

SERVING CONGRESS AND THE NATION



Performance and Accountability Report

Fiscal Year 2020

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.

GAO 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.



Source: Photodisc / GAO-21-4SP

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*Note: Considered Required Supplementary Information.

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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 2020 (October 1, 2019 through September 30, 2020). 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/performanceaccountabilityreport/overview>.

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 discussion 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 2020. 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 2020 and the targets we are aiming for in fiscal year 2021. It also includes a summary of our program evaluation for fiscal year 2020.

Financial Information

This section includes details on our finances in fiscal year 2020, 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 2020 Performance and Financial Snapshot for the American Taxpayer



Government Accountability Office

Who We Are: GAO is an independent, nonpartisan professional services agency in the legislative branch of the federal government. It was created in 1921 to investigate how federal dollars are spent.

What We Do: Commonly known as the investigative arm of the Congress or the “congressional watchdog,” we examine how taxpayer dollars are spent and develop nonpartisan, objective, and reliable information to advise lawmakers and agency heads on ways to make government work better.

Our Results: Since 2002, GAO’s work has resulted in nearly \$1.2 trillion dollars in financial benefits and more than 24,000 program and operational benefits that helped change laws, improve public safety and other services, and promote better management throughout the government.

Did you know?

In fiscal year 2020:

–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 \$77.6 billion in financial benefits—a return of about \$114 for every dollar invested in GAO.

–GAO also identified 1,332 other benefits—those that cannot be measured in dollars, but led to program and operational improvements across the government.

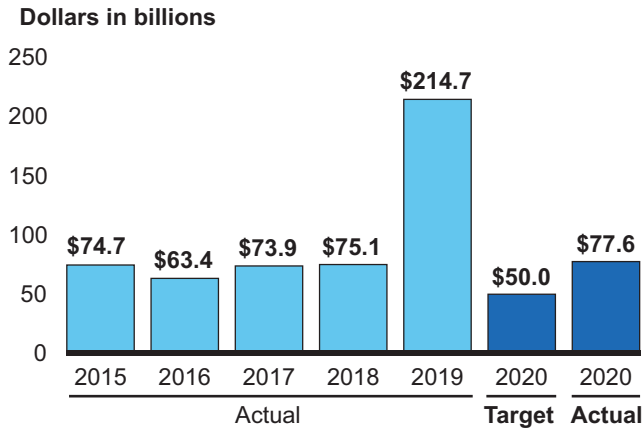
–GAO reported on 35 areas previously designated as high risk due to vulnerabilities to fraud, waste, abuse, and mismanagement or because they face economy, efficiency, or effectiveness challenges. This work yielded 168 reports, 26 testimonies, \$54.2 billion in financial benefits, and 606 other benefits.

–GAO received requests for work from 90 percent of the standing committees of the Congress.

–Senior GAO officials were asked to testify 59 times on a wide range of issues that touched virtually all major federal agencies.

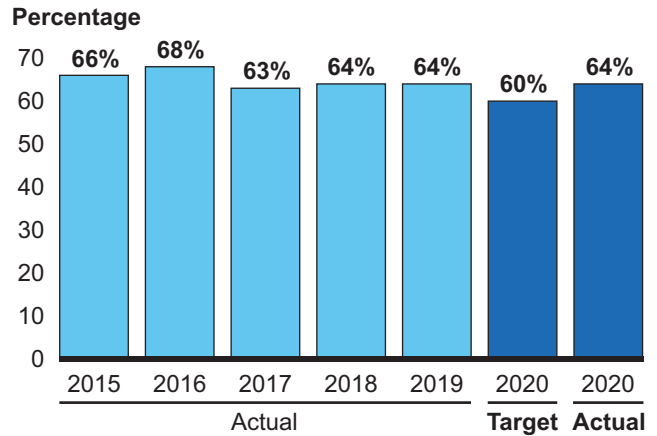
–GAO was again recognized as one of the best places to work in the federal government. In December 2019, the Partnership for Public Service ranked GAO as third among mid-size federal agencies as a “best place to work” and first for diversity efforts.

Figure 1: Financial Benefits GAO Recorded



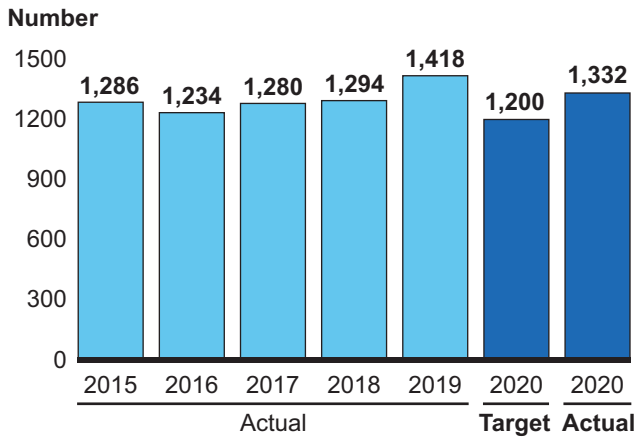
Source: GAO. | GAO-21-4SP

Figure 4: Percentage of New Products with Recommendations



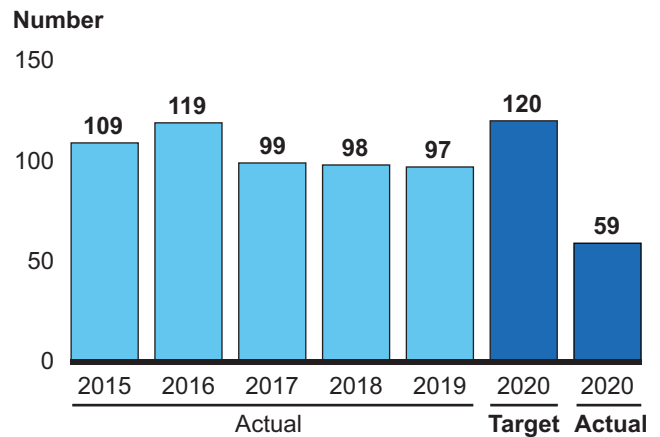
Source: GAO. | GAO-21-4SP

Figure 2: Other Benefits



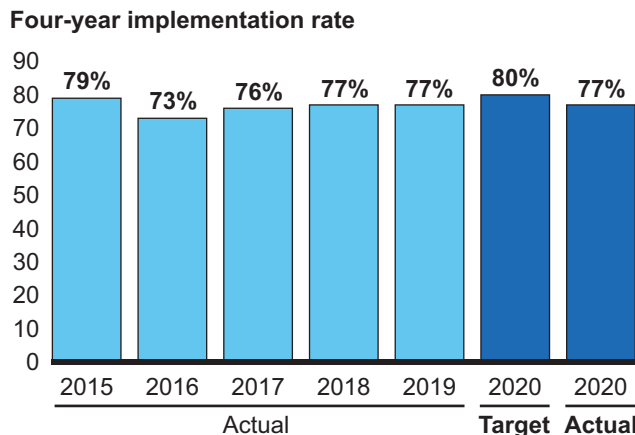
Source: GAO. | GAO-21-4SP

Figure 5: Testimonies



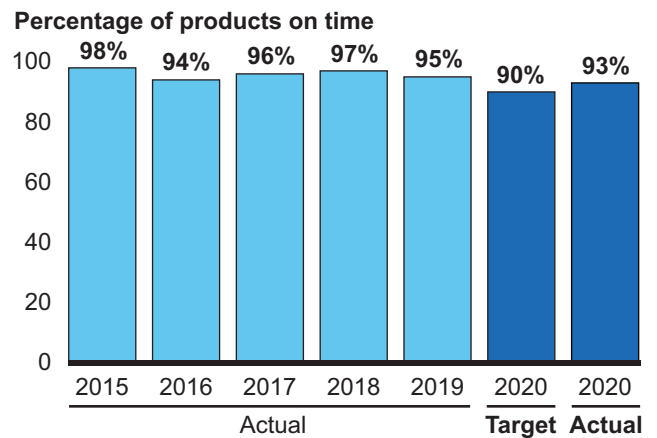
Source: GAO. | GAO-21-4SP

Figure 3: Percentage of Past Recommendations Implemented



Source: GAO. | GAO-21-4SP

Figure 6: Timeliness



Source: GAO. | GAO-21-4SP

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

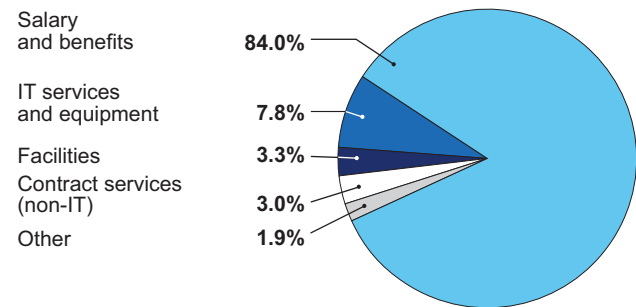
	Fiscal Year 2020	Fiscal Year 2019
Clean opinion on financial statements	Yes	Yes
Clean opinion on internal control over financial reporting	Yes	Yes
Timely and accurate GTAS reporting	Yes	Yes
Material weaknesses in internal control	None	None
Significant internal control deficiencies	None	None

