pandemic. However, agencies did not fully track data that could help them assess the effectiveness of these authorities or develop plans for using them to reduce U.S. reliance on foreign suppliers. In November 2020, we recommended that OFPP develop reporting guidance and that HHS develop DPA plans. In response, OFPP developed guidance and HHS plans to use DPA authorities to expand domestic production and work with industry to increase supply. (GAO-21-108, GAO-20-701)

### **Testimonies**

Our senior executives testified 33 times on our Goal 1 work, which fell short of the fiscal year 2021 target of 37 by 4 testimonies or about 11 percent. For instance, we testified on the need to (1) improve HHS's response to COVID-19 in nursing homes; (2) use data to promote greater diversity and inclusion in the financial services industry; (3) improve competition for Medicaid procurement in Puerto Rico; (4) help IRS and Education address risks associated with for-profit college conversions; and (5) manage climate change risks at EPA superfund sites. (See [table 7](#) for selected testimony topics by goal.) We set our fiscal year 2022 target for testimonies for Goal 1 at 40 based on experience in recent years.

### **Example of Goal 1's Testimonies**

Enhancing Electricity Grid Resilience to Climate Change: Climate change is expected to have effects on the electricity grid that could cost billions. For example, warmer temperatures and drier conditions will likely increase wildfire activity, threatening distribution lines. In March 2021, we testified on actions the DOE and the Federal Energy Regulatory Commission (FERC) have taken since 2014. We recommended DOE develop a department-wide strategy to enhance

grid resilience to climate change, and FERC identify and assess climate-related risks to the grid and plan a response. Enhancing grid resilience can help improve the nation's economic and national security. (GAO-21-423T, GAO-21-346)

Table 17 contains examples of Goal 1 accomplishments and contributions, which includes both financial and other benefits.

#### Table 17: Goal 1 Examples of Accomplishments and Contributions

### Financial Security and the Health Needs of an Aging and Diverse Population

Enhancing the Adverse medical events are unintended incidents that may harm a Reporting and patient. The most serious adverse events—i.e., sentinel events—have Tracking of Serious specific follow-up requirements. In 2018, we found the Defense Health Adverse Medical Agency's (DHA) process for tracking sentinel events was fragmented and Events led to the agency's inability to ensure that these issues were resolved in a timely manner. In 2019, DHA clarified reporting requirements and developed a new tracking tool that has increased the timely receipt of information about these events and efforts to address them. These steps have reduced fragmentation and can inform DHA's broader efforts to improve patient safety. (GAO-18-378)

### Improving the Public Service Loan Forgiveness (PSLF) Program

The PSLF program forgives federal student loan balances for eligible borrowers. In 2018, we found that almost 1.2 million borrowers took steps to pursue loan forgiveness but only 55 met all requirements and were approved. In 2019, we reported that the process for obtaining loan forgiveness is confusing to borrowers. We recommended that Education simplify the application process and make more information available.

In response, Education streamlined the application into one form, added program information to its online tool, and created a database of eligible employers that borrowers can use to determine if they might qualify. (GAO-19-595, GAO-18-547)

### Benefits and Protections for Workers, Families, and Children

#### **Improving Oversight of Unemployment Insurance Funded the CARES Act**

In January 2021, we found the Department of Labor's (DOL) Unemployment Insurance (UI) programs experienced a significantly high number of claims and reported substantial overpayments and under potential fraud as a result of the COVID-19 pandemic. We recommended that DOL clarify information concerning the number of claims in its weekly news releases, and alert state UI agencies to the risk of overpayments in a pandemic loan program. DOL implemented both of these recommendations, improving program oversight and calling state attention to the potential for improper payments of unemployment insurance benefits. (GAO-21-265, GAO-21-191, GAO-20-625)

## Protecting Veterans from Financial Exploitation

Older veterans that receive pensions are vulnerable to financial exploitation and scams. In 2019, we reported that VA does not collect and analyze information, such as complaints made against companies, that could help counter these scams. We recommended that VA collect such information, verify veterans' banking information, and clarify guidance on how to spot questionable expenses. In response, VA implemented these recommendations and the Congress included them in the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020. This will help protect veterans and ensure better oversight of benefits. (GAO-20-109)

## A Responsive, Fair, and Effective System of Justice

### **Strengthening the Nation's Strategy to Combat the Opioid Epidemic**

Opioid use has increasingly contributed to overdose deaths. In 2018, we found that the Department of Justice (DOJ) had not established goals and performance measures in its Strategy to Combat the Opioid Epidemic. We recommended that DOJ, in consultation with its components like the Drug Enforcement Administration, do so. In response, DOJ set a strategic goal to curb opioid and other illicit drug use in our nation in its FY 2018-2022 Strategic Plan. It also included outcome-oriented performance measures to track its progress. This will help DOJ assess whether it is making progress toward its goals, including reducing overdose deaths and limiting illicit drug use. (GAO-18-205)

## Improving Oversight of Facial Recognition Technology

Facial recognition technology is used by the federal law enforcement community to assist in investigations. Agencies can use federal or non-federal facial recognition systems. We found that 13 agencies, such as the Federal Bureau of Investigation and U.S. Park Police, did not have complete information on their staff's use of non-federal systems. We recommended agencies implement a mechanism to track this use and assess the risks of relying on such systems. Implementing our recommendations will help agencies better understand the technologies they are using for criminal investigations. It may also help mitigate privacy and accuracy-related risks, including risks that agencies do not comply with privacy laws or use systems that are not sufficiently accurate. (GAO-21-518)

## Housing Finance and Viable Communities

### **Improving Cost Transparency in Income Housing Tax Credit (LIHTC) Projects**

Developers can apply for federal LIHTC to help them build affordable housing. The amount of credit depends largely on project costs. In Low- September 2018, we found that project costs varied widely and federal oversight of costs was limited. We recommended that IRS, which jointly administers the LIHTC program with state or local agencies, require contractors to report detailed project cost data. In response to our recommendation, several state agencies began requiring detailed cost information from contractors. These actions should help monitor the use of tax credits and reduce fraud risk. (GAO-18-637)

## A Stable Financial System and Sufficient Consumer Protection

### **Improving Usability of the Consumer Product Safety Commission's (CPSC) Website**

In March 2013, we reported consumers had difficulty with search functions, registration, and other aspects of CPSC's SaferProducts.gov—a website that lets the public search for and report product safety issues. We recommended that CPSC implement cost-effective improvements, taking user feedback into account. In response, CPSC clarified the website's purpose for users, expanded the search function, and redesigned the website. CPSC had completed these improvements as of September 2020, giving consumers better access to its search and reporting features. (GAO-13-306)

## Responsible Stewardship of Natural Resources and the Environment

### **Improving the Environment through Sustainable Chemistry**

Sustainable chemistry involves concepts like using fewer non-renewable resources and considering all stages of a product's life cycle to evaluate environmental impact. In 2018 and 2019, we reported that transitioning to such technologies requires national leadership and collaboration with a variety of stakeholders. We described options to address challenges to this transition, like developing processing methods that use energy and materials more efficiently. Our work contributed to legislation (part of Fiscal Year 2021 National Defense Authorization Act) establishing coordination mechanisms and addressing challenges we identified.

This could help realize these technologies' potential. (GAO-19-660T, GAO-18-307)

## A Viable, Safe, Secure, and Accessible National Physical Infrastructure

### **Enhancing Federal Efforts to Reduce Pedestrian and Cyclist Fatalities**

Over 7,000 pedestrians and cyclists—about 20 per day—died in crashes with motor vehicles in the U.S. in 2019. In May 2021, we found that the Department of Transportation (DOT) lacked measures to monitor its efforts to improve pedestrian and cyclist safety and had not analyzed states' safety projects. We recommended that DOT use performance management practices to guide its pedestrian and cyclist safety activities and share additional information with the states. The Congress is considering legislation requiring DOT to act on our recommendations to help reduce these types of fatalities. (GAO-21-405)

Source: GAO. | GAO-22-4SP

Note: It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II, Data Quality](#).

## Strategic Goal 2

### Respond to Changing Security Threats and the Challenges of Global Interdependence

The federal government is working to promote foreign policy goals, sound trade policies, and other strategies to advance the interests of the U.S. and its allies.

The complex and rapidly evolving security environment facing the U.S. includes cyber attacks, terrorist activities, and instability in key regions of the world.

Given the importance of these issues, our second strategic goal focuses on helping the Congress and the federal government in their responses to changing security threats and the challenges of global interdependence. Our multi-year (fiscal years 2018-2023) strategic objectives under this goal support congressional and agency efforts related to:

- Homeland security;
- Military capabilities and readiness;
- Foreign policy and international economic interests; and
- The IC's management and integration.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

The work supporting these objectives is performed primarily by HQ and field staff in the following teams: Contracting and National Security Acquisitions; Defense Capabilities and Management; Financial Markets and Community Investment; Homeland Security and Justice; Information Technology and Cybersecurity; International Affairs and Trade; and Natural Resources and Environment.

#### Example of Work under Goal 2

Reducing Supply Chain Vulnerabilities for Information and Communication Technologies: Recent events, such as the compromise of SolarWinds Orion network management software, highlight the importance of agencies having supply chain risk management (SCRM) to protect against cyber threats. In May 2021, we testified that none of the 23 civilian agencies we reviewed had fully implemented all of the fundamental SCRM practices we recommended in an October 2020 sensitive report. However, more than half agreed with our recommendations and some reported taking or planning to take action. Until such practices are implemented, malicious actors may continue to exploit cyber vulnerabilities in the federal supply chain and disrupt government operations. (GAO-21-594T)

To accomplish our work in fiscal year 2021 under these strategic objectives, we conducted engagements that involved work related to international and domestic programs. As shown in [Table 18](#), we exceeded our target for financial and other benefits and fell short of our target for testimonies for Goal 2.

**Table 18: Strategic Goal 2’s Annual Performance Results and Targets**

Performance measure	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target <sup>b</sup>	2021 actual	Met/ not met	2022 target
Financial benefits (dollars in billions)	\$13.0	\$46.5 <sup>a</sup>	\$10.5	\$147.4 <sup>a</sup>	\$5.9	\$10.3	\$11.9	Met	\$19.9
Other benefits	502	500	517	682	646	367	442	Met	372
Testimonies	43	21	26	29	17	21	16	Not met	17

Source: GAO. | GAO-22-4SP

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2021 as we have left a portion of the financial benefits target unassigned. Experience leads us to believe that we can meet the agency-wide target but we cannot always accurately predict under which goals.

<sup>a</sup>In fiscal years 2017 and 2019, we achieved one unexpectedly large financial benefit; however, we did not expect this level of results in 2021.

<sup>b</sup>Our fiscal year 2021 targets for all three of our performance measures differ from those we reported in our fiscal year 2021 performance plan in May 2020, based on revised estimates from mission teams. Specifically, we decreased our financial benefits target from \$12.0 billion to \$10.3 billion, increased our other benefits target from 362 to 367, and decreased the testimonies target from 28 to 21. See [Setting Performance Targets](#).

To help us examine trends for these measures over time, we look at their 4-year averages, which minimize the effect of an unusual level of performance in any single year. These averages are shown below in [table 19](#).

**Table 19: Four-Year Rolling Averages for Strategic Goal 2**

Performance measure	2016	2017	2018	2019	2020	2021
Financial benefits (dollars in billions)	\$18.3	\$24.6	\$20.8	\$54.4	\$52.6	\$43.9
Other benefits	508	511	506	550	586	572
Testimonies	34	32	28	30	23	22

Source: GAO. | GAO-22-4SP

The following sections describe our performance under Goal 2 for each of our quantitative performance measures and the targets for fiscal year 2022.

**Financial Benefits**

The financial benefits reported for this goal in fiscal year 2021 totaled \$11.9 billion, which was \$1.6 billion or about 16 percent above our \$10.3 billion target. Financial benefits contributing to this total include reducing the Navy’s submarine appropriation (\$2.8 billion), reducing DOD appropriation for bulk fuel (\$1.7 billion), and improving the NFIP (\$418.1 million) and modernizing its database (\$13.1 million). We set our fiscal year 2022 target at \$19.9 billion based on our recent performance and discussions with the Goal 2 teams on what they believe can be achieved based on past, ongoing, and expected work.

**Example of Goal 2 Financial Benefits**

**Reducing DOD’s Acquisition Costs:** In May 2017, we found that organizations within DOD voiced concerns with the acquisition strategy for the Redesigned Kill Vehicle (RKV)—technology

designed to intercept and destroy enemy missiles. We also raised concerns about the risks associated with RKV's planned use of commercial hardware and re-use of components from another missile defense system. DOD did not address these concerns and the program encountered significant technical issues in 2018. DOD terminated the RKV in 2019—citing the technical risks we had reported. Terminating this program will reduce DOD's costs by \$1.3 billion for FYs 2020- 2024. (GAO-19-387, GAO-18-324, GAO-17-381, GAO-16-254R)

## Other Benefits

Other benefits reported for Goal 2 in fiscal year 2021 totaled 442, exceeding our target of 367 by 75 benefits or about 20 percent. Many of Goal 2's other benefits were in the areas of public safety and security, business process and management, and acquisition and contract management. We set our fiscal year 2022 target at 372, based on recent performance and discussions with the Goal 2 teams on what they believe can be achieved based on past, ongoing, and expected work.

### **Example of Goal 2's Other Benefits**

**Strengthening DOD's Efforts to Build Climate Resilience:** DOD manages a global real-estate portfolio worth almost \$1.2 trillion. We recommended DOD issue guidance on incorporating climate projections into its installation planning and the project designs of its facilities. In response, DOD issued guidance on using sea-level change projections in installation planning and facilities project design. Military departments also updated design standards to require consideration of sea-level change projections in facilities project designs. This will help increase the resilience of DOD facilities to threats from rising sea levels and associated storm surge and flooding. (GAO-19-453)

## Testimonies

Our senior executives testified 16 times on our Goal 2 work, which fell short of the fiscal year 2021 target of 21 by 5 testimonies or about 24 percent. Goal 2 testimony topics included the need to (1) prevent sexual assaults in the military, (2) take steps to address some pipeline security program weaknesses, (3) improve Navy and Marine Corp readiness, (4) improve oversight and fraud risk management for SBA COVID-19 loans, and (5) address cost and schedule risks in the F-35 joint strike fighter modernization program. (See [table 7](#) for selected testimony topics by goal.) We set our fiscal year 2022 target for testimonies for Goal 2 at 17 based on experience in recent years.

### **Example of Goal 2's Testimonies**

**Improving DOD's Space Systems Acquisitions:** The U.S. Space Force, established in 2019 as the sixth branch of the U.S. military, provides critical capabilities that support military and other government operations. In May 2021, we testified on key changes facing space systems, such as increasing threats to on-orbit space systems. These threats range from attacks and signal jamming to electromagnetic radiation and collisions with space debris. We also discussed our prior work, which found that the programs often exceed budgets and were late. As DOD develops the next generation of capabilities, the Space Force offers an opportunity to improve how it delivers new capabilities and to avoid past missteps. (GAO-21-520T)

[Table 20](#) contains examples of Goal 2 accomplishments and contributions, which includes both financial and other benefits.

## Table 20: Goal 2 Examples of Accomplishments and Contributions

### Protect and Secure the Homeland

#### **Saving Money by Modernizing the NFIP Database**

In June 2011, we found that the database FEMA was using for NFIP policies and claims had significant issues, which resulted in lost or destroyed documents, decreased productivity, and duplicated efforts.