Source: GAO. | GAO-21-4SP

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

Figure 7: Use of Fiscal Year 2020 Funds by Category

Percentage of total costs



Source: GAO. | GAO-21-4SP

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

	Fiscal Year 2020	Fiscal Year 2019
Total Assets	\$189.1	\$161.7
Total Liabilities	\$99.2	\$89.8
Total Net Position	\$89.9	\$71.9
Net Cost of Operations by Goal		
Goal 1: Well-being / Financial Security of American People	\$257.5	\$230.3
Goal 2: Changing Security Threats / Challenges of Global Interdependence	173.5	196.3
Goal 3: Help Transform the Federal Government to Address National Challenges	160.7	148.6
Goal 4: Maximize the Value of GAO	12.6	14.0
Other Costs in Support of the Congress	64.7	62.0
Reimbursable services not attributable to above cost categories	(13.0)	(13.1)
Total Net Cost of Operations	\$656.0	\$638.1
Actual full-time equivalents (FTE)	3,178	3,161

Source: GAO. | GAO-21-4SP

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.



Source: Comstock. | GAO-21-4SP

What's Next? Future Challenges and Priorities

The federal government faced an unsustainable long-term fiscal path even before the complications brought about by COVID-19. This resulted from an imbalance between revenue and spending built into the structure of current law. The Congress and the administration have taken necessary actions—which totaled \$2.6 trillion—to respond to COVID-19 and the subsequent severe economic downturn. Once public health goals are attained and the economy has substantially recovered, the Congress and the administration should swiftly implement a broad plan to address the long-term fiscal outlook.

In the interim, we will continue to monitor the nation's fiscal health; oversee the federal response to COVID-19 and report bimonthly to the Congress, per the CARES Act; and undertake work in several other key areas, based on congressional interest.

Impacts of Evolving Science and Technology

The importance of keeping pace with emerging and rapidly evolving scientific and technological advances was brought into sharp relief this year by COVID-19. Such advances are transforming multiple sectors of society, including medicine, transportation, communication, and defense. Each development brings both opportunities and potential unintended consequences. The ability of the Congress to understand and evaluate such developments will be critical for the U.S. to remain safe, innovative, and globally competitive.

Our Science, Technology Assessment, and Analytics team (established in 2019) is well-positioned to assist with this challenge. Its growing portfolio of ongoing and future work includes (1) technology assessments on quantum computing, blockchain and distributed ledger technologies, and the use of artificial intelligence (AI) in medical diagnostics; and (2) performance audits on foreign conflicts in federal

research, and U.S. competitiveness in high performance computing.

The team's innovation lab will prototype advanced analytics and emerging technologies to increase the sophistication of the data analytics we use to audit federal programs through its state-of-the-art computational environment.

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 cybersecurity of critical infrastructure, such as transportation systems, communications, financial services, and the electric grid; and (3) the security of taxpayer information.

We will also continue to assist the Congress with:

- (1) Overseeing the Department of Defense's efforts to balance current operational deployments with fulfilling the full spectrum of future military needs—focusing on the key areas of interest to congressional defense committees; and
- (2) Improving the federal government's management and delivery of healthcare services across the spectrum of recipients—focusing on key congressional priorities, such as reducing improper payments made by Medicare and Medicaid, which reached \$104 billion in 2019.

In 2021 and beyond, GAO looks forward to assisting the Congress with addressing the nation's most important challenges.

SERVING CONGRESS AND THE NATION



Introduction



Source: Photodisc. | GAO-21-4SP

From the Comptroller General

November 16, 2020

I am pleased to present GAO's Performance and Accountability Report (PAR) for fiscal year 2020. 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.

The COVID-19 pandemic (COVID-19) has had far-reaching and devastating consequences for the nation, including public health and the economy. It has also fundamentally changed our basic ways of life and of work. As outlined later in this letter, GAO rose to the challenge of meeting its statutory obligations to oversee and evaluate \$2.6 trillion in spending in response to COVID-19—the largest rescue package in U.S. history. Collectively, these events galvanized GAO's commitment to the full breadth of our mission. Our results reflect this commitment.

Financial Benefits: In fiscal year 2020, we documented \$77.6 billion in financial benefits for the government—a return of about \$114 for every dollar invested in us. Our average return on investment for the past 5 years is \$165 to \$1. We also reached a return on investment of at least \$100 to \$1 for 8 of the past 9 years. Examples of our financial benefits for this year included contributing to (1) revisions to spending limits for Medicaid demonstration projects (\$29.4 billion) and (2) termination of the Department of Energy's (DOE) Mixed Oxide Fuel Fabrication Facility (MOX) project to dispose of plutonium (about \$13.0 billion). These examples are discussed further in Part 1.

Legislative Impacts: In fiscal year 2020, the Congress used GAO's work extensively to inform key legislative decisions. Examples linked directly to GAO's work include:

- The Appropriations Act of 2020 (and accompanying House and Senate reports): The Congress required agencies to submit progress reports on implementing GAO's recommendations:

- The Secretary of the Department of Veterans Affairs (VA) is to implement our recommendations to improve (1) recruitment and retention initiatives for healthcare providers in rural and highly rural areas; (2) practices used to prescribe drugs to veterans, including opioids; (3) and methods used to credential health providers who treat veterans, to help prevent disqualified providers from delivering patient care.
- The Department of Education (Education) is to (1) simplify and increase transparency and outreach for a student loan forgiveness program, and (2) evaluate a program that offers Pell grants to about 8,000 incarcerated students. It also directed the Secretary of Education to create and execute an outreach plan to increase participation by Historically Black Colleges and Universities in its Capital Financing Program.
- The National Defense Authorization Act of 2020 (and committee reports): Consistent with our work
 - The Congress included the Securing Energy Infrastructure Act, which requires federal agencies and the energy industry to develop a national plan to protect the electric grid from cyber threats.
 - The Congress directed the Secretaries of Labor and Defense to implement several of our recommendations related to (1) defense contracting, (2) TRICARE improper payments, and (3) the Department of Defense (DOD) whistleblower protection.
 - The Congress directed the Secretary of Defense and the Director of National Intelligence to implement our recommendations for improving the onboarding of Intelligence Community (IC) personnel.

Also consistent with our work

- The Fostering Undergraduate Talent by Unlocking Resources for Education Act: The Congress directed Education to obtain Internal Revenue Service (IRS) taxpayer data to verify student-loan borrower income information—estimated to save about \$1.8 billion over 5 years.
- The Payment Integrity Information Act of 2019 (March 2020): The Congress codified and enhanced existing improper payments law by requiring (1) more guidance on agency risk assessments and improper payment estimates; (2) the Office of Management and Budget (OMB) to report an annual government-wide estimate, and create a process to improve reporting by programs that do not comply with improper payments criteria.
- The Pallone-Thune Telephone Robocall Abuse Criminal Enforcement and Deterrence Act: The Congress directed the Federal Communications Commission (FCC) to consider our findings on combating the use of fake caller identification information when it creates rules to help protect subscribers from receiving such unwanted calls or text messages.
- The Building Blocks of STEM Act: The Congress (1) modified the National Science Foundation (NSF) grant programs that support Science, Technology, Engineering, and Math (STEM) education to improve its focus on research and development for early childhood education, and (2) specified how to increase the participation of underrepresented populations in STEM fields.

Other Benefits: Many other benefits resulting from our work cannot be measured in dollars but lead to program and operational improvements. In fiscal year 2020, we recorded 1,332 of these other benefits. For example, our work on **public safety and security**:

- Prompted the Congress to include a provision in the Setting Every Community Up for Retirement Enhancement Act of 2019 (December), which expands access to retirement plans for millions of long-term, part-time employees who previously were not eligible to save and invest in their employer-based retirement savings plans;
- Led the Federal Aviation Administration (FAA) to take steps to improve its oversight of small unmanned aircraft systems (UAS or “drones”)—to prevent these systems from endangering life and property—through better communication with its law enforcement partners about the information it needs on unsafe UAS operations; and
- Led several federal agencies to take steps to more fully establish key elements of a cybersecurity risk management program and/or conduct an agency-wide assessment of cyber risks to better safeguard their agencies from the growing number of cyber threats. These actions included updating key policies and procedures to ensure that they are identifying, assessing, and responding to cyber risks.

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

- Prompted the Federal Emergency Management Agency (FEMA) to improve the services it provides to disaster survivors with disabilities by (1) using new registration-intake questions to better identify their needs, (2) establishing related objectives in its 2019-2022 Strategic Plan, and (3) seeking feedback on its new approach to service delivery;
- Led to agreement by Customs and Border Protection (CBP) to improve the (1) guidance it uses to process and track family separations at the southwest border, and (2) oversight mechanisms for delivering medical care to those in its custody; and
- Led DOD and VA to develop a joint plan to provide updated information on VA’s website about where Agent Orange had been tested and stored in the Vietnam War era to help veterans determine their potential exposure and eligibility for disability compensation.

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

- Helped inform congressional decision makers on the financial viability of the U.S. Postal Service (USPS). For over a decade, we have reported that the business model used by USPS is financially unsustainable due to declining mail volumes and rising costs, and that it needs to work with the Congress and other stakeholders to reassess the nation’s postal needs and how to fund them;
- Led to agreement by the National Aeronautics and Space Administration (NASA) to develop a solid business case for its mission to return U.S. astronauts to the moon by 2024, and include a comprehensive plan and full cost estimate for this mission; and
- Helped inform Senate legislation to build on progress made under the Chief Financial Officers Act of 1990 to further improve federal financial management, such as preparing financial management plans and better linking cost to performance.

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 need to (1) update or replace the heating, ventilation, and air conditioning (HVAC) systems in about 36,000 K-12 public schools, which is of heightened importance given COVID-19; and (2) address the physical barriers, such as accessible door hardware and steep ramps, that make it challenging for students, teachers, and others with disabilities to use public schools facilities.
- **Veterans.** We reported on the need for (1) VA to improve how it tracks and analyzes the data on veteran suicides that occur on its campuses, such as medical facilities, to better understand and prevent such suicides; (2) VA to strengthen its oversight of the quality of state veterans homes, which provide skilled nursing and personal care to about half of eligible veterans—especially given COVID-19; and (3) the Office of Personnel Management (OPM) and agencies to better leverage data to improve the retention of veterans in federal jobs, which is lower than the retention of similar non-veterans.
- **Health care.** We reported on the need to (1) address infection control deficiencies in nursing homes to help safeguard residents from outbreaks like COVID-19; (2) determine more precisely the magnitude of antibiotic resistance—which sickens about 2.8 million people annually—and strengthen federal efforts to minimize its effects; and (3) improve oversight of two Medicaid drug discount programs to help ensure that duplicate discounts for the same drug are not permitted.
- **Technology and science.** At the behest of the Congress, we created a new Science, Technology Assessment, and Analytics (STAA) team in 2019 by (1) consolidating our existing science and technology expertise, (2) growing that expertise, and (3) expanding our portfolio of work per client demand. This year, we continued to bolster our expertise through targeted hiring in areas including aerospace, medical, and mechanical engineering; financial analytics; financial crime; and applied industrial mathematics—reaching a total of 97 staff against a target of 100 by year end.

We expanded our use of Science and Tech Spotlights, which distill complex issues into a 2-page summary. We issued 15 such products. Topics included (1) CRISPR gene editing; (2) 5G wireless technologies; (3) quantum technologies; and (4) COVID-19—Coronaviruses, Social Distancing During Pandemics, COVID-19 Modeling, COVID-19 Testing, COVID-19 Vaccine Development, Herd Immunity, and Contact Tracing Applications.

We also issued in-depth Technology Assessments on (1) the use of Artificial Intelligence to deliver health care services; (2) data quality considerations for modeling and analysis of COVID-19; (3) algorithms used in forensic science for federal law enforcement, such as DNA, fingerprints, and facial recognition; and (4) irrigated agriculture technologies, practices, and implications for water scarcity. In addition, we reported on federal agencies' use of the Internet of Things (IoT) devices and

technologies, convened a CG Forum on Artificial Intelligence, and our Innovation Lab received approval to prototype advanced analytics and emerging technologies.

- **COVID-19 Response and Recovery.** Four relief laws, including the CARES Act, were enacted as of September 2020. These laws appropriated \$2.6 trillion across the government to address the public health and economic threats posed by COVID-19. The CARES Act includes a provision for GAO to conduct monitoring and oversight of the federal government's efforts to prepare for, respond to, and recover from the COVID-19 pandemic, and to report on a bimonthly basis until March 2021 and periodically thereafter. We are to report on, among other things, the effect of the pandemic on the public health, economy, and public and private institutions.

We issued our first three bimonthly reports in June, August, and late September, with a total of 19 recommendations and 3 Matters for Congressional Consideration (Matters). Our September report outlined the many steps that the administration and the Congress have taken to address COVID-19, and issues still requiring attention. We made 16 new recommendations for action to enhance the nation's response to remaining challenges:

Medical Supply Chain. The Department of Health and Human Services (HHS), FEMA, and DOD have taken many steps to mitigate medical supply shortages and expand the medical supply chain—including coordinating the delivery of supplies to nursing homes and using Defense Production Act authorities to increase the domestic production of supplies. However, shortages of certain types of personal protective equipment and testing supplies persist due to a supply chain with limited domestic production and high global demand. We made three recommendations to HHS and one to FEMA to address medical supply shortages and improve the medical supply chain.

Vaccines and therapeutics. In mid-September, we made one recommendation for HHS, with DOD's support, to establish a time frame for documenting and sharing a national plan to distribute and administer a vaccine. After HHS and DOD commented on our draft report, they issued two documents outlining a strategy for distributing a COVID-19 vaccine. We will evaluate these documents and include our findings in future reports.

COVID-19 data. Data collected by the Centers for Disease Control and Prevention (CDC), suggests a disproportionate burden of COVID-19 cases, hospitalizations, and deaths among racial and ethnic minority groups and nursing home residents. We made three recommendations to CDC and one to HHS, in consultation with the Centers for Medicare & Medicaid Services (CMS), to improve data collection on COVID-19 to better understand health outcomes by race and ethnicity and capture more complete data on nursing home residents.

Economic Impact Payments. The Department of the Treasury's (Treasury) IRS took action on several challenges we identified in our June report. One resulting policy change should allow some eligible recipients to receive supplemental payments for qualifying children sooner than expected. However, Treasury and IRS still lack updated information on the number of eligible recipients who have not yet received payments. We made two recommendations to Treasury, in coordination with IRS, to update its estimate of the number of eligible recipients who have not yet received these payments—potentially millions—and provide it to outreach partners.

Coronavirus Relief Fund. Auditors need additional guidance from OMB and Treasury in order to issue consistent and timely audit reports on COVID-19 related programs. We recommended that OMB, in consultation with Treasury, promptly issue this guidance.

Guidance for K-12 Schools. Parts of CDC's guidance on reopening K-12 schools are inconsistent, and some federal guidance appears misaligned with CDC's risk-based approach. We made one recommendation to CDC to ensure that its federal guidance on reassessing schools' operating status is cogent, clear, and internally consistent.

Tracking Contract Obligations. Federal agencies are tracking contract actions and associated obligations in response to COVID-19 using a National Interest Action (NIA) code in the Federal Procurement Data System-Next Generation. We have identified inconsistencies in creating and closing these codes following previous emergencies and remain concerned about the criteria the Department of Homeland Security (DHS) and DOD rely on to determine whether to extend or close a code and whether the code meets long-term needs. We made two recommendations—one to DHS and one to DOD—to ensure that the criteria for extending or closing the NIA code reflect government-wide needs for tracking contract actions in longer-term emergencies, like a pandemic.

Cybersecurity Weaknesses. We have identified numerous cybersecurity weaknesses at multiple HHS component agencies, including CMS, CDC, and the Food and Drug Administration (FDA), over the last 6 years. Due to imminent cybersecurity threats, we urged HHS to expedite implementation of our prior recommendations on cybersecurity weaknesses at these agencies. We made one comprehensive recommendation.

Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL). The Small Business Administration (SBA) provided about \$729 billion to small businesses hurt by COVID-19 through the PPP and EIDL programs. Given the immediate need for relief, SBA quickly streamlined these programs to expedite the distribution of funding. However, streamlining efforts, such as allowing lenders to rely on borrowers to self-certify eligibility for and planned use of loan funds, may have increased susceptibility to fraud. In June, we recommended that SBA develop and implement plans to identify and respond to risks in the PPP to help ensure program integrity, achieve program effectiveness, and address potential fraud, including in loans of \$2 million or less. As of September 30, 2020, SBA had begun developing PPP oversight plans, but had not yet finalized or implemented them.

We also issued a wide range of other COVID-19-related products on topics, including the challenges of inspecting foreign drug manufacturers; federal contracting in response to the pandemic; COVID-19 response and strains on VA's supply chain; FEMA's role in the response to COVID-19 and related challenges; air travel and communicable diseases; and key considerations for federal agencies returning employees to workplaces during pandemics. We issued a total of 24 COVID-19-related products and had 121 related audits underway at year end.