We recommended that FEMA better oversee its database modernization and apply lessons learned from its failed modernization attempt. FEMA took these actions and, in October 2019, launched a new NFIP database. We estimate that this database modernization saved FEMA \$13.1 million in FY 2021 due to reduced hosting, maintenance, and operating costs. (GAO-11-297)

#### New National Cybersecurity Position Filled

We have reported on the urgent need to define a central leader to coordinate the government's cyber efforts. In 2020, we suggested the Congress consider designating a position with commensurate authority to implement and encourage action in support of the nation's cybersecurity. In 2021, the Congress enacted a statute establishing the Office of the National Cyber Director (NCD) within the Executive Office of the President. In June 2021, the Senate confirmed the NCD, who, among other things, is to coordinate federal cybersecurity policy and operations. As a result, the nation is better positioned to plan for and respond to cyber attacks. (GAO-20-629)

#### **Increasing Financial Benefits to the NFIP**

NFIP makes federally backed flood insurance available to property owners, and the government has absorbed the majority of financial losses to insured properties from flood damage. As of March 2011, NFIP owed Treasury about \$17.8 billion. In June 2011, we suggested that the Congress help improve NFIP's financial stability. In 2012, the Congress addressed some of NFIP's structural challenges, including phasing out subsidies for some properties. FEMA, which manages NFIP, had collected an additional \$418.1 million in premium payments as of the end of FY 2019—helping the program become more financially stable. (GAO-11-297)

### Military Capabilities and Readiness

#### **Coordinating Federal Efforts to Develop Hypersonic Weapons and Technologies**

The speed and maneuverability of hypersonic missiles make them difficult to defeat. U.S. foreign adversaries are pursuing such weapons, as is DOD (with support from other agencies). In 2021, we found that the U.S. had 70 hypersonic-related development efforts, estimated to cost almost \$15 billion between FYs 2015-2024. To ensure coordinated leadership, we recommended that DOD better define and document roles and responsibilities for these efforts. DOD's implementation of our recommendation would help the department develop and acquire hypersonic weapons in a streamlined and more cost-effective manner. (GAO-21-378, GAO-19-705SP)



### **Improving Military Training and Mission Safety**

The Army and Marine Corps have had tactical vehicle (e.g., tanks) accidents that resulted in service member deaths during training. U.S. military forces have also made procedural mistakes during close air support (CAS) missions (airborne attacks on enemies located near friendly forces on the ground) that resulted in the deaths of military personnel.

We identified and DOD agreed to take actions to help—such as developing measurable standards for tactical vehicle driver training and developing and evaluating training programs to help with CAS missions. These steps should reduce the risk of fatal training accidents and improve safety. ([GAO-21-99](#), [GAO-21-361](#))

### **Enhancing Congressional Oversight of the U.S. Nuclear Triad**

The U.S. nuclear triad is made up of sea, land, and air-based weapon systems to deter foreign adversaries. In 2021, we issued a report that analyzed data from DOD’s numerous nuclear triad sustainment and acquisition programs and DOE weapons and infrastructure modernization programs and projects. We found that DOD and DOE are working to replace aging triad systems, but replacement systems are at risk of delays (which could exacerbate challenges with existing systems). By consolidating information from DOD and DOE, our report enhanced the Congress’s ability to effectively oversee the nuclear triad. ([GAO-21-210](#))

## U.S. Foreign Policy and International Economic Interests

### **Improving Oversight Foreign Assistance Funding**

We made several recommendations from FY 2017 to FY 2019 to agencies of to adopt leading practices for monitoring and evaluating funds provided for foreign projects. Progress was made in FY 2020. For example, the State Department improved monitoring by collecting more complete and consistent project data. USDA improved the public dissemination of evaluation reports, and DOD updated guidance to ensure that pilot security assistance projects are appropriately evaluated before being scaled up. These actions improved oversight of foreign assistance. ([GAO-19-466](#), [GAO-18-136](#), [GAO-17-316](#))

### **Reducing State Department Security, Construction, and Maintenance Costs**

The State Department manages the Embassy Security, Construction, and Maintenance (ESCM) account, which funds the operations of the Bureau of Overseas Buildings Operations. The bureau provides U.S. diplomatic missions abroad with safe, secure, and functional facilities. We estimated that the ESCM account had an unobligated balance of \$7.127 billion in FY 2018. We suggested that the Congress consider unobligated balances when determining new funding levels. In response, the Congress reduced appropriations for the ESCM account by nearly \$350 million in FY 2019.

### **Rescinding Unobligated and Unexpended Balances at the State Department**

The State Department manages the Economic Support Fund (ESF), which funds global and regional programs that support specific U.S. foreign policy goals, such as helping overcome short and long-term political, economic, and security hurdles. We estimated that the ESF account had an unobligated balance of about \$3.2 billion in FY 2019. We suggested that the Congress consider unobligated balances when determining new funding levels. In response, the

Congress rescinded \$233.6 million in unobligated and unexpended balances from this account in FY 2020, which can now be appropriated for other purposes.

Source: GAO. | GAO-22-4SP

Note: It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II, Data Quality](#).

## Strategic Goal 3

### Help Transform the Federal Government to Address National Challenges

Our third strategic goal focuses on the collaborative and integrated elements needed for the federal government to achieve results. The work under this goal highlights the intergovernmental relationships that are necessary to address national challenges. Our multi-year (fiscal years 2018-2023) strategic objectives under this goal are:

- The government's fiscal position and approaches to address current and projected fiscal gaps;
- Major management challenges and program risks; and
- Fraud, waste, and abuse and needed improvements in internal controls.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

The work supporting these objectives is performed primarily by HQ and field staff from the Applied Research and Methods; Contracting and National Security Acquisitions; Financial Management and Assurance; FAIS; Information Technology and Cybersecurity; Natural Resources and Environment; STAA; and Strategic Issues teams. This goal also includes our bid protest and appropriations law work, which is performed by staff in OGC.

#### Example of Work under Goal 3

Strengthening and Sustaining the Federal Science and Technology Workforce: Critical skill gaps—particularly in science and technology—are making it difficult for federal agencies to carry out their missions. We testified in March 2021 on our past work and recommendations, which outlined three key areas for building the federal science and technology workforce: strategic planning to identify skill gaps and future needs, improving federal pay and hiring, and addressing workplace culture. While agencies have implemented some of our prior recommendations, they will have a better chance of attracting and retaining a skilled science and technology workforce with greater efforts in these areas. (GAO-21-461T)

To accomplish our work in fiscal year 2021 under these strategic objectives, we conduct foresight work (e.g., examining the nation's long-term fiscal and management challenges) and insight work focusing on federal programs at high risk for fraud, waste, abuse, and mismanagement. As shown in [table 21](#), we met the Goal 3 performance target set for financial benefits and other benefits. However, we did not meet our testimony target for fiscal year 2021.

**Table 21: Strategic Goal 3’s Annual Performance Results and Targets**

Performance measure	2016 actual	2017 actual	2018 actual	2019 actual	2020 actual	2021 target <sup>b</sup>	2021 actual	Met/ not met	2022 target
Financial benefits (dollars in billions)	\$30.8 <sup>a</sup>	\$5.0	\$12.6	\$6.7	\$5.0	\$3.4	\$6.4	Met	\$3.3
Other benefits	448	517	514	491	390	385	477	Met	370
Testimonies	37	29	28	23	18	22	15	Not met	23

Source: GAO. | GAO-22-4SP

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2021, as we have left a portion of the financial benefits target unassigned. Experience leads us to believe that we can meet the agency-wide target but we cannot always accurately predict under which goals.

<sup>a</sup>In 2016, we reached \$30.8 billion in financial benefits due primarily to one large financial benefit of \$21.4 billion for reduced improper payments in the Medicare Advantage Program.

<sup>b</sup>Our fiscal year 2021 targets for all three performance measures differ from those we reported in our fiscal year 2021 performance plan in May 2020, based on revised estimates from mission teams. Specifically, we increased our financial benefits target from \$3.2 to \$3.4 billion, decreased other benefits from 398 to 385, and decreased testimonies from 24 to 22. See [Setting Performance Targets](#).

To help us examine trends for these measures over time, we look at their 4-year averages, which minimize the effect of an unusual level of performance in any single year and are shown below in [table 22](#).

**Table 22: Four-Year Rolling Averages for Strategic Goal 3**

Performance measure	2016	2017	2018	2019	2020	2021
Financial benefits (dollars in billions)	\$15.6	\$14.8	\$14.5	\$13.6	\$7.2	\$7.5
Other benefits	511	501	502	494	478	468
Testimonies	29	31	30	29	25	21

Source: GAO. | GAO-22-4SP

The following sections describe our performance under Goal 3 for each of our quantitative performance measures and the targets for fiscal year 2022.

### Financial Benefits

The financial benefits reported for this goal in fiscal year 2021 totaled \$6.4 billion, which was \$3 billion above our \$3.4 billion target. Financial benefits contributing to this total include the Congress passing a law restricting the issuance of passports to individuals who owe federal taxes (\$1.7 billion), IRS using W-2 information to prevent the issuance of invalid refunds (\$1.4 billion), and DHS improving IT acquisition management (\$2.6 million). We set our fiscal year 2022 target at \$3.3 billion based on our recent performance and discussions with the Goal 3 teams on what they believe can be achieved based on past, ongoing, and expected work.

#### **Example of Goal 3 Financial Benefits**

**Achieving Significant Savings through Data Center Consolidation and Optimization:** Since 2010, OMB has directed federal agencies to reduce the number of outdated or duplicative federal data centers. Over the last decade, we have reported on agencies’ efforts to meet OMB’s goals

and made over 100 recommendations to improve those efforts. Many agencies have implemented our recommendations by closing unnecessary data centers and increasing utilization of equipment at the remaining facilities. In FY 2021, we reported that federal data center optimization and consolidation activities had saved \$1.1 billion. These cost savings have amounted to nearly \$5.5 billion since 2011. (GAO-21-212, GAO-20-279, GAO-19-241, GAO-18-264, GAO-17-338)

## Other Benefits

Other benefits reported for Goal 3 in fiscal year 2021 totaled 477, exceeding our target of 385 by 92 benefits or about 24 percent. Goal 3's benefits were primarily in the areas of business process and management, program efficiency and effectiveness, acquisition and contract management, and tax law administration. We set our fiscal year 2022 target at 370, based on recent performance and discussions with the Goal 3 teams on what they believe can be achieved based on past, ongoing, and expected work.

### **Example of Goal 3's Other Benefits**

**Improving Advance Contracting for Disaster Response:** In 2018, we reported that FEMA relied heavily on advance contracts (those established prior to a disaster to quickly provide goods and services) during its response to Hurricanes Harvey, Irma, and Maria. We made nine recommendations to help FEMA use these contracts more effectively—such as suggesting FEMA provide new guidance to its staff on how to use these contracts. In December 2020, the Congress required FEMA to address all of our recommendations. FEMA completed these efforts as of May 2021, which will improve its ability to respond quickly to a disaster. (GAO-19-93, GAO-19-518T)

## Testimonies

Our senior executives testified 15 times on our Goal 3 work, which fell short of the fiscal year 2021 target of 22 by 7 testimonies or about 32 percent. Among the Goal 3 testimony topics covered were the need to (1) improve IT and cybersecurity to address High-Risk areas, (2) safeguard NIH's research from undue foreign influence, (3) address challenges in VA's acquisition supply chain management strategies, and (4) ensure Census data quality and data protection given the COVID-19 pandemic. (See [table 7](#) for selected testimony

topics by goal.) We set our fiscal year 2022 target for testimonies for Goal 3 at 23 based on experience in recent years.

### **Example of Goal 3's Testimonies**

**Ensuring the Success of Federal Telework Programs:** Federal agencies have used telework as a strategy to help continue their work during periods of disruption, including the COVID-19 pandemic. We testified in November 2020 on key practices (including program planning, managerial support, and program evaluation) that can help ensure successful telework programs. Based on more than a decade of work, we've reported that some agencies have faced challenges in implementing telework programs that align with these key practices. An ongoing commitment to regularly evaluate telework programs can better prepare agencies to use telework as a tool to continue to fulfill their missions. (GAO-21-238T)

Table 23 contains examples of Goal 3 accomplishments and contributions, which includes both financial and other benefits.

**Table 23: Goal 3 Examples of Accomplishments and Contributions**

Analyze the Government's Fiscal Condition

**Improving the Reliability of DOD's Financial Information**

DOD remains the only major federal agency that has been unable to obtain a financial statement audit opinion. In 2020 and 2021, we reported that DOD needs to reduce unsupported accounting adjustments, improve accounting of transactions between DOD entities, and improve suspense account transactions (suspense accounts temporarily record transactions that require more research). As of August 2021, DOD has implemented 8 of the 21 recommendations we made to improve policies and procedures in these areas, which should help DOD improve the reliability of its financial information. (GAO-21-132, GAO-21-84, GAO-20-96)

Reducing COVID-Related Improper Payments

Our 2020 review of the Treasury and IRS found that they issued \$1.2 billion in Economic Impact Payments—direct payments to individuals to address pandemic-related financial stress—to deceased individuals. After we reported on the number and amount of payments sent to deceased individuals (plus our continued follow up audit work), Treasury's Bureau of the Fiscal Service made progress in recovering these payments.

Specifically, it canceled 294,000 checks (totaling close to \$373 million) that had been sent to deceased individuals. (GAO-20-625)

**Enhancing Tax Revenue by Helping Revise Partnership Audit Rules**

Our 2014 review of the IRS found that it had difficulty auditing large partnerships—those with at least 100 partners and \$100 million in assets. IRS would audit a partnership and, if additional taxes were owed, reach out to individual partners to collect. This process was labor intensive and limited the number of large partnerships that the IRS could audit.

We recommended the Congress require large partnerships to pay any taxes owed at the partnership level. In response, the Bipartisan Budget Act of 2015 revised how large partnerships are audited, which will likely have a positive revenue effect of about \$1.26 billion (in FY 2021 dollars). (GAO-14-732)

Identify Fraud, Waste, and Abuse

Reducing National Security Risks in Federal Contracting

Some companies doing business with DOD have opaque ownership structures that may conceal who owns, controls, or benefits from the company. In 2019, we identified fraud and national security risks from opaque ownership, such as ineligible contractors receiving contracts and foreign firms receiving sensitive information through U.S.-based companies. In January 2021, the Congress included a provision in the FY 2021 National Defense Authorization Act requiring the GSA to include the identification of a corporation's beneficial owners as part of a database, which will help reduce fraud and national security risks. (GAO-20-106)

### **Preventing Improper Payments to Deceased Individuals**

In 2016, we found that Treasury's Do Not Pay (DNP) system was missing some death records that could help agencies reduce improper payments to decedents. We suggested that the Congress consider legislation to allow SSA to share its full death data with Treasury. In December 2020, the Congress passed legislation requiring SSA to share, to the extent feasible, its complete data of deaths with Treasury's DNP system for 3 years. By enacting this legislation, the Congress enhanced agencies' abilities to identify and prevent improper payments to decedents. (GAO-20-625, GAO-17-15)

### **Improving Screening of Contractors with Tax Debts**

Businesses are responsible for paying taxes and must report their tax debts if they want federal contracts. Agencies are supposed to consider these debts before awarding contracts. However, we found that some agencies did not always review tax debts reported by potential contractors before awarding contracts, and recommended they do so. In response, VA, Army, and Navy took several actions—such as issuing policy alerts and adopting technology tools—to better ensure they are reviewing relevant tax debts and awarding contracts to responsible, tax-paying entities. (GAO-19-243)

## Cross-cutting Issues, Major Management Challenges, and Program Risks

### **Ensuring Federal Agencies Can Fully Adjust Civil Penalties for Inflation**

Civil monetary penalties are an important element of regulatory enforcement. Suitably severe maximum penalties allow federal agencies to punish willful and egregious violators and deter future violations.