Moreover, we actively coordinated with our domestic and international counterparts. Domestically, our outreach focused on the Pandemic Response Accountability Committee and state and local auditors. Internationally, our outreach included rapidly deploying a website for our national audit office counterparts, with resources to support their continuity of operations during the pandemic. We also led development of a pandemic lessons learned document with these national

offices to help governments better prepare for, respond to, and oversee future pandemics. Outreach on this document is planned with external parties, such as the World Health Organization, the United Nations, and the International Civil Aviation Organization Council.

- **Disaster Preparedness, Recovery, and Resilience.** In fiscal year 2020, we issued 32 products and made 56 recommendations in four key areas: (1) National preparedness, including the need for FEMA to address national emergency management capabilities based on information known about states' and territories' response and recovery capabilities; (2) FEMA workforce, including its efforts to assess how it deploys its disaster workforce to meet mission needs; (3) Disaster loans, including the need to mitigate and identify risk—such as extended power outages—to disaster loan processing, and, (4) Survivor assistance, such as the need for FEMA to better explain its program information and eligibility decisions to applicants. We also issued a Disaster Resilience Framework to help the federal government promote resilience to natural disasters.

Between fiscal years 2018 and 2020, we made three Matters for the Congress to consider and 117 disaster-related recommendations to 15 agencies, including FEMA, the U.S. Department of House and Urban Development (HUD), and SBA. By year end, 26 percent of these recommendations were implemented. Since implementing our recommendations, FEMA can better (1) identify survivors' disability-related needs; (2) estimate the number of staff needed to administer Public Assistance recovery efforts; and (3) help ensure that its contracting personnel know to reach out to state and local governments to create and use contacts before disasters hit.

While none of our Matters had been fully implemented by year end, we did provide the Congress with technical assistance on draft legislation in five areas: (1) potential reforms to the National Response Framework, (2) possible creation of a national disaster safety board, (3) loans to fund disaster resilience efforts, (4) reforms to federal advance contracts, and (5) permanently authorizing the Community Development Block Grant Disaster Recovery program. At year end, we had 23 disaster-related audits underway.

- **High risk areas.** In 2019, 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 35 high-risk problems. This year, our high-risk work yielded \$54.2 billion in financial benefits, 606 other benefits, 168 reports, and 26 testimonies. Financial benefits from fiscal year 2006 through fiscal year 2018 totaled nearly \$350 billion. An update will be issued in 2021.
- **Fragmentation, overlap, and duplication.** In 2020, we issued our tenth annual report. It identified 168 new actions in 29 new areas (and 10 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 2019, we identified 908 such actions. As of March, the Congress and executive branch agencies had fully addressed 519 of these actions and partially addressed 202, yielding about \$429 billion in financial benefits—\$393 billion between 2010 and 2019, and \$36 billion more projected in the future.

Serving Our Clients

In fiscal year 2020, we received 550 requests for work from 90 percent of the standing committees of the Congress—supporting a broad range of congressional interests. We issued 586 reports and made 1,459 new recommendations. We were asked to testify 59 times before 43 separate committees or subcommittees on topics including COVID-19; disaster preparedness, response, and recovery; 2020 U.S. Census; the Chief Financial Officers Act; and the nation’s fiscal health.

I continued to meet with the Chairs and Ranking Members of congressional committees to obtain their views on GAO’s work, including their priorities, and to discuss opportunities and challenges facing GAO. The results for our clients were strengthened by agencies implementing 77 percent of our recommendations—matching our performance for the past 2 fiscal years, despite the extraordinary circumstances posed by the pandemic.

Supporting Our People

The hard work and dedication of our diverse and professional multidisciplinary staff positioned GAO to achieve a 93 percent on-time delivery of our products in fiscal year 2020. We exceeded the targets for 6 of our 7 people measures—retention rate with retirements, retention rate without retirements, staff development, staff utilization, experience with supervisors, and organizational climate. We fell short of our target for new hire rate, reaching 76 percent against a target of 80 percent.

We revised our employee feedback survey this year, per agency-wide feedback, to help leaders better gauge staff satisfaction and identify needed improvements. Specifically, we revised the questions underlying four people measures—staff development, staff utilization, effective leadership by supervisors (now experience with supervisors), and organizational climate; and rebaselined these measures. GAO also remained a federal employer of choice. In December 2019, the Partnership for Public Service ranked GAO as third among mid-size federal agencies as a best place to work and first for supporting diversity.

Managing Our Internal Operations

Two overarching principles guided our response to COVID-19: (1) fulfilling our mission by providing expertise and reports to the Congress, and (2) protecting the health and safety of our employees by providing them with the tools, resources, and flexibilities they needed to work safely from home. To accomplish this, we (1) shifted without interruption to a nearly 100 percent telework posture—a direct result of our robust telework program; (2) expanded our core work hours; (3) provided staff with an option for administrative leave to meet COVID-19-specific needs; (4) adapted core course offerings to provide 100 percent virtual delivery; and (5) onboarded 121 new staff and 151 interns virtually to help build our succession pipeline. To improve the efficiency of our engagements we piloted training on new project management tools and techniques for 12 engagements. To improve IT services we expanded network capacity and completed agency-wide rollout of updated operating and telecommunication software.

This fiscal year, we also made significant contributions to the domestic and international auditing community. For example, over 3,900 auditors attended our domestic audit forums (in-person or virtually) to build their skills in areas such as audit collaboration,

Blockchain, CARES Act, and cybersecurity. Our Center for Audit Excellence (1) entered into new multi-year agreements with the U.S. Agency for International Development (USAID) to build the capacity of national audit offices in Ethiopia, Georgia, and Armenia; (2) provided capacity building support to national audit offices in the Philippines and Dominican Republic per existing agreements with USAID; and (3) signed an agreement with the World Bank to assess the needs of a national audit office in Eastern Europe.

Our Office of the General Counsel (OGC) handled over 2,100 bid protests and issued more than 500 decisions on the merits. As the Congress considered legislative proposals to strengthen IG independence, we issued a report outlining key independence principles and possible reforms to achieve that goal and enhance congressional oversight, and provided substantial information on IG independence matters to multiple congressional committees.

We again received from independent auditors an unmodified or “clean” opinion on our financial statements for fiscal year 2020 and our internal control over financial reporting. There was no reportable noncompliance for fiscal year 2020 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 2021 and beyond, we look forward to continuing to serve the Congress and the public on issues affecting the lives of all Americans.

A handwritten signature in black ink, reading "Gene L. Dodaro". The signature is fluid and cursive, with a large, stylized initial "G".

Gene L. Dodaro
Comptroller General
of the United States



Source: GAO, GAO-21-SP

Management Assurance Statements

November 16, 2020

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, 2020, 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, 2020, 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



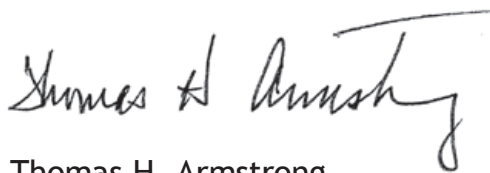
Karl J. Maschino
Chief Administrative Officer/
Chief Financial Officer



Katherine A. Siggerud
Chief Operating Officer



William L. Anderson
Controller



Thomas H. Armstrong
General Counsel



Source: GAO. | GAO-21-4SP

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). Accordingly, this performance and accountability report for fiscal year 2020 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.

GAO’s History

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

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

This report also fulfills our requirement to report annually on the work of the Comptroller General under 31 U.S.C. § 719.¹

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—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

¹FMFIA 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 information technology risks.

- 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

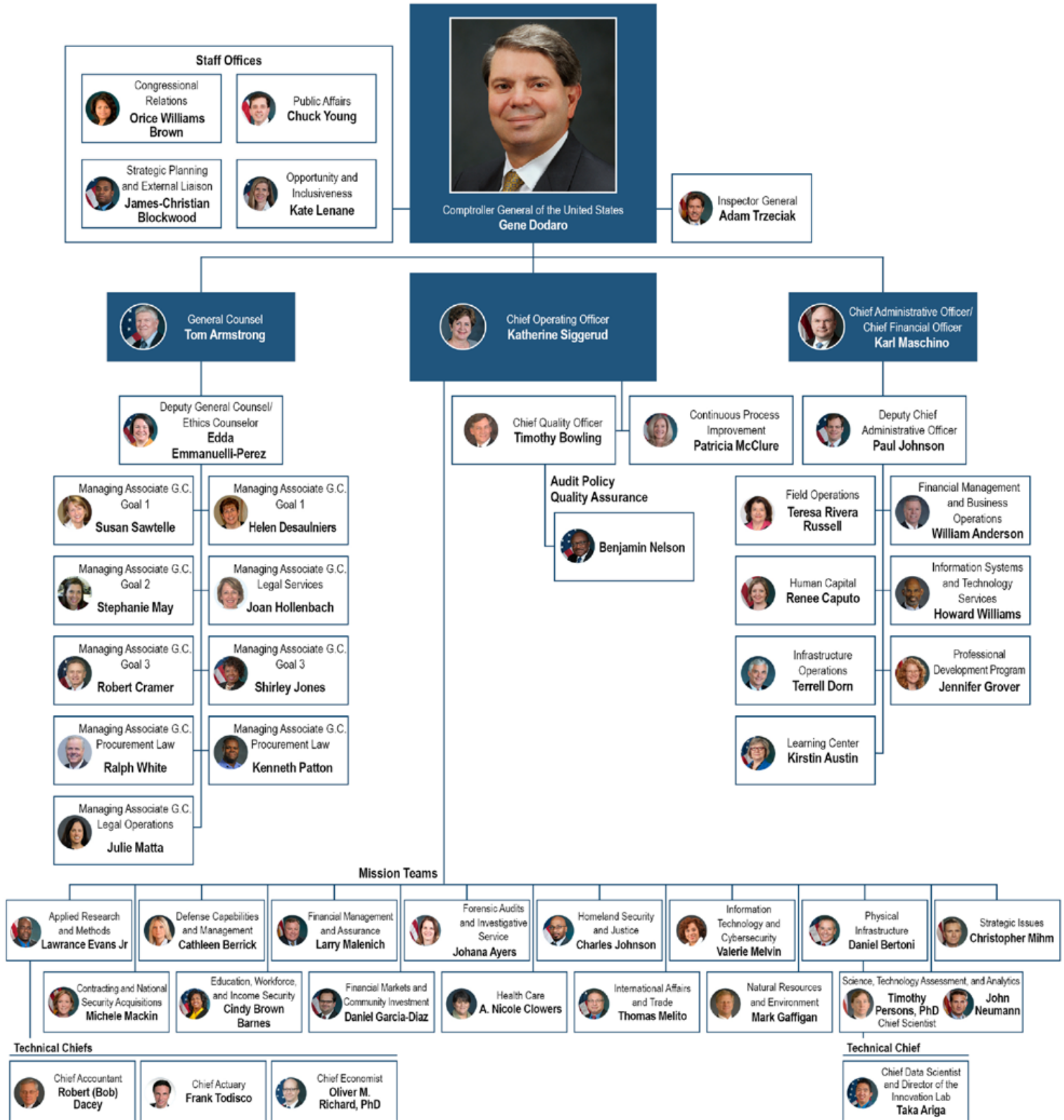
For additional information, see [Part II](#) of this report and [GAO's Strategic Plan](#).

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 Katherine Siggerud, Chief Administrative Officer/Chief Financial Officer Karl J. Maschino, and General Counsel Thomas H. Armstrong (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,

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."

analysts, and auditors who have experience with forensic auditing and data mining; they are assisted by staff in 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.

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, Office of Opportunity and Inclusiveness (OO&I), Audit Policy and Quality Assurance (APQA), Public Affairs, and the Chief Administrative Office, 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, and defends the agency in administrative and judicial forums.

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 Impoundment Control Act of 1974. Finally, GAO also issues opinions related to issues arising under the Congressional Review Act.

For our one internal strategic goal (Goal 4), staff in our Chief Administrative Office 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, Congressional Relations, 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

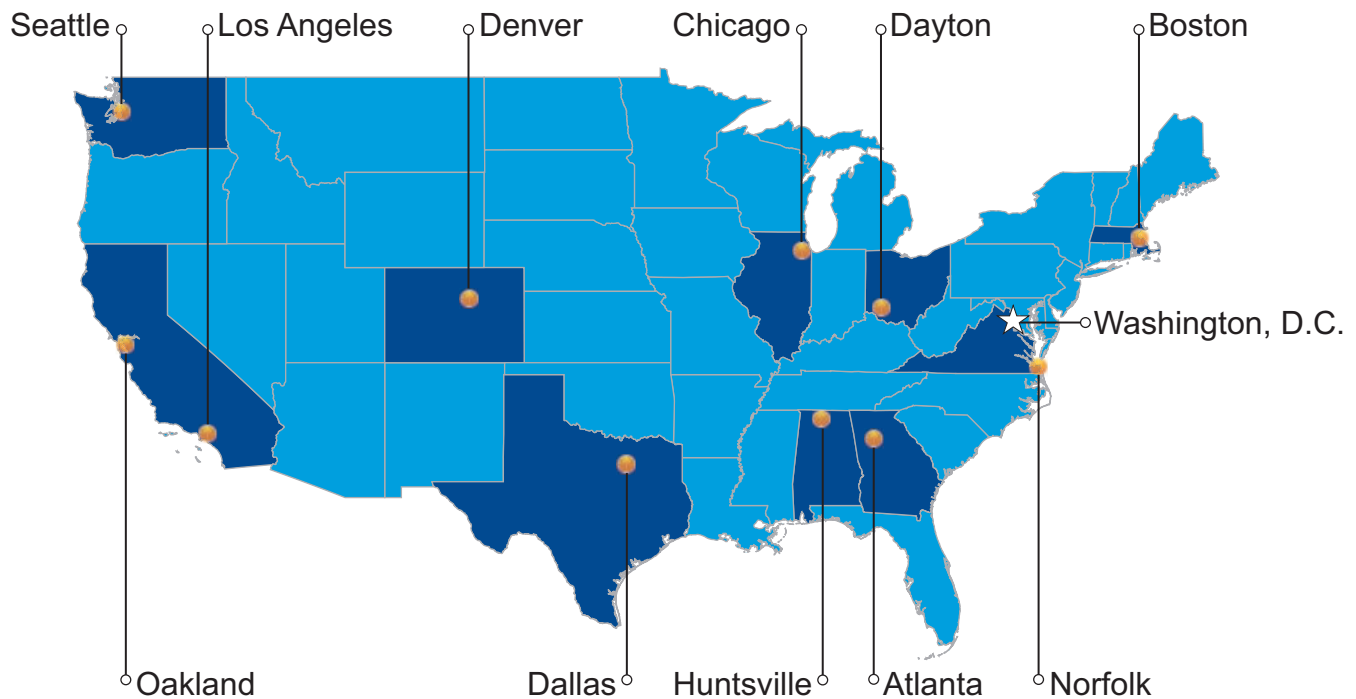
office within the agency. The Inspector General (IG) is appointed by, and reports to, the Comptroller General. The IG is responsible for conducting audits and investigations relating to GAO programs and operations and makes recommendations to promote its economy, efficiency, and effectiveness. The IG 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-one percent of our approximately 3,170 employees are based at our headquarters 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 headquarters staff in support of our external strategic goals.

In the first half of fiscal year 2020, the vast majority of GAO employees participated in some form of telework, and beginning March 13, 2020, employees began teleworking to the maximum extent possible due to the COVID-19 national emergency.

Figure 9: GAO’s Office Locations



Source: Map Resources (map). | GAO-21-4SP

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.² 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:

- (1) Goals and Objectives ([GAO-18-1SP](https://www.gao.gov/products/GAO-18-1SP));
- (2) Key Efforts ([GAO-18-395SP](https://www.gao.gov/products/GAO-18-395SP)); and
- (3) Trends Affecting Government and Society ([GAO-18-396SP](https://www.gao.gov/products/GAO-18-396SP)).

We engage in a range of ongoing foresight activities 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 on our website.³

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.

²<https://www.gao.gov/products/GAO-18-1SP>

³<http://www.gao.gov/products/GAO-18-396SP>

Figure 10: GAO's Strategic Plan Framework

GAO'S STRATEGIC FRAMEWORK



Source: GAO. | GAO-21-4SP

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. Each strategic goal comprises strategic objectives, for which there are specific strategies taking the form of performance goals (each of which has a set of key efforts). The text box below provides an example from our strategic plan.

Strategies for Achieving Our Goals

The Government Performance and Results Act of 1993 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;

An Example of Our Four-tiered Strategic Planning Process

Strategic Goal 2: Help the Congress Respond to Changing Security Threats and the Challenges of Global Interdependence

Strategic Objective 2.1: Protect and Secure the Homeland from Threats and Disasters

Performance Goal 2.1.6: Assess the cost, availability, and management of catastrophic insurance and disaster loan programs.

Key Efforts:

- Evaluate solvency and sustainability of the National Flood Insurance Program (NFIP) and the Disaster Relief Fund in light of the large needs created by multiple natural disasters in 2017.
- Assess the Federal Emergency Management Agency’s (FEMA) management of program reforms contained in upcoming reauthorization legislation.
- Evaluate the costs and benefits of expanding or revising disaster-related insurance programs.
- Assess the availability and affordability of coverage and the efforts to increase private market provision of catastrophic insurance coverage.
- Assess SBA’s efforts to process financial assistance in a timely manner following multiple large-scale disasters.