However, our work found that agencies were unable to fully adjust their civil penalties for inflation under current law. In response, the Congress enacted statutory amendments, and agencies are now able to more fully adjust civil penalties for inflation and preserve their relevancy. Further, the Congressional Budget Office estimated that these changes would lead to increases in federal revenue of \$140 million in FY 2021. (GAO-03-409)

### **Enhancing Interagency Coordination on Critical Materials Supply Issues**

Certain "critical" materials are key to U.S. economic and national security interests. For example, rare earth metals are used in weapons systems and cell phones but China produces most of the world's supply. In 2016, we found that an interagency group addressing supply issues with such materials had not fully implemented leading practices, such as clearly defining member agency roles. We recommended the Office of Science and Technology Policy (OSTP) work with agencies to do so. In 2019, the Department of Commerce worked with OSTP to develop a strategy incorporating such practices—enhancing efforts to address critical materials supply issues. (GAO-16-699)

### **Improving NSF Cost and Schedule Estimates**

The National Science Foundation (NSF) funds the construction of large science and engineering projects. In 2018 and 2019, we reported that NSF policies for estimating costs for its major facilities projects, as well as the schedule for a \$470 million telescope project, did not fully

adhere to best practices for managing costs and schedules. In response to our recommendations, NSF revised its cost estimating policies in 2019 and updated the telescope project's schedule to better incorporate these practices. These changes will help ensure that NSF's cost estimates and the telescope project's schedule are accurate. ([GAO-19-227](#), [GAO-18-370](#))

Source: GAO. | GAO-22-4SP

Note: It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II, Data Quality](#).



## Strategic Goal 4

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

Our fourth strategic goal embraces the spirit of continuous and focused improvement in order to sustain high-quality, timely service to the Congress, while also implementing leading practices in our internal operations. Activities carried out under this goal also address our internal management challenges. The multi-year (fiscal years 2018-2023) strategic objectives under this goal are to:

- Empower GAO's workforce to excel through strategic talent management;
- Streamline GAO's processes to deliver quality results and products and promote knowledge sharing, government standards, and strategic solutions; and
- Provide modern integrated tools and systems in a secure, collaborative, and mobile environment.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

The work supporting these objectives is performed under the direction of the CAO through the following offices: the Controller and Financial Management and Business Operations, Human Capital, Information Systems and Technology Services, Infrastructure Operations, the Learning Center, the PDP, and Field Operations. Assistance on specific key efforts is provided by ARM and other offices, including SPEL, CR, OO&I, Continuous Process Improvement, APQA, Public Affairs, and OGC.

To accomplish our work under these four objectives, we performed internal studies and completed projects that further the strategic goal. As shown in [table 11](#), our internal operations for services and functions that help employees get their jobs done, improve the quality of their work life, and the IT tools they use to accomplish their work were rated by our staff with scores of 82 percent, 82 percent, and 56 percent, respectively. [Table 24](#) provides examples of Goal 4 accomplishments and contributions.

#### Examples of Work under Goal 4

Since March 13, 2020, the agency has operated under maximum telework to ensure the health and safety of our employees. On August 2, 2021, we reopened all of our office locations for voluntary re-entry, an effort that required seamless coordination across all operational units to ensure a safe workplace for those choosing to return to the office. We also continued to fine-tune our operations to support employees at home, drawing on lessons learned in our first year of maximum telework, with an eye to shaping future operational policies and procedures. Examples of this effort are included in this section, and are also discussed in Part I (Internal Management Challenges).

Table 24: Goal 4 Accomplishments and Contributions

## Empower GAO's Workforce to Excel through Strategic Talent Management

### **Hiring, developing, and retaining our workforce**

- To enhance the diversity of our applicant pipeline and expand the network of colleges and universities our interns hailed from, we undertook a variety of activities, including participating in over 125 virtual recruiting events, working with GAO's tribal initiatives group to build relationships with tribal stakeholder and Native American leadership organizations, and posting our entry-level
- and intern announcements on job boards sponsored by underrepresented communities.
- Hired and virtually onboarded 300 employees, 196 of whom comprised analysts/auditors/specialists in our entry-level PDP; in addition, we augmented critical hiring to provide expertise in key mission areas such as science and technology, health care, and data analytics.
- Managed a year-round program for 205 analyst and operations interns, providing GAO with a robust pipeline of vetted, well-trained staff to support workforce needs, and implemented new support structures to ensure our interns felt connected, valued, and able to thrive.
- Continued to offer a number of flexibilities to support employees during the pandemic, including extended core work hours, administrative leave for childcare and family-related demands, and voluntary return to the office, starting August 2, 2021.
- Supported employee health and well-being during the pandemic through myriad virtual offerings led by Counseling Services via support groups, coaching circles, speaker events, and webinars.
- To ensure our new managers are empowered to lead others, we redesigned our new manager orientation, leveraging practices like polls and breakout sessions to foster participant engagement and information retention in a virtual environment.
- Created an internal data literacy curriculum website available to all staff with links to internal and external resources and training opportunities to help ensure that our analysts and operations staff have resources to enhance their abilities to collect, analyze, and synthesize qualitative and quantitative data from various sources.
- Offered 15 information sessions, speaker events, and trainings to continue educating employees about insider threat risks, and worked with stakeholders to identify and mitigate potential risks to empower leadership to proactively address areas of concern and effect positive outcomes.

### **Enhancing and sustaining a fair, diverse, and inclusive culture**

- Launched our first-ever comprehensive Anti-Harassment Policy, which includes not only harassment under federal anti-discrimination statutes, but also unprofessional conduct based on a protected class, which positions the agency to take swift action and stop harassing conduct at the earliest stage possible.
- Implemented a Bystander Intervention course, available to all employees, that includes tools and specific strategies that can be used to intervene or interrupt situations in the workplace that are not in keeping with GAO's people values.
- Issued inclusive language report guidance on (1) avoiding the use of terms, to the extent possible, that would be dehumanizing or unclear such as "alien," "illegal alien," "illegal immigrant," or "illegals" when referring to people who are not U.S. citizens, and (2) portraying people with disabilities respectfully by avoiding language that implies a deficiency or inadequacy or that devalues or reduces the person to their disability.
- Revised our annual employee survey to offer additional gender options such as "trans man," "trans woman," "genderqueer/gender non-conforming," and "other."

### **Maintaining effective relationships with GAO's internal employee organizations**

- Negotiated with the GAO Employees Organization, International Federation of Professional and Technical

Engineers Local 1921, on a variety of initiatives, including the following:

- Completion of a new Collective Bargaining Agreement for the new single, consolidated bargaining unit
- Development of a new Anti-Harassment Policy with hotline and portal reporting features
- Implementation of all COVID-19 working conditions, including mask policy, travel procedures, and voluntary re-entry procedures
- Rollout of multiple technology solutions, including Zoom for Government.

## Streamline GAO's Processes to Deliver Quality Products and Promote Knowledge Sharing

### **Enhancing outreach to the Congress and access to our work**

- Completed the effort started in fiscal year 2020 to gather feedback from 22 Senate and House committees or subcommittees on how they use GAO products and services, and how we can meet their needs; took steps to either further study or implement the recommendations that resulted from that effort.
- Developed and delivered a class to 12 newly promoted senior executives on giving testimony before the Congress.
- Created virtual reading rooms that allowed us to share draft reports of broad interest, particularly those prepared under the CARES Act, and sensitive information, which was previously provided to congressional staff in person.
- Launched a modern, mobile-friendly, redesigned public website to improve the user experience and bring greater attention to our work.
- Publicized GAO's 100th anniversary through a range of communication initiatives, including a special GAO@100 logo, online information about our history, and targeted social media posts, such as those discussing the experiences of Black and female employees at the agency, to increase the public's awareness of GAO's efforts to help improve government operations.
- Celebrated a decade of podcasting by achieving another highly productive year with 72 podcasts, nearly matching the previous record of 73 podcasts produced in fiscal year 2020, and added our episodes on three new platforms—Spotify, Stitcher, and Google Podcasts.

### **Enhancing GAO's foresight and strategic planning capacity**

- Developed 12 macro trend papers on emerging issues affecting government and society to provide the strategic context to GAO's units and mission teams as they update our next strategic plan.
- Helped lead efforts to assist audit offices around the world during the pandemic in our capacity as vice-chair to INTOSAI's Supervisory Committee on Emerging Issues.
- Developed a multi-day virtual training for our senior executive candidates on foresight tools and best practices as a leadership competency.
- Issued the first-ever federal government Framework for AI Accountability to provide auditors and third-party evaluators with a concrete set of questions, practices, and audit procedures for assessing the entire life cycle of AI systems.

### **Continually improving government auditing standards**

- Significantly contributed to improving government audits by participating on the Auditing Standards Board, providing technical assistance on government auditing standards and the use of Standards for Internal Control in the federal government, issuing comments on proposed revisions to auditing standards, and publishing professional standards updates.

### **Enhancing information sharing for the domestic and international accountability community**

- Established partnerships with academic institutions, foundations, and organizations to expand the breadth

and depth of learning opportunities through the Intergovernmental Audit Forum that address issues of accountability in their work.

- Led the development of the draft INTOSAI Strategic Plan for 2023-2028 to help guide the organization in achieving its priorities and goals.
- Established an international Comptroller General discussion group to share lessons learned from auditing in the pandemic.

### **Enhancing GAO's products, processes, and programs**

- Continued to increase the integration between our Enterprise Risk Management (ERM) program, internal control, and fraud risk assessment programs, including documenting risk assessment processes and developing guidance and program metrics.
- Added report processing to our Field Operations portfolio, resulting in field office administrative staff converting more than 70 previously published reports to allow for republishing in a digital, web-based format.
- Developed new processes to implement a supply reimbursement program, establish a virtual separation process, and make deliveries of or ship IT equipment, office supplies, mail, print materials, and furniture to employees' alternate work sites to provide continuity of services during the maximum telework environment.
- Published a new Human Capital Management System of Records Notice in the Federal Registrar to inform GAO employees and the public how these records are collected and shared, and how they may be accessed and corrected.

## **Provide Modern Integrated Tools and Systems in a Secure Environment**

### **Empowering staff with integrated tools to enhance business processes and increase efficiency**

- Completed system configurations, data migration, and training for system administrators for the talent management system (TMS) that we purchased in fiscal year 2020; user testing and change management implementation will support an agency-wide rollout of TMS in fiscal year 2022 to replace several legacy systems.
- Worked to improve the breadth of data available for automated access, including the addition of cumulative hours charged at each engagement milestone, and began testing access to work source data for improved visibility into unstaffed requests and queue times.

### **Enhancing tools that integrate enterprise data to facilitate decision-making**

- Provided novel analyses of mission team productivity and product timeliness metrics to compare productivity and timeliness during the pandemic to that reported pre-pandemic.
- Created the GAO Operating Stance Dashboard to help senior leaders monitor critical functions and inform decision-making related to operations during the pandemic.
- Implemented a new data system to provide real-time data on the number of staff waitlisted for voluntary internal transfer, resulting in more efficient decision-making about hiring and transfers.

### **Enabling a mobile, collaborative environment**

- Implemented Zoom for Government to provide enhanced video conferencing capability.
- Deployed new Voice over Internet Protocol desk phones and conference room phones that are integrated with Skype for Business, allowing staff to initiate, join, and manage Skype audio conference calls.

## Ensuring a secure, cost-effective physical and technological infrastructure

- Welcomed a new tenant to our HQ building through a 5-year lease, which will secure, support our strategic plan of increasing revenue by leasing unoccupied space.
- Developed HVAC solutions for all our locations to minimize the spread of airborne COVID-19 to include outside air and improved ventilation.
- Developed and implemented new procedures to operate and maintain our secure rooms for maximum employee health and safety during the pandemic.
- Implemented a new policy requiring employees to badge out of our HQ building to enhance emergency response capabilities.

Source: GAO. | GAO-22-4SP

# PART III

## Financial Information

November 15, 2021

GAO celebrated its centenary this year- recognizing 100 years of accountability, transparency, and oversight. One measure of GAO's success with these goals is that we continued to set the standard for excellence in government financial management. Once again, GAO's financial statements, which are an integral part of our PAR, received an unmodified "clean" opinion.

Our independent auditors found that GAO maintained, in all material aspects, effective internal control over financial reporting, there were no instances of non-compliance with the applicable laws and regulations, and our financial management systems substantially complied with the applicable requirements of FFMA. Although not required, GAO considers the independent auditor's opinion on internal controls and on the system's compliance with FFMA to be a leading practice.

In addition to our own self-assessment, obtaining an independent, objective assessment of our internal control over financial reporting and on our system's compliance with FFMA helps demonstrate our sound stewardship of the taxpayers' dollars that have been entrusted to us. Further, I'm proud to report that our fiscal year 2020 PAR received the CEAR award from the Association of Government Accountants, our 20th consecutive award since we first applied in fiscal year 2001.

The funding enacted for fiscal year 2021 allowed GAO to continue hiring through the year and achieve 3,208 FTE positions, address a number of critical investments in IT, and make significant progress on deferred maintenance on our HQ building. Additionally, GAO received funding as part of the American Rescue Plan Act of 2021, to remain available through fiscal year 2025, to support oversight of the COVID-19 pandemic response. Despite the continued challenges presented by the pandemic, GAO has not wavered in its mission of supporting the Congress and delivering unparalleled results for the American people.

As a result of the continuing pandemic, GAO maintained a maximum telework posture during this fiscal year. We have established a Pandemic Task Team to monitor the pandemic, develop and implement operating polices, plan for contingencies, and ensure continuity across GAO. We have re-staffed and cross-trained employees to maximize telework opportunities while ensuring appropriate guidance, coaching, and oversight to successfully maintain our maximum telework posture. Additionally, we have transformed many of GAO's in-person training offerings to online events, offered increased support from our Counseling Services Center, and revised processes for on-boarding new employees remotely.

In the area of internal control, the Office of Internal Control (OIC) conducted an entity-wide assessment of risk and key controls for the agency's internal control system, consistent with the Federal Manager's Financial Integrity Act and OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, and all appendices.

To validate compliance, effectiveness, efficiency, and the integrity of data, OIC reviewed and tested the controls for key business cycles such as acquisitions, budget execution, disbursements, financial reporting, human capital/payroll, and IT. Additionally, we reviewed the independent auditors' reports of our shared service providers so we could proactively address any issues with the appropriate compensating controls.

The assessment found GAO was in compliance with the five components and 17 principles of the Standards for Internal Control in the Federal Government (Green Book) and provided reasonable assurance that internal control over reporting, operations, and compliance were operating effectively and efficiently for fiscal year 2021. No material weaknesses or significant deficiencies were found in the design or implementation of the internal control system.

GAO utilizes a maturity model approach to incorporate Enterprise Risk Management and fraud risk assessment activities into our existing governance structure. Under the direction of the Chief Risk Officers, we (1) collaborated with stakeholders to update the enterprise risk profile for 2021 consistent with OMB Circular No. A-123; (2) assessed the internal control over operations, reporting, and compliance; and (3) collaborated with internal stakeholders to conduct several fraud risk assessments of high-risk program areas, consistent with GAO's A Framework for Managing Fraud Risks in Federal Programs.

GAO continued to develop business processes in the second year of the pandemic to support the changing needs of a remote workforce. We performed ongoing risk assessments of current operations and continually considered future challenges to ensure we are making risk-informed decisions about priorities and resources. Solutions to help our employees

get their jobs done—from ordering and receiving office supplies at home to providing the technology needed to communicate, create, and collaborate—remain paramount. Redirecting pre-pandemic priorities to the realities of the future is essential to meet the demands of our workforce and mission. The flexibility and creativity that enabled us to pivot to a maximum virtual operating environment in March of 2020 with minimal disruption will continue to fuel our success in meeting the challenges, not just in 2022 but for the next century.

Karl J. Maschino

Chief Administrative Officer/ Chief Financial Officer

# Audit Advisory Committee's Report

November 12, 2021

The Audit Advisory Committee assists the Comptroller General in overseeing the U.S. GAO's financial operations. As part of that responsibility, the Committee meets with agency management, its Inspector General, and its external auditors to review and discuss GAO's external financial audit coverage, the effectiveness of GAO's internal control over its financial reporting, and its compliance with certain laws and regulations that could materially impact GAO's financial statements. GAO's external auditors are responsible for expressing an opinion on the conformity of GAO's audited financial statements with accounting principles generally accepted in the United States of America. The Committee reviews the findings of the Inspector General and external auditors, and GAO's responses to those findings, to assure itself that GAO's plan for corrective action includes appropriate and timely follow-up measures. In addition, the Committee reviews the draft Performance and Accountability Report, including its financial statements, and provides comments to management who have responsibility for the Performance and Accountability Report. The Committee met three times with respect to its responsibilities as described above. During these sessions, the Committee met with the Inspector General and external auditors without GAO management being present and discussed with the external auditors the matters that are required to be discussed by generally accepted auditing standards. Based on procedures performed as outlined above, the Committee recommends that GAO's audited statements and footnotes be included in the 2021 Performance and Accountability Report.

Robert H. AttmoreChair  
Audit Advisory Committee



# Independent Auditors' Report

## Comptroller General of the United States Government Accountability Office

In our audits of the fiscal years 2021 and 2020 financial statements of the United States Government Accountability Office (GAO), we found:

- GAO's financial statements as of and for the fiscal years ended September 30, 2021, and 2020, are presented fairly, in all material respects, in accordance with United States of America (U.S.) generally accepted accounting principles;
- GAO maintained, in all material respects, effective internal control over financial reporting as of September 30, 2021;
- GAO's financial management systems substantially complied with the applicable requirements of the Federal Financial Management Improvement Act (FFMIA) as of September 30, 2021; and
- No reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements we tested for fiscal year 2021 and no other matters.

The following sections discuss in more detail (1) our report on the financial statements and on internal control over financial reporting, which includes the required supplementary information (RSI)<sup>14</sup> and other information<sup>15</sup> included with the financial statements; (2) our report on the system's compliance with FFMIA; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

### Report on the Financial Statements and on Internal Control over Financial Reporting

We have audited GAO's financial statements in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 21-04, Audit Requirements for Federal Financial Statements (OMB Bulletin 21-04). GAO's financial statements comprise the balance sheets as of September 30, 2021 and 2020, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and the related notes to the financial statements. We also have audited GAO's internal control over financial reporting as of September 30, 2021, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act (FMFIA).

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

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<sup>14</sup> The RSI consists of the section titled "Management's Discussion and Analysis" on pages 26 to 65 of GAO's Performance and Accountability Report (PAR) and subsection titled "Deferred Maintenance and Repairs for Fiscal Year 2021" on pages 121 to 122, which is included with the financial statements.

<sup>15</sup> Other information consists of all the other information included in GAO's PAR, except for the financial statements, the auditors' report, and the RSI.

## Management's Responsibility

GAO management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (5) evaluating the effectiveness of internal control over financial reporting based on the criteria established under FMFIA; and (6) providing assurance on the overall effectiveness of internal control over financial reporting as of September 30, 2021, included in the accompanying management's Assurance Statements on Internal Control over Operations, Reporting, and Compliance in the Introduction section of GAO's Performance and Accountability Report (PAR).

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements and an opinion on GAO's internal control over financial reporting based on our audits. Government Auditing Standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement, and whether effective internal control over financial reporting was maintained in all material respects. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the auditors' assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

An audit of internal control over financial reporting involves performing procedures to obtain evidence about whether a material weakness exists.<sup>16</sup> The procedures selected depend on the auditors' judgment, including the assessment of the risk that a material weakness exists. An audit of internal control over financial reporting also involves obtaining an understanding of internal control over financial reporting and evaluating and testing the design and operating

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<sup>16</sup> A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

effectiveness of internal control over financial reporting based on the assessed risk. Our audit of internal control also considered GAO's process for evaluating and reporting on internal control over financial reporting based on criteria established under FMFIA. Our audits also included performing such other procedures as we considered necessary in the circumstances.

We did not evaluate all internal controls relevant to operating objectives as broadly established under FMFIA, such as those controls relevant to preparing performance information and ensuring efficient operations. We limited our internal control testing to testing controls over financial reporting. Our internal control testing was for the purpose of expressing an opinion on whether effective internal control over financial reporting was maintained, in all material respects. Consequently, our audit may not identify all deficiencies in internal control over financial reporting that are less severe than a material weakness.

## **Definition and Inherent Limitations of Internal Control over Financial Reporting**

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error. We also caution that projecting any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion on Financial Statements**

In our opinion, the Government Accountability Office's financial statements present fairly, in all material respects, the Government Accountability Office's financial position as of September 30, 2021 and 2020, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

## **Opinion on Internal Control over Financial Reporting**

In our opinion, Government Accountability Office maintained, in all material respects, effective internal control over financial reporting as of September 30, 2021, based on criteria established under FMFIA.

However, we identified certain deficiencies in GAO’s internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies<sup>17</sup>. Nonetheless, these deficiencies warrant GAO management’s attention. We have communicated these matters to GAO management and, where appropriate, will report on them separately.

## **Other Matters**

### Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Although the RSI is not a part of the financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with Government Auditing Standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management’s responses to the auditors’ inquiries, the financial statements, and other knowledge we obtained during the audits of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

### Other Information

GAO’s other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. In addition, management has included references to information on websites or other data outside of the PAR. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audits were conducted for the purpose of forming an opinion on GAO’s financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

### Report on Systems’ Compliance with FFMIA Requirements

We have audited GAO’s financial management systems’ compliance with certain requirements as prescribed in the FFMIA as of September 30, 2021. The objective of our audit was to express an opinion on whether GAO’s financial management systems substantially complied with the requirements in Section 803(a) of the FFMIA as outlined in the following areas: (1) federal financial management system requirements, (2) applicable federal accounting standards, and (3) the United States Government Standard General Ledger (USSGL) at the transaction level.

#### **Management’s Responsibility**

Management is responsible for implementing and maintaining financial management systems that are in substantial compliance with FFMIA requirements.

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<sup>17</sup> A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on GAO's financial management systems' compliance with the three FFMIA requirements based on our audit. We conducted our audit of GAO's compliance with FFMIA requirements in accordance with attestation standards contained in Government Auditing Standards. Under those standards, we planned and performed the audit to obtain reasonable assurance about whether the financial management systems substantially complied with the three requirements in Section 803(a) of the FFMIA. A compliance audit includes examining, on a test basis, evidence about the entity's compliance with those requirements and performing such other procedures as we consider necessary in the circumstance. Our audit does not provide a legal determination of GAO's compliance. We believe that our audit provides a reasonable basis for our opinion.

## **Opinion on Systems' Compliance with FFMIA**

In our opinion, GAO's financial management systems substantially complied with the applicable requirements in Section 803(a) of the FFMIA as of September 30, 2021, based on criteria established under FFMIA for federal financial management systems.

## **Other Reporting Required by Government Auditing Standards**

### **Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters**

In connection with our audits of GAO's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditors' responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with Government Auditing Standards.

#### **Management's Responsibility**

GAO management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to GAO.

#### **Auditors' Responsibility**

Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to GAO that have a direct effect on the determination of material amounts and disclosures in GAO's financial statements and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to GAO.

## Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

Our tests of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters for fiscal year 2021 that would be reportable under Government Auditing Standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to GAO. Accordingly, we do not express such an opinion.

## Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Clifton Larson Allen LLP

Greenbelt, Maryland November 12, 2021

# Purpose of Each Financial Statement

The financial statements on the following pages are the:

- Balance sheets which present the amounts we had available to use (assets) versus the amounts we owed (liabilities) and the residual amounts after liabilities were subtracted from assets (net position).
- Statements of net cost which present the annual cost of our operations. The gross costs, less any offsetting revenue earned from our activities, is used to arrive at the net cost of work performed under our four strategic goals and other costs in support of the Congress.
- Statements of changes in net position which present the accounting items that caused the net position section of the balance sheets to change from the beginning to the end of the fiscal years displayed.
- Statements of budgetary resources which present how budgetary resources were made available to us during the fiscal year and the status of those resources at the end of the fiscal year.

	2021	2020
<b>Assets</b>		
<b>Intragovernmental</b>		
Fund balance with Treasury (Note 2)	\$281,721	\$165,663
Accounts receivable	3,937	4,029
<b>Total Intragovernmental</b>	<b>285,658</b>	<b>169,692</b>
Property and equipment, net (Note 3)	15,684	18,897
Other	275	483
<b>Total Assets</b>	<b>\$301,617</b>	<b>\$189,072</b>
<b>Liabilities (Note 4)</b>		
<b>Intragovernmental</b>		
Accounts payable and other	\$1,707	\$654
Federal employee benefits (Note 5)	6,890	5,900
FECA liability (Note 6)	1,814	1,862
<b>Total Intragovernmental</b>	<b>10,411</b>	<b>8,416</b>
Accounts payable and other	17,606	12,072
Salaries and benefits	29,580	24,395
Accrued annual leave	44,707	42,655
Actuarial FECA liability (Note 6)	11,123	11,632
<b>Total Liabilities</b>	<b>\$113,427</b>	<b>\$99,170</b>
<b>Net Position</b>	<b>\$141,470</b>	<b>\$69,319</b>
Unexpended appropriations		
Cumulative results of operations	46,720	20,583
<b>Total Net Position (Note 12)</b>	<b>\$188,190</b>	<b>\$89,902</b>
<b>Total Liabilities and Net Position</b>	<b>\$301,617</b>	<b>\$189,072</b>

The accompanying notes are an integral part of these financial statements.

**Financial Statements**  
**U.S. Government Accountability Office**  
**Statements of Net Cost**  
**As of September 30, 2021 and 2020**  
(Dollars in thousands)

	<u>2020</u>	<u>20210</u>
<b>Net Costs by Goal</b>		
<b>Goal 1: Well-being / Financial Security of American People</b>		
Gross costs	\$258,314	\$258,043
Less: reimbursable services	<u>(517)</u>	<u>(549)</u>
Net goal costs	257,797	257,494
<b>Goal 2: Changing Security Threats / Challenges of Global Interdependence</b>		
Gross costs	156,581	173,527
Less: reimbursable services	-	-
Net goal costs	156,581	173,527
<b>Goal 3: Help Transform the Federal Government to Address National Challenges</b>		
Gross Costs	213,692	177,998
Less: reimbursable services	<u>(15,150)</u>	<u>(17,302)</u>
Net goal costs	198,542	160,696
<b>Goal 4: Maximize the Value of GAO</b>		
Gross costs	14,615	12,565
Less: reimbursable services	-	-
Net goal costs	14,615	12,565
<b>Other Costs in Support of the Congress</b>		
Gross costs	68,220	66,641
Less: reimbursable services	<u>(1,731)</u>	<u>(1,945)</u>
Net costs	66,489	64,696
Less: Reimbursable services not attributable to above cost categories ( <a href="#">Note 7</a> )	<u>(17,538)</u>	<u>(12,973)</u>
<b>Net Cost of Operations</b> ( <a href="#">Note 9</a> )	<u>\$676,486</u>	<u>\$656,005</u>

The accompanying notes are an integral part of these financial statements.



**Financial Statements**  
**U.S. Government Accountability Office**  
**Statements of Changes in Net Position**

For the Fiscal Years Ended September 30, 2021 and 2020

(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
<b>Unexpended Appropriations:</b>		
<b>Unexpended Appropriations, beginning of fiscal year</b>	\$69,319	\$69,440
Appropriations received	748,139	650,000
Other adjustments	(231)	(71)
Appropriations used	<u>(675,757)</u>	<u>(650,050)</u>
<b>Net Change in Unexpended Appropriations</b>	72,151	(121)
<b>Unexpended Appropriations, end of fiscal year</b>	<u>\$141,470</u>	<u>\$69,319</u>
<b>Cumulative Results of Operations:</b>		
<b>Cumulative Results of Operations, beginning of fiscal year</b>	\$20,583	\$2,441
Appropriations used	675,757	650,050
Imputed financing -cost imputed to GAO relating to retirement benefits (Note 5)	26,852	24,097
Transfers In/Out and Other	14	-
<b>Net Cost of Operations</b>	<u>(676,486)</u>	<u>(656,005)</u>
<b>Net Change in Cumulative Results of Operations</b>	26,137	18,142
<b>Cumulative Results of Operations, end of fiscal year</b>	<u>\$46,720</u>	<u>\$20,583</u>
<b>Net Position</b>	<u>\$188,190</u>	<u>\$89,902</u>

The accompanying notes are an integral part of these financial statements.

**Financial Statements**  
**U.S. Government Accountability Office**  
**Statements of Budgetary Resources**

For the Fiscal Years Ended September 30, 2021 and 2020  
(Dollars in thousands)

	<u>2021</u>	<u>2020</u>
<b>Budgetary Resources</b> (Note 10)	\$104,848	\$70,260
Unobligated balance from prior year budget authority, net		
Appropriations	748,139	650,000
Spending authority from offsetting collections	<u>34,540</u>	<u>30,237</u>
<b>Total budgetary resources</b>	<u>\$887,527</u>	<u>\$750,497</u>
<b>Status of Budgetary Resources</b>		
New obligations and upward adjustments		
Unobligated balance, end of year:		
Apportioned, unexpired account	293	17
Unapportioned, unexpired accounts	<u>161,418</u>	<u>84,490</u>
Unexpired unobligated balance, end of year	161,711	84,507
Expired unobligated balance, end of year	<u>3,595</u>	<u>2,566</u>
Unobligated balance, end of year	<u>165,306</u>	<u>87,073</u>
<b>Total budgetary resources</b>	<u>\$887,527</u>	<u>\$750,497</u>
<b>Outlays, Net</b>		
<b>Outlays, net</b>	\$631,850	\$620,820
Distributed offsetting receipts	<u>(200)</u>	<u>(147)</u>
<b>Agency outlays, net</b>	<u>\$631,650</u>	<u>\$620,673</u>

The accompanying notes are an integral part of these financial statements.

# Notes to Financial Statements

## **Note 1. Summary of Significant Accounting Policies**

### Reporting Entity

GAO, an agency in the legislative branch of the federal government, supports the Congress in carrying out its constitutional responsibilities. GAO carries out its mission primarily by conducting audits, evaluations, analyses, research, and investigations and providing the information from that work to the Congress and the public in a variety of forms. The financial activity presented relates primarily to the execution of GAO's statutorily enacted budget. GAO's budget consists of an annual appropriation covering salaries and expenses as well as revenue from reimbursable audit services and rental income. The revenue from audit services and rental income is presented as "reimbursable services" on the statements of net cost and included as part of "spending authority from offsetting collections" on the statements of budgetary resources. Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity.

Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by the component reporting entity are recognized as imputed cost in the statements of net cost, and as imputed financing sources in the statements of changes in netposition. Such imputed costs and financing sources relate to employee benefits. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

The reporting entity is a component of the U.S. Government. By accounting convention, intragovernmental asset and liabilities are eliminated in the consolidation process for the U.S. Government's consolidated financial statements. These financial statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

### Basis of Accounting and Reporting

GAO's financial statements have been prepared on the accrual basis and the budgetary basis of accounting in conformity with GAAP for the federal government. Accordingly, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. These principles differ from budgetary reporting principles used to prepare the statements of budgetary resources. The differences relate primarily to the capitalization and depreciation of property and equipment, as well as the recognition of other long-term assets and liabilities.

### Intragovernmental Assets

Intragovernmental assets are those assets that arise from transactions with other federal entities. Funds which are held and managed by Treasury comprise the majority of intragovernmental assets on GAO's balance sheets.