- Oversight of government operations through financial and other management audits to determine whether public 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 2020, we devoted 96 percent of our engagement resources to work requested or mandated by the Congress. We devoted the remaining 4 percent of engagement resources to work initiated under the Comptroller General's authority. Much of this work addressed various challenges that are of broad-based interest to the Congress, such as the nation's fiscal health, Disaster Resilience Framework, Financial Sector Cybersecurity, trends in drug misuse and emerging risks, and state and local government fiscal outlooks.⁴

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 will update next 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. The U.S. 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. 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, about 700 products annually, primarily in an electronic format. In addition, we publish more than 570 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 opinions on the scope and exercise of the authority of federal officers.

⁴https://www.gao.gov/americas_fiscal_future.

We also produce special publications on specific issues of general interest to many Americans, such as our reports on the fiscal future of the United States and our decisions on federal bid protests.⁵ Our publication, *Principles of Federal Appropriations Law*, is viewed both within and outside of the government as the primary resource on federal case law related to the availability, use, and control of federal funds.⁶ 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, which is updated regularly and is publicly available (<https://www.gao.gov/recommendations/>).

⁵GAO, Bid Protest Annual Report to Congress for Fiscal Year 2019, *GAO-20-220SP* (Washington, D.C.: Nov. 5, 2019).

⁶*Principles of Federal Appropriations Law*, also known as the Red Book, is a multi-volume treatise concerning federal fiscal law available at <https://www.gao.gov/legal/red-book/overview>. *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).

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 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 Strategic Planning and External Liaison 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. 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.⁷ 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. 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, we gather information on three areas: (1) how well our internal operations help employees get their jobs done, (2) how our internal operations improve employees' quality of work life, and (3) 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.

⁷For purposes of this performance measure, we define senior executives as those above the GS-15 or equivalent level.

In fiscal year 2020, per agency-wide feedback, we shortened our Employee Feedback Survey—now Employee Experience Survey (EES), and revised the questions underlying four of our people measures. Therefore, we have rebaselined these measures. [See p. 43.](#)

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 p. 64](#)). 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 p. 38](#)). 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.⁸ 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 2020 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 IG.

⁸Our most current performance plan is available at <https://www.gao.gov/products/GAO-20-334SP> and our most current budget is available at <https://www.gao.gov/products/GAO-20-430T>.

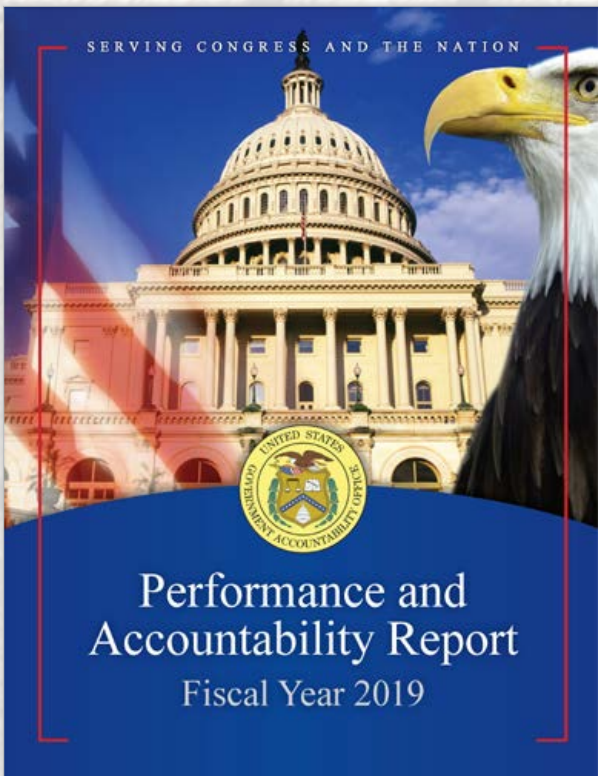
Figure 11: GAO's Performance and Accountability Report Awards

Awards

2019 CEAR Award, 2019 CEAR Best-in-Class Award, and 2020 American Inhouse Design Award

In fiscal year 2020, the Association of Government Accountants awarded GAO (for the 19th consecutive year) its Certificate of Excellence in Accountability Reporting (CEAR) for our Performance and Accountability Report (PAR) for fiscal year 2019. We also received a CEAR Best-in-Class Award for the quality of the agency head letter in this PAR.

Moreover, in fiscal year 2020, we received the American Inhouse Design Award for our Performance and Accountability Report for fiscal year 2019, from Graphic Design USA.



Part I

Management's Discussion and Analysis



Source: Comstock. | GAO-21-4SP

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 2020, demand for our work was high with 550 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

- People
- 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 Challenges

Overall Performance Toward Our Goals

The results of our efforts reflect our solid performance in fiscal year 2020 (see [table 3](#)).

Results

We exceeded our target of \$50.0 billion in financial benefits by \$27.6 billion—reaching \$77.6 billion. This represents about \$114 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 132 benefits, accomplishing 1,332 other benefits. (See [pp. 30-35](#))

We fell short of our target of 80 percent for past recommendations implemented by 3 percentage points, at 77 percent—matching our performance for the past 2 fiscal years, despite COVID-19. We will continue to take actions in 2021 to facilitate implementation of our recommendations. (See [p. 36](#))

We exceeded our target of 60 percent for new products with recommendations by 4 percentage points, at 64 percent. (See [pp. 36-37](#))

Client

Based on our congressional client survey, we exceeded our target of 90 percent for delivering our products and testimonies in a timely manner by 3 percentage points—reaching 93 percent on-time delivery for fiscal year 2020. Our senior executives were asked to testify 59 times, falling 61 testimonies short of our fiscal year 2020 target of 120. 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 43 separate committees or subcommittees on topics spanning most federal agencies. (See [pp. 38-41](#))

People

We exceeded the targets for six of our seven people measures. For retention rate with retirements, we exceeded our target of 92 percent by 3 percentage points, at 95 percent. For retention rate without

retirements, we exceeded our 96 percent target by 1 percentage point, at 97 percent.

We revised our employee feedback survey (now employee experience survey) per agency-wide feedback—primarily questions underlying four of our people measures—staff development, staff utilization, effective leadership by supervisors (now experience with supervisors), and organizational climate—and rebaselined them.

For staff development, we exceeded our target of 80 percent by 1 percentage point, at 81 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 8 percentage points, at 90 percent; and exceeded our target of 76 percent for organizational climate by 10 percentage points, at 86 percent. We fell short of our new hire rate target of 80 percent by 4 percentage points at 76 percent—filling 121 critical positions, against a target of 159. (See [pp. 42-43](#) and [appendix on data quality](#))

Internal Operations

We assessed staff satisfaction with our three internal operations measures for fiscal year 2020 through our internal customer satisfaction (CSAT) survey. In this survey, we measured how well our administrative services (e.g., travel support, counseling, building security, etc.) (1) help employees get their job done—we exceeded our target of 80 percent by 3 percentage points, at 83 percent; and (2) improve quality of work life—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 11 percentage points, at 69 percent. Although we did not meet our goal in this area, we did experience a 13-percentage point satisfaction increase over fiscal year 2019 and continue to seek areas of IT improvement. (See [p. 44](#))

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

Performance measure	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target	2020 actual	Met/ not met	2021 target
Results									
Financial benefits (dollars in billions)	\$74.7	\$63.4	\$73.9	\$75.1	\$214.7 ^f	\$50.0	\$77.6	Met	\$50.0
Other benefits	1,286	1,234	1,280	1,294	1,418	1,200	1,332	Met	1,200
Past recommendations implemented	79% ^a	73%	76%	77%	77%	80%	77%	Not Met	80%
New products with recommendations	66% ^a	68%	63%	64%	64%	60%	64%	Met	60%
Client									
Testimonies	109	119 ^b	99	98	97	120	59	Not Met	100
Timeliness	98%	94%	96%	97%	95%	90%	93%	Met	90%
People									
New hire rate	83%	81%	83%	85%	89%	80%	76%	Not Met	80%
Retention rate									
With retirements	94%	93%	94%	94%	94%	92%	95%	Met	92%
Without retirements	96%	96%	97%	97%	96%	96%	97%	Met	96%
Staff development	N/A ^c	N/A ^c	N/A ^c	N/A ^c	N/A ^c	80%	81%	Met	80%
Staff utilization	N/A ^c	N/A ^c	N/A ^c	N/A ^c	N/A ^c	76%	85%	Met	76%
Experience with supervisors	N/A ^c	N/A ^c	N/A ^c	N/A ^c	N/A ^c	82%	90%	Met	82%
Organizational climate	N/A ^c	N/A ^c	N/A ^c	N/A ^c	N/A ^c	76%	86%	Met	76%
Internal operations									
Help get job done	80%	N/A ^{d,e}	84%	85%	82%	80%	83%	Met	80%
Quality of work life	78%	N/A ^{d,e}	82%	82%	82%	80%	86%	Met	80%
IT tools	67%	N/A ^{d,e}	74%	73%	56%	80%	69%	Not Met	80%

Source: GAO. | GAO-21-4SP

Note: Information explaining all of the measures included in this table appears in the [Appendix on Data Quality](#).^a In 2015, we modified our methodology for past recommendations implemented and new products with recommendations to exclude Matters for Congressional Consideration (see [Appendix on Data Quality](#)).^b 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 on Data Quality](#)).^c In 2020, we revised our Employee Feedback Survey (now Employee Experience Survey), 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.^d 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- 2020, the survey was conducted on a fiscal year basis.^e The targets for all three categories in 2016 were 80 percent.^f 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 2020 targets for all 16 of our performance measures are the same as the targets we reported in our fiscal year 2020 [performance plan](#)).

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 120 testimonies for 2020, but fell short of this target by 61 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 2021, we have 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	2015	2016	2017	2018	2019	2020
Results						
Financial benefits (billions)	\$59.1	\$61.0	\$66.6	\$71.8	\$106.8	110.3
Other benefits	1,332	1,281	1,272	1,274	1,307	1,331
New products with recommendations	65%	65%	65%	65%	65%	64%
Client						
Testimonies	128	118	114	106	103	88

Source: GAO. | GAO-21-4SP



Source: Photodisc. | GAO-21-4SP

Financial Benefits

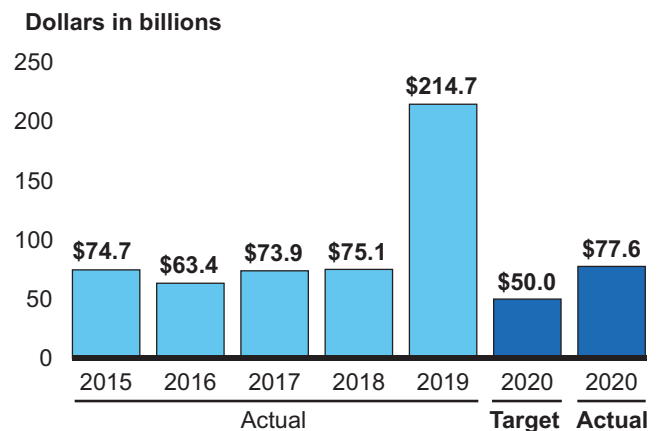
Our findings and recommendations produce measurable financial benefits for the federal government after the Congress or agencies act on them and government expenditures are reduced or funds are reallocated to other areas. For example, a financial benefit can be the result of changes in business operations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

In fiscal year 2020, our work generated about \$77.6 billion in financial benefits (see [fig. 12](#)). We exceeded our target of \$50 billion by about \$27.6 billion, due to two large accomplishments contributing to a reduction of (1) \$29.4 billion in costs based on revisions to spending limits for Medicaid demonstration projects, and (2) about \$13 billion in costs based on DOE’s decision to terminate its Mixed Oxide Fuel Fabrication Facility (MOX) to dispose of plutonium.

In light of our (1) performance in fiscal year 2020; (2) expected future financial benefits based on our past, ongoing, and expected work; and (3) uncertainty about the exact amount of financial benefits

our recommendations will yield in 2021, we have set our 2021 target for financial benefits at \$50 billion.

Figure 12: Financial Benefits GAO Recorded



Source: GAO. | GAO-21-4SP

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. 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. 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. We limit the period over which benefits from an accomplishment can accrue to no more than 5 years. For example, fiscal year 2020 was our fifth year of financial benefits for reducing DOD's payments for drugs under its TRICARE program that contain certain substances generally not approved

by FDA. This helped it avoid over \$1 billion in costs between May 2019 and April 2020.

See [table 5](#) for examples of new financial benefits for fiscal year 2020.

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.

Table 5: Examples of GAO's Major New Financial Benefits Reported in Fiscal Year 2020

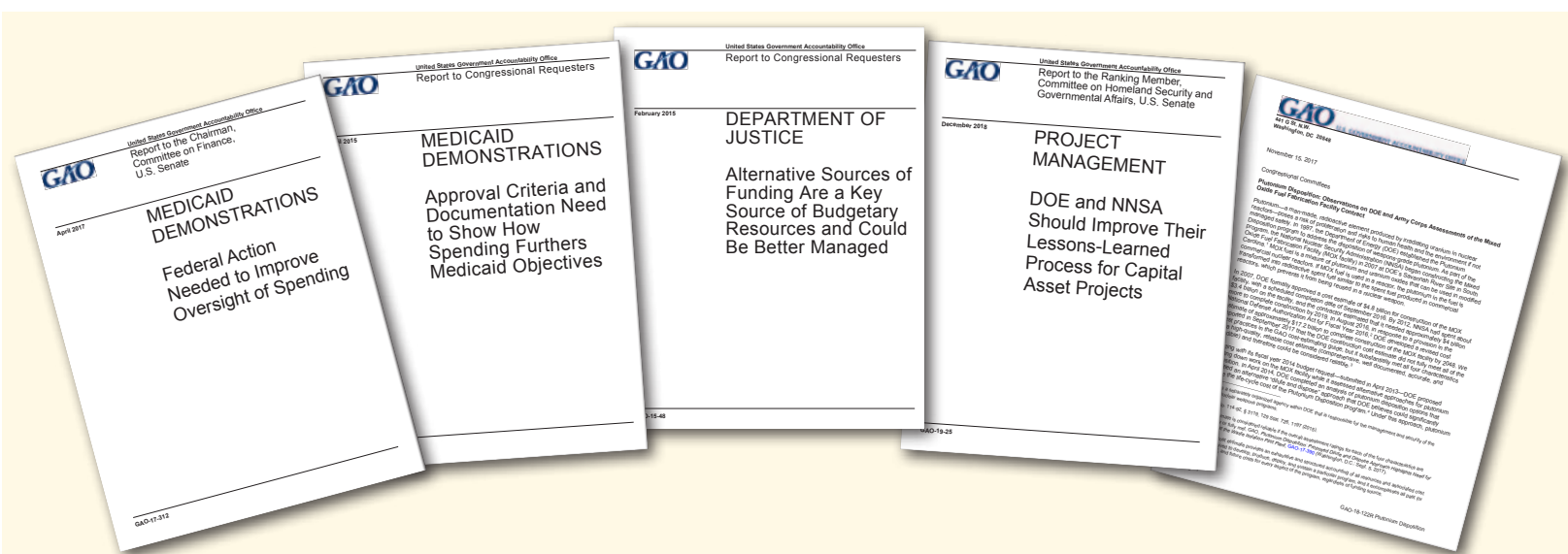
Description of New Financial Benefits	Amount (Dollars in billions)
<p>Ensuring that Medicaid Demonstrations are Budget-Neutral. States may test new approaches for delivering Medicaid services (with approval from HHS), but these projects must be budget-neutral. In multiple reports since the 1990s, we have reported that HHS has 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 one new policy reduced the government's fiscal liability in 10 states by \$29.4 billion for 2019. (GAO-17-312, GAO-15-239, GAO-13-384, GAO-08-87, GAO-02-817)</p>	\$29.4
<p>Improving Oversight of DOE Construction Project Saved Billions. The construction of the Mixed Oxide Fuel Fabrication Facility (MOX), initially estimated to cost about \$4.8 billion, was to be a key part of DOE's approach to dispose of surplus weapons-grade plutonium. In 2008, we recommended that DOE conduct more oversight reviews of such complex projects. This led DOE to conduct more reviews of the MOX project, which helped it detect that the project would cost an extra \$3 billion in 2012. After we confirmed additional significant cost increases, DOE identified a less costly alternative and terminated the MOX project in 2018—lowering the cost of DOE's plutonium disposition approach by about \$13.0 billion. (GAO-19-25, GAO-18-122R, GAO-17-390, GAO-14-231, GAO-08-641)</p>	\$13.0
<p>Making Better Use of DOD's Allocated Funds. DOD's FY 2020 Operation and Maintenance (O&M) budget request accounted for about 38% of the agency's total budget request of \$642.4 billion. O&M funds support a wide range of activities, including recruiting, organizing, sustaining, and equipping the military services. The Congress designates funding levels for sub-accounts (such as DOD's health budgets) within O&M appropriations. We identified instances where DOD obligated less than the amount of funds designated for some sub-accounts. Citing projected/historical unused funds, the Congress reduced DOD's FY 2020 O&M appropriations for some sub-accounts by about \$982 million.</p>	\$0.98
<p>Reducing Embassy and Consular Operations Costs by Considering Unobligated Balances. The State Department managed the Diplomatic and Consular Programs (D&CP) account, which funded things like embassy and consular operations until 2019. In 2019, State proposed that its Diplomatic Programs (DP) and Consular Border Security Programs (CBSP) accounts fund such activities. We estimated that the D&CP account had an unobligated balance of \$4.4 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 DP and CBSP accounts by nearly \$950 million in FY 2019.</p>	\$0.95

Improving FBI’s Management of Unobligated Balances for Fingerprint Check Fees. The Federal Bureau of Investigation (FBI) provides non-criminal justice fingerprint checks for a fee. In 2015, we found that the FBI had a growing unobligated balance from these fees. We recommended that it establish a range of appropriate carryover amounts to support program needs. In response, the FBI in 2016 proposed and the Congress enacted rescissions to these balances to address this growing unobligated balance. The FBI also established maximum carryover amounts in 2019. This helps ensure that the FBI is more efficiently using its resources. The FBI’s rescissions from FYs 2016-2020 resulted in about \$565 million in financial benefits. (GAO-15-48)

\$0.57

Source: GAO. | GAO-21-4SP

Note: Click on report covers below to access key reports related to Table 5. Additional examples of fiscal year 2020 financial benefits can be found in [Part II](#) of this report.