## Fund Balance with Treasury

Treasury processes GAO's receipts and disbursements. Fund balance with Treasury represents appropriated funds from which GAO is authorized to pay liabilities and make other expenditures.

## Accounts Receivable

GAO's accounts receivable are due principally from federal entities for reimbursable services. GAO does not recognize any allowance for loss on intragovernmental accounts receivable as they are considered fully collectible.

## Property and Equipment, Net

The GAO HQ building qualifies as a multi-use heritage asset; is GAO's only heritage asset; and is reported as part of property and equipment on the balance sheets. The building's designation as a multi-use heritage asset is a result of both being listed in the National Register of Historic Places and being used in general government operations.

Statement of Federal Financial Accounting Standards (SFFAS) No. 29 requires accounting for multi-use heritage assets as general property and equipment to be included in the balance sheet and depreciated. The building was depreciated on a straight-line basis over 25 years and is fully depreciated.

Generally, property and equipment individually costing more than \$15,000, and a minimum expected life of 2 years, are capitalized at cost. Building improvements and leasehold improvements are capitalized when the cost is \$25,000 or greater. Bulk purchases of lesser-value items that aggregate more than \$150,000 are also capitalized at cost. Assets are depreciated on a straight-line basis over the estimated useful life of the property as follows: building improvements, 10 years; computer equipment, software, and capital lease assets, ranging from 3 to 6 years; leasehold improvements, 5 years; and other equipment, ranging from 5 to 20 years. GAO's property and equipment have no restrictions as to use or convertibility except for the restrictions related to the GAO HQ building being registered in the National Register of Historic Places.

## Liabilities

Liabilities represent amounts that will be paid by GAO as a result of transactions that have already occurred. Intragovernmental liabilities are those liabilities that arise from transactions with other federal entities.

## Accounts Payable

Accounts payable consists of amounts owed to federal entities and commercial vendors for goods and services received. The balance presented includes accounts payable recorded through normal business activities, as well as an estimate of unbilled payables based on historical data.

## Federal Employee Benefits

GAO recognizes its share of the cost of providing future pension benefits to eligible employees over the period of time that they render services to GAO. The pension expense recognized in the financial statements equals the current service cost for GAO's employees for the accounting period, less the amount contributed by the employees. OPM, the administrator of the plan, supplies GAO with factors to apply in the calculation of the service cost. These factors are derived through actuarial cost methods and assumptions.

The excess of the recognized pension expense over the amount contributed by GAO and employees represents the amount being financed directly through the government-wide Civil Service Retirement and Disability Fund administered by OPM. This amount is considered imputed financing to GAO (see Note 5).

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose deaths are attributable to job-related injury or occupational disease. Claims incurred for benefits for GAO employees under FECA are administered by DOL and are paid, ultimately, by GAO (see Note 6).

GAO recognizes a current-period expense for the future cost of post-employment health benefits and life insurance for its employees while they are still working. GAO accounts for and reports this expense in its financial statements in a manner similar to that used for pensions, with the exception that employees and GAO do not make current contributions to fund these future benefits.

Federal employee benefit costs paid by OPM and imputed to GAO are reported as a financing source on the statements of changes in net position and are also included as a component of net cost by goal on the statements of net cost.

## Annual, Sick, and Other Leave

Annual leave is recognized as an expense and a liability as it is earned; the liability is reduced as leave is taken. The accrued leave liability is principally long-term in nature. Sick leave and other types of leave are expensed as leave is taken. All leave is funded when taken.

## Contingencies

GAO has certain claims and litigation pending against it. GAO recognizes a contingent liability in the financial statements for any losses considered probable and estimable. Management believes that the likelihood of losses from such claims and litigation is remote and, therefore, no provision for losses or disclosure is included in the financial statements.

## Estimates

Management has made certain estimates and assumptions when reporting assets, liabilities, revenue, expenses, and note disclosures. Actual results could differ from these estimates. Estimates used include certain liability balances such as actuarial estimates for FECA liabilities.

## Reclassifications

Certain prior year amounts in the financial statements and notes have been reclassified to conform to the current year presentation.

## Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

## **Note 2. Fund Balance with Treasury**

GAO's Fund Balance with Treasury consists of only appropriated funds. The status of the Fund Balance with Treasury as of September 30, 2021, and September 30, 2020, is as follows:

### **Dollars in thousands**

	<b>2021</b>	<b>2020</b>
Fund Balance with Treasury	<u>\$281,721</u>	<u>\$165,663</u>
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	\$145,745	\$68,007
Unavailable	3,596	2,566
Obligated balance not yet disbursed	<u>132,380</u>	<u>95,090</u>
Total status of Fund Balance with Treasury	<u>\$281,721</u>	<u>\$165,663</u>

## **Note 3. Property and Equipment, Net**

The composition of property and equipment as of September 30, 2021, is as follows:

### **Dollars in thousands**

<b>Classes of property and equipment</b>	<b>Acquisition value</b>	<b>Accumulated depreciation</b>	<b>Book value</b>
Land	\$1,191	–	\$1,191
Building and improvements	129,663	\$122,836	6,827
Computer and other equipment and software	59,746	52,738	7,008
Leasehold improvements	<u>3,013</u>	<u>2,355</u>	<u>658</u>
Total property and equipment	<u>\$193,613</u>	<u>\$177,929</u>	<u>\$15,684</u>

Depreciation expense for property and equipment for fiscal year 2021 is \$5,695,000. The composition of property and equipment as of September 30, 2020, is as follows:

**Dollars in thousands**

Classes of property and equipment	Acquisition value	Accumulated depreciation	Book value
Land	\$1,191	—	\$1,191
Building and improvements	134,700	\$127,653	7,047
Computer and other equipment and software	60,597	50,504	10,093
Leasehold improvements	<u>2,798</u>	<u>2,232</u>	<u>566</u>
Total property and equipment	<u>\$199,286</u>	<u>\$180,389</u>	<u>\$18,897</u>

Depreciation expense for property and equipment for fiscal year 2020 is \$7,277,000.

**Note 4. Liabilities Not Covered by Budgetary Resources**

The liabilities on GAO’s balance sheets include liabilities not covered by budgetary resources. Although future appropriations to fund these liabilities are likely and anticipated, it is not certain that appropriations will be enacted to fund these liabilities. The composition of liabilities not covered by budgetary resources as of September 30, 2021, and September 30, 2020, is as follows:

**Dollars in thousands**

	2021	2020
Intragovernmental liabilities—FECA liability**	\$1,814	\$1,862
Salaries and benefits—Comptrollers’ General retirement plan*	2,670	1,042
Accrued annual leave	44,707	42,655
Actuarial FECA liability**	<u>11,123</u>	<u>11,632</u>
Liabilities not covered by budgetary resources	60,314	57,191
Liabilities not requiring budgetary resources	90	109
Liabilities covered by budgetary resources	<u>53,023</u>	<u>41,870</u>
Total liabilities	<u>\$113,427</u>	<u>\$99,170</u>

\* See Note 5 for further discussion of the Comptrollers’ General retirement plan.

\*\* See Note 6 for further discussion of FECA liabilities.

**Note 5. Federal Employee Benefits**

All permanent employees participate in either the contributory Civil Service Retirement System (CSRS) or the Federal Employees’ Retirement System (FERS). Temporary employees and employees participating in FERS are covered under the Federal Insurance Contributions Act (FICA). To the extent that employees are covered by FICA, the taxes they pay to the program and the benefits they will eventually receive are not recognized in GAO’s financial statements. GAO makes contributions to CSRS, FERS, and FICA and matches certain employee contributions to the Thrift Savings Plan component of FERS. All of these payments are recognized as operating expenses.

In addition, all permanent employees are eligible to participate in the contributory Federal Employees Health Benefits Program (FEHBP) and the Federal Employees' Group Life Insurance (FEGLI) Program and may continue to participate after retirement. GAO makes contributions through OPM to FEHBP and FEGLI for active employees to pay for their current benefits.

GAO's contributions for active employees are recognized as operating expenses. Using the cost factors supplied by OPM, GAO has also recognized an expense in its financial statements for the estimated future cost of post-employment health benefits and life insurance for its employees. These costs are financed by OPM and imputed to GAO.

Amounts owed to OPM and Treasury as of September 30, 2021, and September 30, 2020, are \$6,890,000 and \$5,900,000, respectively, for FEHBP, FEGLI, FICA, FERS, and CSRS contributions and are shown on the balance sheets as Federal employee benefits.

Details of the major components of GAO's federal employee benefit costs for the fiscal years ended September 30, 2021, and September 30, 2020, are as follows:

**Dollars in thousands**

<b>Federal employee benefits costs</b>	<b>2021</b>	<b>2020</b>
Imputed financing - cost imputed to GAO relating to retirement benefits:		
Estimated future pension costs (CSRS/FERS)	\$3,928	\$2,384
Estimated future post-employment health and life insurance (FEHBP/FEGLI)	22,924	21,713
<b>Total</b>	<b>\$26,852</b>	<b>\$24,097</b>
Pension expenses (CSRS/FERS) not including imputed benefit costs	\$68,296	\$61,043
Health and life insurance expenses (FEHBP/FEGLI) not including imputed benefit costs	\$28,559	\$27,814
FICA and Medicare payments made by GAO	\$28,966	\$27,890
Thrift Savings Plan – matching contribution by GAO	\$19,039	\$18,103

Comptrollers General and their surviving beneficiaries who qualify and elect to participate are paid retirement benefits by GAO under a separate retirement plan. These benefits are paid from current year appropriations. Because GAO is responsible for future payments under this plan, the estimated present value of accumulated plan benefits of \$2,670,000 as of September 30, 2021, and \$1,042,000 as of September 30, 2020, is included as a component of salary and benefit liabilities on GAO's balance sheets. The increase in actuarial liability in fiscal year 2021 is primarily due to the current Comptroller General electing to participate in the plan. The following summarizes the changes in the actuarial liability for the current plan year:



**Dollars in thousands**

Actuarial liability as of September 30, 2020	\$1,042
Expense:	
Interest on the liability balance	20
Actuarial loss/ (gain):	
From experience	1,806
From assumption changes	(24)
Total expense	1,802
Less benefits paid	(174)
Actuarial liability as of September 30, 2021	\$2,670

**Note 6. FECA Liabilities**

GAO recorded a liability for amounts paid to claimants by DOL as of September 30, 2021, and September 30, 2020, of \$1,814,000 and \$1,862,000, respectively, but not yet reimbursed to DOL by GAO. The amount owed to DOL is reported on GAO’s balance sheets as an intragovernmental liability titled FECA liability. Additionally, GAO utilizes the services of an independent actuarial firm to calculate its actuarial FECA liability. GAO recorded an estimated liability for claims incurred but not reported as of September 30, 2021, and September 30, 2020, which is expected to be paid in future periods. This estimated liability of \$11,123,000 and \$11,632,000 as of September 30, 2021, and September 30, 2020, respectively, is reported on GAO’s balance sheets as Actuarial FECA liability.

**Note 7. Building Lease Revenue**

In fiscal year 2021, GAO entered into a lease agreement with the U.S. Army Corps of Engineers (USACE) to continue leasing the entire third floor, and part of the sixth floor, of the GAO HQ building with annual options to renew through fiscal year 2030. Total rental revenue to GAO includes a fixed base rent plus operating expense reimbursements, with escalation clauses each year, if the option years are exercised by USACE.

In fiscal year 2012, GAO entered into a lease agreement with DOJ to lease part of the first and sixth floors of the GAO HQ building. The period of this lease began in fiscal year 2012 with an option to renew each year through fiscal year 2022. In fiscal year 2021 this lease was renewed through fiscal year 2032. In fiscal year 2019 additional space on the sixth floor was leased to the DOJ. This lease began in September 2019, and DOJ has an option to renew annually through fiscal year 2029. A lease agreement with the Pandemic Response Accountability Committee for space on the first floor is currently in place from December 2021 through September 2025.

In addition to these agreements with federal entities for office space, GAO has existing contracts with private entities to host antennae on the HQ building. These leases are for 5-year terms, with options to renew for additional 5-year terms, and current contracts extend into fiscal year 2039.

Rental revenue from space leased at the GAO HQ building for fiscal year 2021 was \$15,814,000 (\$15,686,000 federal and \$128,000 non-federal) and for fiscal year 2020 was \$12,535,000 (\$12,367,000 federal and \$168,000 non-federal). The rental revenue increase for fiscal year

2021 was mostly a result of an increase in the rental rate for the new USACE lease. The rental revenue amounts are included on the statements of net cost as a major component of “Reimbursable services not attributable to above cost categories.” The other significant component was fees collected for services provided by the Center for Audit Excellence in fiscal year 2021 of \$1,704,000 and fiscal year 2020 of \$408,000. Total projected rental revenue for the future periods is as follows:

Dollars in thousands

Fiscal year ending September 30	Federal	Non-federal	Total projected rental revenue*
2022	\$15,582	\$150	\$15,732
2023	16,430	155	16,585
2024	16,860	109	16,969
2025	17,302	112	17,414
2026	17,452	115	17,567
2027 and thereafter	<u>78,402</u>	<u>922</u>	<u>79,324</u>
Total	<u>\$162,028</u>	<u>\$1,563</u>	<u>\$163,591</u>

\*If options to renew are exercised. The federal leases are cancelable annually.

## Note 8. Leases

### Operating Leases

GAO leases office space, predominately for field offices, from GSA and has entered into various other operating leases for office communication and computer equipment. Leases in buildings owned by the federal government are cancelable annually. Lease costs for office space for fiscal years 2021 and 2020 amounted to approximately \$5,819,000 and \$6,611,000, respectively. Leases for equipment under operating leases are generally for less than 1 year; therefore, there are no associated future minimum lease payments. Annual lease costs under the operating leases are included as components of net cost in the statements of net cost.

These leases are considered federal leases, as they are with GSA, and they range from 1 to 16 years. Estimated future minimum lease payments are presented in the table below.

Dollars in thousands

Fiscal year ending September 30	Total
2022	\$6,346
2023	6,073
2024	5,596
2025	5,073
2026	4,247
2027 and thereafter	<u>15,425</u>
Total estimated future lease payments	<u>\$42,760</u>

## Note 9. Net Cost of Operations

GAO’s total gross cost of operations for fiscal year 2021 and 2020 amounted to \$711,422,000 and \$688,774,000, respectively. The statements of net cost show revenues from reimbursable services of \$34,936,000 in fiscal year 2021 and \$32,769,000 in fiscal year 2020 as an offset against the total cost by goal to arrive at net costs of \$676,486,000 and \$656,005,000 for fiscal years 2021 and 2020, respectively. Earned revenues that cannot be associated with a major goal or other cost category are shown in total as “Reimbursable services not attributable to above cost categories,” the largest component of which is rental revenue from the lease of space in the GAO HQ building.

The largest cost item for GAO is salary and benefits expense. This expense includes post-employment benefit costs paid by OPM and imputed to GAO. The salary and benefits expense funding breakout for fiscal years ending September 30, 2021, and 2020 is as follows:

Dollars in thousands

Salary and benefits expense funding	2021	% of total costs of operations	2020	% of total costs of operations
GAO paid salary and benefits	\$579,843	81.5%	\$554,602	80.5%
Benefits paid by OPM	<u>26,852</u>	3.8%	<u>24,097</u>	3.5%
Total salary and benefits expense	<u>\$606,695</u>	<b>85.3%</b>	<u>\$578,699</u>	84.0%

“Other costs in support of the Congress” represents costs of work that directly supports the Congress and represents GAO’s fulfillment of its statutory responsibilities but is not engagement specific. Examples of this work include support of the Federal Accounting Standards Advisory Board (FASAB), General Counsel statutory bid protest decision writing function, recommendation follow-up work, and other direct support to the Congress.

The net cost of operations represents GAO’s operating costs that must be funded by financing sources other than revenues earned from reimbursable services. These financing sources are presented in the statements of changes in net position.

## Note 10. Budgetary Resources

Budgetary resources available to GAO during fiscal years 2021 and 2020 include current year appropriations, supplemental appropriations for COVID-19 activities (see Note 13), prior years' unobligated balances, reimbursements earned by GAO from providing goods and services to other federal entities for a price (reimbursable services), and cost-sharing arrangements with other federal entities.

Reimbursements earned consist primarily of rent collected from USACE and DOJ for lease of space and related services in the GAO HQ building, fees collected for training and technical assistance services provided by the Center for Audit Excellence, as well as certain program and financial audits of federal entities, including components of Treasury, U.S. Securities and Exchange Commission, Federal Deposit Insurance Corporation, Consumer Financial Protection Bureau, and Federal Housing Finance Agency. Reimbursements earned from rent are available indefinitely, subject to annual obligation ceilings, and must be used to offset the cost of operating and maintaining the GAO HQ building. Reimbursements from program and financial audits are available without limitations on their use and may be subject to annual obligation ceilings. GAO's pricing policy for reimbursable services is to seek reimbursement for actual costs incurred, including overhead costs where allowed by law.

A comparison of GAO's fiscal year 2020 statement of budgetary resources with the corresponding information presented in the 2022 President's Budget, is as follows:

Dollars in thousands

	Budgetary resources	Obligations incurred	Net Outlays
<b>Fiscal year 2020 Statement of Budgetary Resources</b>	<b>\$750,497</b>	<b>\$663,424</b>	<b>\$620,820</b>
Obligation adjustments, expired accounts		(5,428)	
unobligated balances, beginning of year – (funds activity, expired accounts)	(2,751)		
Recovery of prior year unpaid obligations	(2,054)		
Permanently not available (funds activity, expired accounts)	71		
Recoveries of prior year paid obligations (expired accounts)	(3,260)		
Other – rounding in President's Budget	(1,503)	4	1,180
<b>2022 President's Budget – fiscal year 2020, actual</b>	<b><u>\$741,000</u></b>	<b><u>\$658,000</u></b>	<b><u>\$622,000</u></b>

As the fiscal year 2023 President's Budget will not be published until February 2022, a comparison between the fiscal year 2021 data reflected on the statement of budgetary resources and fiscal year 2021 data in the President's Budget cannot be performed; however, we expect similar differences will exist. The fiscal year 2023 President's Budget will be available on the OMB's website and directly from the U.S. Government Publishing Office.

Budgetary resources obligated for undelivered orders at the end of fiscal year 2021 and fiscal year 2020 totaled \$79,371,000 and \$53,234,000, respectively. For fiscal year 2021, undelivered

orders were comprised of \$7,405,000 with federal trading partners and \$71,966,000 with the public. For fiscal year 2020, undelivered orders were comprised of \$6,743,000 with federal trading partners and \$46,491,000 with the public.

The statements of budgetary resources ending unobligated balance for the prior year is adjusted for recoveries to arrive at the beginning unobligated balance for the current year. This is shown in the current year column of the table below:

**Dollars in thousands**

	<b>2021</b>	<b>2020</b>
Unobligated balance from prior year budget authority, net	\$104,848	\$70,260
Adjustments to budgetary resources made during current year:		
Downward adjustments of prior year undelivered orders	(3,787)	(3,535)
Downward adjustments of prior year delivered orders and other	<u>(13,988)</u>	<u>(6,678)</u>
Total unobligated balance, end of (prior) year	<u>\$87,073</u>	<u>\$60,047</u>

## Note 11. Reconciliation of Net Operating Costs and Net Outlays

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the federal government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and accrual information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays. Details of the relationship between net costs of operations and net outlays for the fiscal years ending September 30, 2021, and September 30, 2020, are as follows:

Dollars in thousands

	2021	2020
<b>Net Operating Cost</b>	<b>\$676,486</b>	<b>\$656,005</b>
<b>Components of Net Operating Cost Not Part of the Net Outlays</b>		
Property and Equipment Depreciation, Disposal and Revaluation	(5,742)	(7,294)
Increase/(decrease) in assets:	(136)	(1,513)
Accounts Receivable		
Increase)/decrease in liabilities not affecting Net Outlays:Accounts Payable	(6,587)	3,015
Salaries and benefits	(6,175)	(5,129)
Other liabilities (Unfunded leave, FECA, actuarial FECA)	(1,495)	(7,282)
Other financing sources:		
Imputed financing - cost imputed to GAO relating to retirement benefits*	<u>(26,852)</u>	<u>(24,097)</u>
<b>Total Components of Net Operating Cost Not Part of Net Outlays</b>	<b><u>(46,987)</u></b>	<b><u>(42,300)</u></b>
<b>Components of the Net Outlays That Are Not Part of Net Operating Cost</b>		
Acquisition of capital assets	2,552	6,927
Other/ Inventory	(201)	188
Distributed offsetting receipts	<u>(200)</u>	<u>(147)</u>
<b>Total Components of the Net Outlays That Are Not Part of Net Operating Cost</b>	<b><u>2,151</u></b>	<b><u>6,968</u></b>
<b>Agency, outlays net</b>	<b><u>\$631,650</u></b>	<b><u>\$620,673</u></b>

\*See table in [Note 5](#) for breakdown.

## Note 12. Net Position

Net position on the balance sheets comprises unexpended appropriations and cumulative results of operations. Unexpended appropriations are the sum of the total unobligated appropriations and undelivered goods and services for funds directly appropriated to GAO. Cumulative results of operations represent the difference between financing sources and expenses since inception. Details of the components of GAO’s cumulative results of operations for the fiscal years ended September 30, 2021, and 2020 are as follows:

Dollars in thousands

	2021	2020
Investment in property and equipment, net	\$15,684	\$18,897
Net reimbursable funds activity	91,165	58,503
Other (supplies inventory and accounts receivable from public)	275	483
Liabilities not covered by, nor requiring, budgetary resources*	<u>(60,404)</u>	<u>(57,300)</u>
Cumulative results of operations	<u>\$46,720</u>	<u>\$20,583</u>

\*See [Note 4](#) for components.

## Note 13. COVID-19 Activity

During fiscal years 2021 and 2020, GAO used resources to prepare for, and respond to, COVID-19. Enacted on March 27, 2020, H.R. 748 CARES Act included mandates for GAO to carry out oversight of the federal government’s response to COVID-19 and an appropriation of \$20 million for GAO to perform this work. In fiscal year 2021, the “Legislative Branch Appropriations Act of 2021” (H.R.133, Division H) provided an additional \$10 million for this purpose. The separately enacted “American Rescue Plan Act of 2021” (Public Law No: 117-2) appropriated \$77 million to remain available until September 30, 2025, “to prevent, prepare for, and respond to Coronavirus and to support oversight of the Coronavirus response and of funds provided in this Act or any other Act pertaining to the Coronavirus pandemic”.

Other audits that touched on COVID-19 related issues but were started prior to or did not fall under, one of the laws listed in the preceding paragraph were completed using GAO’s annual appropriations. For example, ongoing audits that were expanded to include the impact of COVID-19 were funded out of GAO’s annual appropriations. Furthermore, the resources used to support our maximum telework stance and sanitation related enhancements are considered COVID-19 related. These costs were funded by GAO’s annual appropriations.

Section 19009 of the CARES Act also provides for salary reimbursements of employees of the Tiny Findings Child Care Center in the GAO building. Tiny Findings is a non-profit organization providing childcare services to GAO HQ employees and other interested parents. This section authorized up to \$600,000 of the \$20 million supplemental appropriation to be used for salary reimbursements between April 1, 2020, and September 30, 2020. Public Law No: 116- 159, the “Continuing Appropriations Act, 2021 and Other Extensions Act” enacted on October 1, 2020, extended the provisions of section 19009 of the CARES Act, authorizing GAO to reimburse the salaries incurred by Tiny Findings until the termination of the public health emergency declared

pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d) resulting from the COVID-19 pandemic.

The tables below detail the composition of our COVID-19 related budgetary resources and obligations incurred for the fiscal years ended September 30, 2021, and September 30, 2020, as well as budgetary resources remaining available beyond September 30, 2021, and September 30, 2020:

**Dollars in thousands as of fiscal year ended September 30, 2021**

	<b>CARES Act/ Legislative Branch Appropriations Act of 2021</b>	<b>American Rescue Plan Act of 2021 Appropriation</b>	<b>GAO Annual Appropriation</b>
<b>Budgetary Resources</b>			
Resources forward	\$7,889	N/A	N/A
Resources received	\$10,000	\$77,000	
<b>Total Budgetary Resources</b>	<b>\$17,889</b>	<b>\$77,000</b>	
<b>Obligations incurred in fiscal year 2021:</b>			
Salaries and benefits	\$17,411	\$20,994	\$1,651
Tiny Findings Child Care Center	300	-	1,163
Other	178	9	1,305
<b>Obligations incurred*</b>	<b>\$17,889</b>	<b>\$21,003</b>	<b>\$4,119</b>
		\$55,997	N/A

Budgetary resources remaining available as of September 30, 2021

\*Generally, given the nature of these transactions, COVID-19 related costs recorded in the statements of net cost would be similar in amount to obligations incurred and budgetary resources used.

**Dollars in thousands as of fiscal year ended September 30, 2020**

	<b>CARES Act Appropriation</b>	<b>GAO Annual Appropriation</b>
<b>Budgetary resources received:</b>	<b>\$20,000</b>	<b>N/A</b>
<b>Obligations incurred:</b>		
Salaries and benefits	\$11,444	\$1,488
Tiny Findings Child Care Center	541	-
Other	<u>126</u>	<u>1,278</u>
<b>Obligations incurred*</b>	<b>\$12,111</b>	<b>\$2,766</b>
<b>Budgetary resources remaining available as of September 30, 2020</b>	<b>\$7,889</b>	<b>N/A</b>

\*Generally, given the nature of these transactions, COVID-19 related costs recorded in the statements of net cost would be similar in amount to obligations incurred and budgetary resources used.



# Required Supplementary Information

## Deferred Maintenance and Repairs for Fiscal Year 2021

SFFAS 42, Deferred Maintenance and Repairs: Amending SFFAS 6, 14, 29, and 32, defines deferred maintenance and repairs as maintenance and repairs that were not performed when they should have been or were scheduled to be and are put off or delayed for a future period. SFFAS No. 42 requires disclosure of deferred maintenance details as required supplementary information for all general property and equipment.

GAO operates and maintains an approximately two million square foot HQ facility and approximately six acres of associated grounds in downtown Washington, DC. The HQ facility is predominantly used for office space. GAO is responsible for ensuring the facilities entrusted to its care remain in a safe and suitable condition for the current and future needs of the agency and tenant organizations. GAO defines its acceptable level of condition of property and equipment to be “fair to good” based on the Facility Condition Index (FCI). The FCI is based on GAO facility condition assessments, which are updated every 3 to 5 years and identify deferred maintenance. Property and equipment in less than “fair” condition increases risk to continuity of operations and often requires significantly more maintenance than property and equipment in better condition.

GAO’s deferred maintenance and repairs relate to capitalized general property and equipment as well as to non-capitalized or fully depreciated general property and equipment. Maintenance and repair needs are first prioritized based on health, safety, and regulatory considerations. Once this is accomplished, needs are then ranked based on the condition ratings and condition category ratings obtained during the condition assessment site survey. Rankings are generally adjusted to take into account current capital improvement efforts underway, future capital improvement plans, asset disposal plans, and budgetary funding outlook.

GAO’s latest, formal, contracted Facility Condition Assessment (FCA) was limited to mechanical, electrical, and plumbing assets (over \$25,000) for the GAO HQ building and was completed in FY 2016. In addition, GAO facilities staff and their contractors assess the building on a continuous basis. In fiscal year 2017, an internal facilities assessment was performed on areas not covered in fiscal year 2016, and GAO determined an additional deferred maintenance amount was needed for several areas, including interior finishes and HVAC upgrades. In fiscal year 2019, GAO reviewed our 2016 Asset Management Plan and updated costs. GAO is currently in the process of procuring the services on an architecture engineering firm to conduct a full asset management study—to include architectural, structural, and landscape items—along with all infrastructure elements. This contract was awarded in the fourth quarter of fiscal year 2021. In fiscal year 2022, the contracted firm is expected to provide an updated FCA and updated 5 year Asset Management Plan.

In fiscal year 2021, GAO refreshed a number of the interior building finishes and completed the design for some of its HVAC upgrades through an architectural engineering firm. GAO is in the process of procuring the construction phase of those HVAC projects, which it is scheduled to complete in fiscal year 2022 and fiscal year 2023. GAO’s updated estimate of the amount of accumulated deferred maintenance and repair work required to bring facilities to a “fair”

condition, based on the FCA and in-house assessments, is approximately \$79.5 million, as of the fiscal year that ended on September 30, 2021.

**Dollars in thousands**

<b>Deferred Maintenance and Repair Costs</b>	<b>September 30, 2021</b>	<b>September 30, 2020</b>
General property and equipment	\$79,532	\$82,271

# Inspector General's Statement

United States Government Accountability Office

## Memorandum

**Date:** October 1, 2021

**To:** Comptroller General Gene L. Dodaro

**From:** Inspector General Adam R. Trzeciak

**Subject:** GAO Management Challenges

GAO continues to address the challenges brought on by the global pandemic of Coronavirus Disease 2019 (COVID-19). For most of fiscal year 2021, the agency remained in a maximum telework operating posture initiated in March 2020. GAO began to allow employees to re-enter headquarters and its 11 field offices, on a voluntary basis, beginning in August, 2021. It continues to prioritize the health and safety of its workforce as it continues to fulfill its mission. The bigger challenges may be in navigating re-entry for its full workforce, determining the appropriate operating posture in terms of potential changes to official duty station requirements, telework, and various workspace options to support those decisions.

GAO's reported challenge to maintain its operations encompasses managing a quality workforce, maintaining a reliable, secure information technology framework, and ensuring workplace safety. I continue to believe that for GAO, these areas represent successes rather than challenges, as demonstrated by its ability to virtually onboard 300 new staff and host 118 interns during the past fiscal year. My office continues to assess risk in these areas, and has ongoing or planned audits that will assess key aspects of related GAO programs and operations.

The third challenge, improving the efficiency of GAO engagements, has also been reported as a challenge for several years, and will always be a focus for continuous improvement. Recognizing this area as essential to the agency's mission, the OIG conducted an audit this past year that looked at how GAO has developed its publishing editor from a project management perspective, and found that while the development efforts were largely consistent with recommended practices, several opportunities for improvement existed, in scheduling, cost estimating, and requirements management practices. GAO is taking corrective action in these areas, which will have a positive impact on all project development and management.

Since fiscal year 2019, I have identified infrastructure management as an additional potential challenge area, highlighting space, occupancy and other issues that coincide with leasing arrangements particular to GAO headquarters in Washington, D.C. GAO rents space to several Department of Justice entities, the U.S. Army Corps of Engineers, as well as the Pandemic Response Accountability Committee (PRAC). GAO's role as a landlord may continue to grow, depending on future workforce and workspace decisions discussed above. Regardless, it is important to acknowledge the shared space among several entities at the GAO headquarters which will certainly impact upcoming workforce health and safety considerations, as well as approaches to re-entry.

# Appendix I: Abbreviations

AI	Artificial Intelligence
APQA	Audit Policy and Quality Assurance
ARM	Applied Research and Methods
CAO	Chief Administrative Office
CAS	Close Air Support
CDC	Centers for Disease Control and Prevention
CEAR	Certificate of Excellence in Accountability Reporting
[the] Center	Center for Audit Excellence
CGI	CGI Federal, Inc.
CPA	Certified Public Accountant
CPSC	Consumer Product Safety Commission
CR	Congressional Relations
CRA	Congressional Review Act
CSAT	Customer Satisfaction Survey
CSRS	Civil Service Retirement System
DATA Act	Digital Accountability and Transparency Act of 2014
DHA	Defense Health Agency
DHS	Department of Homeland Security
DNP	Do Not Pay
DOD	Department of Defense
DOE	Department of Energy
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
DPM	designated performance manager
EAP	Educator's Advisory Panel
Education	Department of Education
EES	Employee Experience Survey
EHRI	Enterprise Human Resources Integration
EPA	U.S. Environmental Protection Agency
ERM	Enterprise Risk Management
ESCM	Embassy, Security, Construction, and Manitenance
ESF	Economic Support Fund
EUAs	emergency use authorizations
FAA	Federal Aviation Administration
FAIS	Forensic Audits and Investigative Service
FASAB	Federal Accounting Standards Advisory Board
FCA	Facility Condition Assessment
FCC	Federal Communications Commission
FCI	Facility Condition Index
FDA	Food and Drug Administration
FDIC	Federal Deposit Insurance Corporation
FECA	Federal Employees' Compensation Act
FEGLI	Federal Employees Group Life Insurance Program
FEHBP	Federal Employees Health Benefits Program
FEMA	Federal Emergency Management Agency

FERC	Federal Energy Regulatory Commission
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FICA	Federal Insurance Contributions Act
FISMA	Federal Information Security Management Act
FMFIA	Federal Managers' Financial Integrity Act
FTE	full-time equivalent
FVRA	Federal Vacancies Reform Act
GAAP	Generally Accepted Accounting Principles
GAO	<b>Government Accountability Office</b>
GAO-IG Act	Good Accounting Obligation in Government Act
G-Invoicing	Government Invoicing
GPRA	Government Performance and Results Act
GPRAMA	GPRA Modernization Act of 2010
GSA	General Services Administration
GTAS	Government-wide TAS ATB System
HHS	Department of Health and Human Services
HQ	headquarters
HVAC	Heating, ventilation, and air conditioning
IAFP	International Auditor Fellowship Program
IC	Intelligence Community
ICA	Impoundment Control Act of 1974
ICD	Intelligence Community Directive
IDC	INTOSAI Donor Cooperation
IG	Inspector General
IGT	Intragovernmental Transactions
INTOSAI	International Organization of Supreme Audit Institutions
IPERA	Improper Payments Elimination and Recovery Act of 2012
IRS	Internal Revenue Service
IGT	Intragovernmental Transactions
IT	Information Technology
LBFMS	Legislative Branch Financial Management System
LIHTC	Low-Income Housing Tax Credit
LLP	Limited Liability Partnership
Matters	Matters to the Congress
NASA	National Aeronautics and Space Administration
NCD	National Cyber Director
NFC	National Finance Center
NFIP	National Flood Insurance Program
NIH	National Institutes of Health
NSF	National Science Foundation
ODNI	Office of the Director of National Intelligence
OFPP	Office of Federal Procurement Policy
OGC	Office of General Counsel
OHS	Office of Head Start
OIC	Office of Internal Control
OIG	Office of Inspector General
OMB	Office of Management and Budget
OO&I	Office of Opportunity and Inclusiveness
OPM	Office of Personnel Management

OSTP	Office of Science and Technology Policy
PAR	Performance and Accountability Report
PRAC	Pandemic Response Accountability Committee
PSLF	Public Service Loan Forgiveness
RKV	Redesigned Kill Vehicle
RPS-AM	Results Phase System—Accomplishments Module
SAI	Supreme Audit Institution
SBA	Small Business Administration
SCEI	Supervisory Committee on Emerging Issues
SCRM	Supply Chain Risk Management
SEC	Securities and Exchange Commission
SFFAS	Statement of Federal Financial Accounting Standards
SPEL	Strategic Planning and External Liaison
SSA	Social Security Administration
STAA	Science, Technology Assessment, and Analytics
TMS	talent management system
Treasury	U.S. Department of the Treasury
U.S.	United States
U.S.C.	United States Code
UI	Unemployment Insurance
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USPS	U.S. Postal Service
USSGL	U.S. Standard General Ledger
VA	Department of Veterans Affairs

# Appendix II: Data Quality

## Verifying and Validating Performance Data

Each year, we measure our performance with indicators of the results of our work, client service, people management, and internal operations. To assess our performance, we use actual, rather than projected, data for almost all of our performance measures. We believe the data are complete and reliable based on our verification and validation procedures

to ensure quality. The specific sources of the data for our annual performance measures, procedures for independently verifying and validating these data, and the limitations of these data are described in [table 25](#). See [Setting Performance Targets](#) for related information.

**Table 25: How We Ensure Data Quality for Our Annual Performance Measures**

Results measures	
<b>Financial benefits</b>	
<b>Definition and background</b>	<p>Our work—including our findings and recommendations—may produce benefits to the federal government that can be estimated in dollar terms. A financial benefit is an estimate of the federal cost reduction of agency or congressional actions. These financial benefits generally result from work that we completed over the past several years. The estimated benefit is based on actions taken in response to our work, such as reducing government expenditures, increasing revenues, or reallocating funds to other areas. Financial benefits included in our performance measures are net benefits—that is, estimates of financial benefits that have been reduced by the costs associated with taking the action that we recommended. For financial benefits covering 1 or more years, 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. In some cases, we can claim financial benefits over multiple years based on a single agency or congressional action.</p> <p>Financial benefits are linked to specific recommendations or other work. To claim that financial benefits have been achieved, our staff must file an accomplishment report documenting that (1) the actions taken as a result of our work have been completed or substantially completed, (2) the actions generally were taken within 2 fiscal years prior to the filing of the accomplishment report, (3) a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed, and (4) estimates of financial benefits were based on information obtained from non-GAO sources. To help ensure conservative estimates of net financial benefits, reductions in operating costs are typically limited to 2 years of accrued reductions, but up to 5 fiscal years of financial benefits can be claimed if the reductions are sustained over a period longer than 2 years. Multi-year reductions in long-term projects, changes in tax laws, program terminations, or sales of government assets are limited to 5 years. Financial benefits can be claimed for past or future years. For financial benefits involving events that occur on a regular but infrequent basis—such as the decennial census—we may extend the measurement period until the event occurs in order to compute the associated financial benefits using our present value calculator.</p> <p>Managing directors decide when their staff can claim financial benefits. A managing director may choose to claim a financial benefit all in 1 year or over several years, if the benefit spans future years and the managing director wants greater precision as to the amount of the benefit.</p>
<b>Data sources</b>	<p>Our Results Phase System-Accomplishments Module (RPS-AM) provides the data for this measure. Teams use this web-based data system to prepare, review, and approve accomplishments and forward them to our APQA office for review. Once accomplishment reports are approved, they are loaded into our data warehouse, which feeds official reports in our Business Intelligence Analytics.</p>

## Results measures

### Verification and Validation

Our policies and procedures require us to use RPS-AM to record the financial benefits that result from our work. They also provide guidance on estimating those financial benefits. The team identifies when a financial benefit has occurred as a result of our work. The team develops estimates based on non-GAO sources, such as the agency that acted on our work, a congressional committee, or the Congressional Budget Office, and files accomplishment reports based on those estimates. When non-GAO estimates are not readily available, GAO estimates—developed in consultation with our experts, such as the Chief Economist, Chief Actuary, or Director for the Center for Economics—are corroborated with a knowledgeable program official from the executive agency involved. The estimates are reduced by significant identifiable offsetting costs. The team develops documentation to support accomplishments with evidence that meets our evidence standard, supervisors review the documentation, and an independent person within GAO reviews the accomplishment report. For all financial accomplishment reports, the managing director prepares a memorandum addressed to the Chief Quality Officer attesting that the accomplishment report meets our standards for accomplishment reporting. The memorandum specifically (1) addresses how linkage to GAO is established, and (2) attests that the financial benefits are claimed in accordance with our procedures. Beginning in fiscal year 2010, teams are also required to consult with our Center for Economics on the calculation for financial benefits of \$500 million or more. For each of the financial accomplishment reports, an economist reviews and approves the methodology for calculating the proposed financial benefit. The assessment results are documented in the accomplishment's supporting documentation and provided to the second reviewers.

The team's managing director is authorized to approve financial accomplishment reports with benefits of less than \$100 million. The team forwards the report to APQA, which reviews all accomplishment reports and approves accomplishment reports claiming benefits of about \$100 million or more. In fiscal year 2021 APQA approved accomplishment reports covering about 99 percent of the dollar value of financial benefits we reported.

In fiscal year 2021, accomplishments of \$500 million or more were also reviewed by independent second and third reviewers (reemployed GAO annuitants), who have substantial experience and knowledge of our accomplishment reporting policies and procedures. Our total for fiscal year 2021 reported financial benefits reflect the views of the independent reviewers.

### Data limitations

Not every financial benefit from our work can be readily estimated or documented as attributable to our work. As a result, the amount of financial benefits is a conservative estimate. Estimates are based primarily on information from non-GAO sources and are based on both objective and subjective data, and as a result, professional judgment is required in reviewing accomplishment reports. We believe that the verification and validation steps that we take minimize any adverse impact from this limitation.

## Other benefits

### Definition and background

Our work—including our findings and recommendations—may produce benefits to the government that cannot be estimated in dollar terms. These other benefits can result in better services to the public, changes to statutes or regulations, or improved government business operations.

Other benefits generally result from past work that we completed. Other benefits are linked to specific recommendations or other work that we completed over several years. To claim that other benefits have been achieved, staff must file an accomplishment report that documents that (1) the actions taken as a result of our work have been completed or substantially completed, (2) the actions generally were taken within the past 2 fiscal years of filing the accomplishment report, and (3) a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed.

### Data sources

Our RPS-AM provides the data for this measure. Teams use this automated system to prepare, review, and approve accomplishments and forward them to APQA for its review. Once accomplishment reports are approved, they are loaded into our data warehouse, which feeds official reports in BI.



## Results measures

**Verification and validation** We use RPS-AM to record the other benefits that result from our findings and recommendations. Staff in the team file accomplishment reports to claim benefits resulting from our work. The team develops documentation to support accomplishments with evidence that meets our standards. Supervisors review the documentation; an independent staff person checks the facts of the accomplishment report; and the team's managing director, director, or both approve the accomplishment report to ensure its appropriateness, including attribution to our work.

The team forwards the report to APQA, where it is reviewed for appropriateness. APQA provides summary data on other benefits to team managers, who check the data on a regular basis to make sure that approved accomplishments from their staff have been accurately recorded.

**Data limitations** The data may be underreported because we cannot always document a direct cause-and-effect relationship between our work and the resulting benefits. Therefore, the data represent a conservative measure of our overall contribution toward improving government.

## Percentage of products with recommendations

**Definition and background** We measure the percentage of our written reports and numbered correspondence issued in the fiscal year that included at least one recommendation. We make recommendations that specify actions that can be taken to improve federal operations or programs. We strive to ensure that recommendations are directed at resolving the cause of identified problems; that they are addressed to parties who have the authority to act and that they are specific, feasible, and cost effective. Some of our products are informational and do not contain recommendations.

We track the percentage of our written products that are issued during the fiscal year and contain recommendations. This indicator recognizes that our products do not always include recommendations. Beginning in fiscal year 2015, GAO's PAR no longer includes in its calculation of percentage of products with recommendations those products that include Matters for Congressional Consideration (Matters), but no recommendations to federal agencies. We did not recalculate the percentage of products with recommendations to exclude Matters for years prior to fiscal year 2015, because such products account for a very small number of the products we issue annually and, therefore, would not have substantively changed the results for those years.

**Data sources** Our Publications Database incorporates recommendations from products as they are issued. The database is updated daily.

**Verification and validation** Our Information Management team enters data on recommendations into a "staging" system where they are reviewed for accuracy and completeness. Once reviewed, the data are posted to the Publications Database. We provide our managers with reports on the recommendations being tracked to help ensure that all recommendations have been captured and that each recommendation has been completely and accurately stated.

**Data limitations** This measure is a conservative estimate of the extent to which we assist the Congress and federal agencies because not all products and services we provide lead to recommendations. For example, the Congress may request information on federal programs that is purely descriptive or analytical and does not lend itself to recommendations.

## Past recommendations implemented

## Results measures

### Definition and background

We make recommendations designed to improve the operations of the federal government. For our work to produce financial or other benefits, federal agencies must implement these recommendations. As part of our audit responsibilities under generally accepted government auditing standards, we follow up on recommendations we have made and report to the Congress on their status. Experience has shown that it takes time for some recommendations to be implemented. For this reason, this measure is the percentage rate of implementation of recommendations made 4 years prior to a given fiscal year (e.g., the fiscal year 2021 implementation rate is the percentage of recommendations made in fiscal year 2017 products that were implemented by the end of fiscal year 2021). Our experience has shown that if a recommendation has not been implemented within 4 years, it is not likely to be implemented.

Beginning in fiscal year 2015, GAO's PAR no longer includes actions taken by the Congress based on GAO's Matters in calculating past recommendations implemented. We did not recalculate the percentage of recommendations implemented to exclude Matters for years prior to fiscal year 2015 because such products account for a very small number of the products we issue annually and, therefore, would not have substantively changed the results for those years.

### Data sources

Our Publications Database incorporates recommendations as products are issued. The database is updated daily. As our staff monitor implementation of recommendations, they submit updated information to the database.

### Verification and validation

Our policies and procedures specify that our staff must verify and document that an agency's reported actions are adequately being implemented. Staff update the status of the recommendations at least once a year by September 30th. To accomplish this, our staff may interview agency officials, obtain agency documents, access agency databases, or obtain information from an agency's IG. Recommendations that are reported as implemented are reviewed by a senior executive in the team and by APQA.

Summary data are provided to the teams that issued the recommendations. The teams check the data regularly to make sure that the recommendations they have reported as implemented have been accurately recorded. We also provide the Congress and general public with access to a database with the status of open recommendations, which is updated daily.

### Data limitations

The data may be underreported because, in some cases, a recommendation may require more than 4 years to implement. We also may not count cases in which a recommendation is partially implemented. Therefore, the data represent a conservative measure of our overall contribution toward improving government.

## Client measures

### Testimonies

### Definition and background

The Congress asks GAO's senior executives to provide expert testimony at hearings on various issues, and these testimonies are the basis for this measure. For purposes of this performance measure, we define senior executives as those above the GS-15 or equivalent level. Delivering testimonies is one of our most important forms of communication with the Congress, and the number of testimonies that we are asked to deliver reflect the importance and value of our institutional knowledge in assisting congressional decision-making. Historically, when we have had multiple witnesses deliver separate testimony statements at a single hearing, we have counted these as a "single" testimony—effectively equating the number of hearings at which GAO testified with the number of testimonies we have delivered. In 2016, we modified this methodology to more fully account for the number of discrete testimonies that GAO's senior executives are asked to deliver in a given fiscal year. Specifically, when multiple senior executives are asked to testify on different aspects of GAO's work and deliver their own separate written testimony statements at a single hearing, we will count each testimony in the total count for the fiscal year. We did not recalculate the number of testimonies we delivered prior to 2016, because this situation occurs infrequently. However, we want to be positioned to fully report our testimony performance when it does occur. We will continue our practice of (1) not counting statements as separate when two GAO teams provide a joint statement, and (2) not counting statements for the record when our witness does not appear.

**Results measures**

<b>Data sources</b>	The data on testimonies are compiled in our Engagement Management System managed by staff in our mission teams.
<b>Verification and validation</b>	The team responding to a request for a testimony is responsible for entering data into the Engagement Management System. After a team has testified at a hearing, the team records the date the hearing took place in the Engagement Management System. CR provides weekly status reports to unit managers, who check to make sure that the data are complete and accurate.
<b>Data limitations</b>	This measure does not include statements for the record that we prepare for congressional hearings. Also, this measure may be influenced by factors other than the quality of our performance in any specific year. The number of times that our senior executives are asked to testify at congressional hearings each year depends on the Congress's agenda, and the number of times we are asked to testify may reflect congressional interest in work in progress as well as work completed that year or the previous year. To mitigate this limitation, we try to adjust our target to reflect cyclical changes in the congressional schedule. We also reach out to our clients on a continuing basis to increase their awareness of our readiness to testify at congressional hearings.

**Timeliness**

<b>Definition and background</b>	The likelihood that our products will be used is enhanced if they are delivered when needed to support congressional and agency decision-making. To determine whether our products are timely, we solicit feedback from the client using an electronic form. We compute the proportion of favorable responses to a question related to timeliness. Because our products often have multiple congressional clients, we often reach out to more than one congressional staff person per product. We send a form to key staff working for requesters of our testimony statements and to clients of our more significant written products—specifically engagements assigned an interest level of “high” by our senior management and those requiring an expected investment of 500 staff days or more. One question asks the respondent whether the product was delivered on time. When a product that meets our criteria is released to the public, we electronically send relevant congressional staff an e-mail message containing a link to the form. When this link is accessed, the form recipient is asked to respond to the timeliness question using a five-point scale—“strongly agree,” “generally agree,” “neither agree nor disagree,” “generally disagree,” or “strongly disagree”—or to choose “not applicable/no answer.” For this measure, favorable responses are “strongly agree” and “generally agree.”
<b>Data sources</b>	To identify the products that meet our criteria (testimonies and other products that are high interest or expected to reach 500 staff days or more), we run a query against our Publications Database, which is maintained by a contractor. To identify appropriate recipients of the form for products meeting our criteria, we ask the engagement teams to provide in our Product Distribution System e-mail addresses for congressional staff serving as contacts on a product. Relevant information from both of these systems is fed into another system that is managed by CR staff. This database then combines product, form recipient, and data from our CR staff and creates an e-mail message with a web link to the form. CR staff serve as the contacts for form recipients. The e-mail message also contains an embedded client password and unique client identifier to ensure that a recipient is linked with the appropriate form. Our Client Feedback Database creates a record with the product title and number and captures the responses to every form sent back to us electronically.
<b>Verification and validation</b>	CR staff review released GAO products to check the accuracy of the addressee information in the Product Distribution System. They also check the congressional staff directory to ensure that form recipients listed in this system appear there. In addition, our CR staff review the list of form recipients entered by the engagement teams and identify the most appropriate congressional staff person to receive a form for each client. E-mail messages that are inadvertently sent with incorrect e-mail addresses automatically reappear in the form approval system. When this happens, CR staff correct the errors and resend the e-mail message.

## Results measures

**Data limitations** Testimonies and written products that met our criteria for this measure were sent a client survey form, representing about 42 percent of the congressionally requested written products we issued during fiscal year 2021. We exclude from our timeliness measure low and medium-interest reports expected to take fewer than 500 staff days when completed, reports addressed to agency heads or commissions, some reports mandated by the Congress, classified reports, and reports completed under the Comptroller General's authority. Also, if a requester indicates that he or she does not want to complete a form, we will not send one to this person again, even though a product subsequently requested meets our criteria. The response rate for the form is 15 percent, and 98 percent of those who responded answered the timeliness question. We received responses from one or more people for about 43 percent of the products for which we sent a form in fiscal year 2021.

## People measures

### New hire rate

**Definition and background** This performance measure is the ratio of the number of people hired to the number we planned to hire. Annually, we develop a workforce plan that takes into account our strategic goals; projected workload changes; and other changes such as retirements, other attrition, promotions, and skill gaps. The workforce plan for the upcoming year specifies the number of planned hires. The Chief Operating Officer, Chief Administrative Officer, Deputy Chief Administrative Officer, Chief Human Capital Officer, and Controller meet monthly to monitor progress toward achieving the workforce plan. Adjustments to the workforce plan are made throughout the year, if necessary, to reflect changing needs and conditions.

**Data sources** The Executive Committee approves the workforce plan. The workforce plan is coordinated and maintained by CAO. Data on accessions—that is, new hires coming on board—is taken from a database that contains employee data from USDA's National Finance Center (NFC) database, which handles payroll and personnel data for us and other agencies.

**Verification and validation** CAO maintains a database that monitors and tracks all our hiring offers, declinations, and accessions. In coordination with our Human Capital Office, our CAO staff enter workforce information supporting this measure into the CAO database. While the database is updated on a daily basis, CAO staff provide monthly reports to the Chief Operating Officer and CAO, which allows them to monitor progress by unit in achieving workforce plan hiring targets. CAO continually monitors and reviews accessions maintained in the NFC database against its database to ensure consistency and to resolve discrepancies.

**Data limitations** There is a lag of one to two pay periods (up to 4 weeks) before the NFC database reflects actual data. We generally allow sufficient time before requesting data for this measure to ensure that we get accurate results.

### Retention rate

**Definition and background** 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 to retain them. This measure is one indicator that we are attaining that objective and is the complement of attrition. 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.

**Data sources** Data on retention—that is, people who are on board at the beginning of the fiscal year and people on board at the end of the fiscal year—are taken from a CAO database that contains some data from the NFC database, which handles payroll and personnel data for us and other agencies.

**Verification and validation** CAO staff continually monitor and review accessions and attritions against their database that contains NFC data and follow up on any discrepancies. In fiscal year 2009, we developed standard operating procedures, which are still in effect, to document how we calculate and ensure quality control over data relevant to this measure.

**Data limitations** See [New hire rate](#), [Data limitations](#).

## Results measures

### Staff development

**Definition** The Staff Development metric assesses level of access to and usefulness of various types of staff training, including both informal and formal opportunities.

**Data sources** The Staff Development index score is based on staff's favorable responses to six EES items about staff development. Staff are asked to indicate the extent to which they agree or disagree with various statements about staff development on a 5-point scale, ranging from strongly agree to strongly disagree. Staff are also provided an option to indicate "no basis to judge." Favorable responses include the two most positive response categories—strongly agree and agree.

The staff development items include the following: (1) I have access to the training I need to do my job well; (2) I am able to take advantage of formal or informal professional development opportunities so that I am prepared to take on new tasks on the job; (3) The on-the-job training that I received helps me to do my job well; (4) The external training or conferences I attended help me to do my job well; (5) The internal (Learning Center) courses I took help me to do my job well; and (6) The team-led training and knowledge sharing events I participated in help me to do my job well.

To determine the index score, we calculated the percentage of staff selecting a favorable response across all six questions among those who selected a response on the 5-point scale. "No basis to judge" responses were excluded from the calculation. While including "no basis to judge" in the index calculation would result in a different index score, our method of calculation is an acceptable survey practice, and we believe it produces a more valid measure because it represents the experience of only those employees who have a basis to judge the issue.

### Verification and validation

The EES gathers staff's opinions on a variety of workplace topics. Staff are provided with a unique survey link and access code, to which only the external contractor has access. The EES instrument—including all questions and instructions, as well as the web-based design and navigation—was pre-tested in FY 2020 with staff across the agency to help ensure that the survey was clear, logical, effective, and provided a positive user experience. Where needed, questions, instructions, and design were refined through an iterative process to improve the survey quality.

In FY 2021, the EES response rate was about 74 percent, which indicates that results are largely representative of the GAO population. In addition, work units receive their respective results, enabling them to understand or further analyze unit experiences and outcomes.

### Data limitations

The results obtained from the survey reflect staff's self-reported opinions under conditions of confidentiality. Accordingly, there is no way to further validate those expressions of opinion.

The practical difficulties of conducting any survey may introduce errors, commonly referred to as nonsampling errors. For example, these errors could result from respondents misinterpreting a question or data entry staff incorrectly entering data into a database used to analyze the survey responses. Such errors can introduce unwanted variability into the survey results. In FY 2020, we conducted multiple rounds of pre-testing for both the survey content and survey web-design to reduce the likelihood of respondents misinterpreting questions or erroneously navigating the survey. We also created a web-based survey for which respondents entered their answers directly into an electronic questionnaire, eliminating the possibility for potential errors in staff data entry.

### Staff utilization

**Definition** The Staff Utilization metric assesses how well employees understand the purpose and value of their work, as well as how their work engages their talents.

## Results measures

**Data sources** The Staff Utilization index score is based on staff's favorable responses to five EES items about staff utilization. Staff are asked to indicate the extent to which they agree or disagree with various statements about staff utilization on a 5-point scale, ranging from strongly agree to strongly disagree. Staff are also provided an option to indicate "do not know." Favorable responses include the two most positive response categories—strongly agree and agree.

The Staff Utilization items include the following: (1) My talents are used well in the workplace; (2) I know how my work relates to the agency's goals; (3) The work I do is important; (4) My workload is reasonable; and (5) In general, I am utilized effectively.

To determine the index score, we calculated the percentage of staff selecting a favorable response across all five questions among those who selected a response on the 5-point scale. "Do not know" responses were excluded from the calculation. While including "do not know" in the index calculation would result in a different index score, our method of calculation is an acceptable survey practice, and we believe it produces a more valid measure because it represents the experience of only those employees who believe they have the knowledge to provide an opinion on the issue.

**Verification and validation** See [Staff development](#), [Verification and validation](#).

**Data limitations** See [Staff development](#), [Data limitations](#).

## Experience with supervisors

**Definition and background** The Experience with Supervisors metric focuses specifically on staff's official supervisor, referred to as the designated performance manager (DPM). This role applies to staff across the agency at all levels, and enables us to elicit consistent feedback on our key supervisor role. Our Experience with Supervisors index is therefore comprised of the core DPM questions. The question asking to staff to evaluate their DPMs was excluded from the index because it uses a different scale and the items comprising the index collectively provide a robust evaluation of DPMs. The EES additionally provides staff who may have another person directing their day-to-day work an opportunity to respond about their additional supervisor. As these questions were not applicable for all staff, they are excluded from the index.

**Data sources** The Experience with Supervisors index score is based on staff's favorable responses to thirteen EES items about staff's designated performance manager (DPM). Staff are asked to indicate the extent to which they agree or disagree with various statements about their DPM on a 5-point scale, ranging from strongly agree to strongly disagree. Favorable responses include the two most positive response categories—strongly agree and agree.

The Experience with Supervisors items include the following: (1) My DPM treats me fairly; (2) My DPM gives me actionable feedback on a regular basis; (3) My DPM acts with honesty and integrity toward me; (4) My DPM makes sufficient effort to seek out and value my perspective; (5) My DPM gives me the sense that my work contributions are valued; (6) My DPM makes decisions in a timely manner; (7) My DPM sets clear goals and priorities for me; (8) My DPM demonstrates GAO's core values of accountability, integrity, and reliability; (9) My DPM supports my need to balance work and other life issues; (10) My DPM respects and values differences among individuals (e.g., sex, race, sexual orientation, national origin, religion, age, cultural background, disability); (11) My DPM listens to what I have to say; (12) My DPM treats me with respect; and (13) I have trust and confidence in my DPM.

To determine the index score, we calculated the percentage of staff selecting a favorable response across all nine questions among those who responded to the questions.

**Verification and validation** See [Staff development](#), [Verification and validation](#).

## Results measures

**Data limitations** See [Staff development](#), [Data limitations](#).

### Organizational climate

**Definition and background** The Organizational Climate metric assesses important interpersonal and communication dynamics, and staff's general experience and connection to their work. The Organizational Climate metric assesses important interpersonal and communication dynamics, and staff's general experience and connection to their work. In assessing these issues, this metric includes items aligned with GAO's people core values, which include valuing, respecting, and treating staff fairly.

**Data sources** The Organizational Climate index score is based on staff's favorable responses to nine EES items about the organizational climate within their work unit and at GAO more generally. Staff are asked to indicate the extent to which they agree or disagree with various statements about organizational climate on a 5-point scale, ranging from strongly agree to strongly disagree. Favorable responses include the two most positive response categories—strongly agree and agree.

The Organizational Climate items include the following: (1) I feel respected by the people I work with in my work unit; (2) Others in my work unit treat me fairly; (3) Sufficient effort is made to seek out and value each person's perspectives in my work unit; (4) It is easy to collaborate with others in my work unit; (5) Communication in my work unit is effective; (6) I know what I need to do to be successful in my role; (7) I feel encouraged to come up with new and better ways of doing things; (8) My work gives me a feeling of personal accomplishment; and (9) I know what is expected of me on the job.

To determine the index score, we calculated the percentage of staff selecting a favorable response across all nine questions among those who responded to the questions.

**Verification and validation** See [Staff development](#), [Verification and validation](#).

**Data limitations** See [Staff development](#), [Data limitations](#).

## Internal operations measures

### Help get job done, improve quality of work life, and IT tools

**Definition and background** To measure how well we are delivering internal administrative services to our employees and identify areas for improvement, we conduct a web-based CSAT survey. The survey asks employees to indicate how satisfied they are with services that help them get their jobs done, services that affect their quality of work life, and IT tools. We administered the survey for slightly more than 3 weeks in August 2021. We excluded anyone hired after June 20, 2021, since they had limited GAO experience. As in the past, we extended the survey to those in the Personnel Appeals Board and the FASAB as they rely on our administrative services to do their jobs.

## Results measures

### Data sources

These data come from our employees' responses to a web-based survey. To determine how satisfied our employees are with internal administrative services, we calculate composite scores for three measures. No weighting or other adjustments were made. The composite score calculation is made by adding all of the generally and very satisfied ratings across all of the relevant services and dividing it by the number of respondents who provided any satisfaction rating. Of the three composite scores that we calculate, one measure reflects satisfaction with the services that help employees get their jobs done, such as records management, information technology customer support, mail services, and travel support services. The second measure reflects satisfaction with services that affect quality of work life. These services include assistance related to pay and leave, building maintenance and security, and transit benefits. The third measure is for IT tools, such as our engagement management system, tools for working remotely, and the intranet. Some minor wording adjustments were made on a few service areas to better reflect how those services are currently delivered. As in prior years, staff were also able to provide written comments about each service. We had 15 services that focused on GAO administrative services and IT tools and 23 additional GAO administrative services (in 2020 there were 27 additional services—we dropped 4 services which were not available due to the pandemic).

### Verification and validation

The survey was administered by GAO's Web Product Development Group in the ARM team. While the two managers of this unit can access individual responses, they complied with the privacy statement that was posted on the website to only provide aggregated data to GAO management that could not be used to identify responses of any individual. To accomplish this for staff who were in the field, we reported on their field location and did not include their team. For staff in HQ, we included only their team. Similar to last year, we added a question on whether employees recommend GAO as a good place to work. We did this in order to assess the relationship of this question to other surveys. Each unit responsible for administrative services will conduct follow-on work, including analyzing written comments to gain a better understanding of the information from the survey and developing action plans to address problem areas.

### Data limitations

The information contained in the survey is the self-reported opinions of staff expressed under conditions of confidentiality. We do not plan any actions to remedy this limitation because we feel it would violate the pledge of confidentiality that we make to our staff regarding the survey responses.

The practical difficulties of conducting any survey may introduce errors, commonly referred to as nonsampling errors. These errors could result, for example, from respondents misinterpreting a question or entering their data incorrectly. Such errors can introduce unwanted variability into the survey results. We limit the chances of introducing nonsampling errors by using a web-based survey for which respondents enter their answers directly into an electronic questionnaire. This eliminates the need to have the data entered into a database by someone other than the respondent, thus minimizing a potential source of error.

Source: GAO. | GAO-22-4SP



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## Providing Comments on This Report

To provide comments for improving this report, please contact our Chief Quality Officer, who can be reached at (202) 512-6100, at [apqa@gao.gov](mailto:apqa@gao.gov), or at the following address:  
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