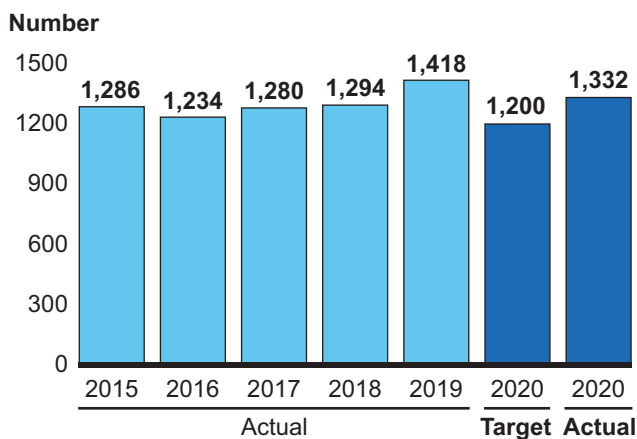


Source: GAO. | GAO-21-4SP

Other Benefits

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 2020, we recorded a total of 1,332 other benefits (see [fig. 13](#)). We exceeded our target by about 11 percentage points largely because of a number of accomplishments we documented for public safety and security and business process and management. We have set our 2021 target for these other benefits at 1,200 again given our past, ongoing, and expected work.

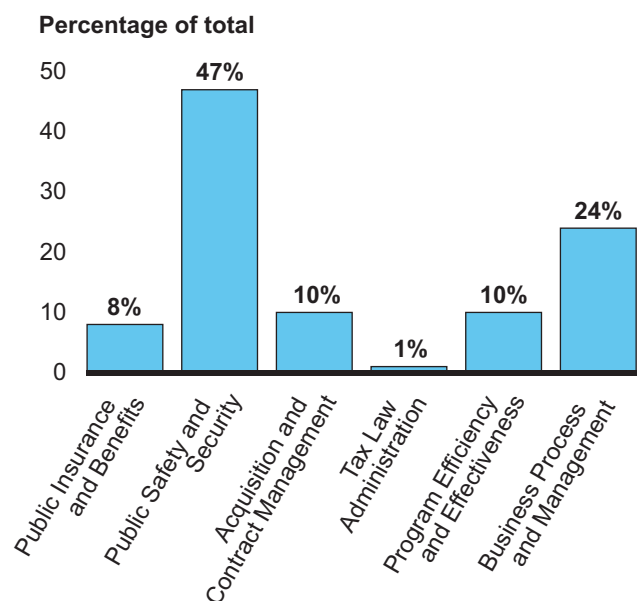
Figure 13: Other Benefits



Source: GAO. | GAO-21-4SP

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 (47 percent) and business process and management (24 percent). See [table 6](#) and [Part II](#) of this report for specific examples.

Figure 14: Types of Fiscal Year 2020 Other Benefits



Source: GAO. | GAO-21-4SP

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

- **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.
- **Acquisition and contract management.** DOD weapon systems acquisitions, NASA acquisition management, and all federal agency and interagency contract management.
- **Tax law administration.** IRS business systems modernization, tax policy, and enforcement of tax laws.
- **Program efficiency and effectiveness.** Fraud, waste, and abuse; U.S. financial regulatory system; federal oil and gas resources; USPS; transportation funding; and telecommunications funding.
- **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.

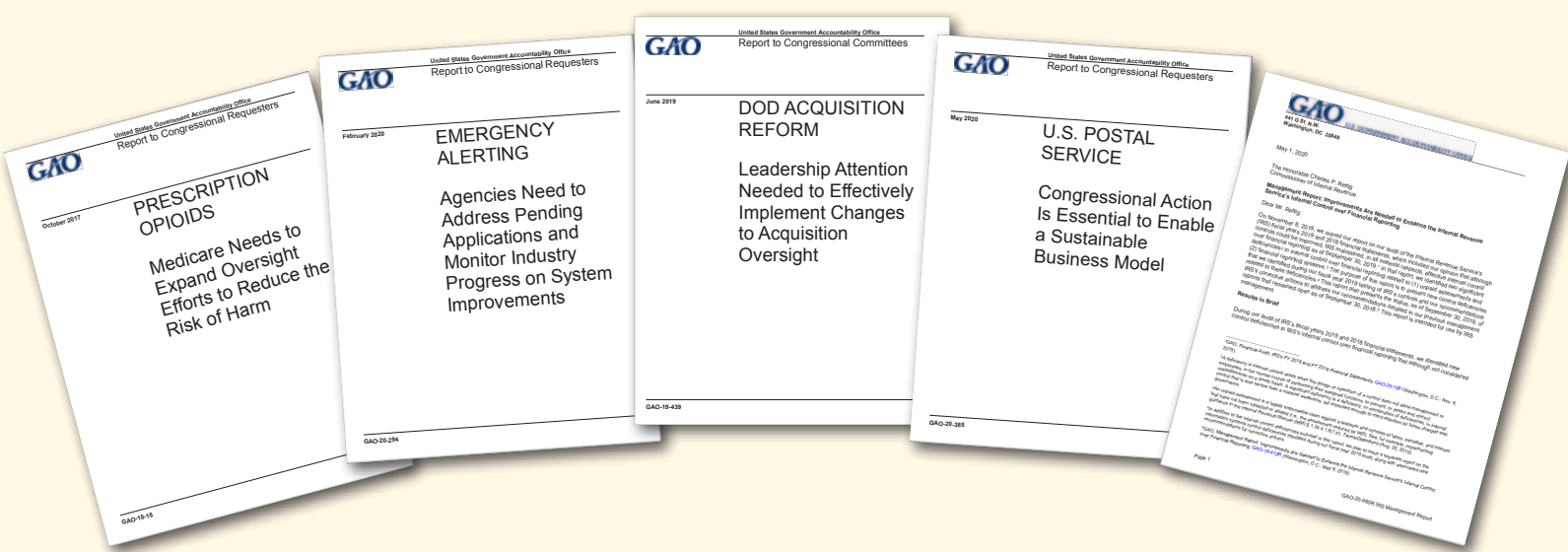
Table 6: Examples of GAO's Other Benefits Reported in Fiscal Year 2020

Category	Description
Public Insurance and Benefits	Better Identifying Prescribers of Large Quantities of Opioids Under Medicare. Misuse of prescription opioids can lead to overdose and death. In October 2017, we reported that CMS did not track medical providers who prescribe large quantities of opioids to Medicare Part D beneficiaries. We recommended that CMS identify and analyze these providers. In response, CMS began receiving reports of providers who prescribe large amounts of opioids in June 2018. This will help CMS identify patterns in the number of providers prescribing opioids in large quantities, and assess its progress towards reducing opioid use disorders/overdoses. (GAO-18-15)
Public Safety and Security	Improving Public Emergency Alerts. Emergency alerts help save lives and property during natural disasters. In 2020, we reported that FEMA and Federal Communications Commission (FCC) had taken steps to modernize the federal alerting system and improve wireless alerts for local agency use. However, some local agencies could not access the system, and others lacked proficiency and confidence in using it. We made recommendations to FEMA to address these concerns. FEMA agreed with our recommendations and said it was taking steps to address them—which could help ensure that local agencies can use the federal alerting system during emergencies. (GAO-20-294)

<p>Acquisition and Contract Management</p>	<p>Improving Oversight of DOD’s Major Weapons Acquisition Programs. Amid concerns that DOD’s weapons acquisition process is too slow, the Congress enacted reforms. In 2019, we reported that, while DOD had made progress in implementing these reforms, questions remained about oversight roles and how some reforms would be enacted. Consistent with our recommendations, DOD issued new guidance to clarify roles for acquisition oversight and require documentation to justify certain new programs. The National Defense Authorization Act for FY 2020 also included provisions that required DOD to provide information on how it planned to address the issues we raised. This should help ensure that DOD makes progress on reforms. (GAO-19-439)</p>
<p>Program Efficiency and Effectiveness</p>	<p>Enabling a Sustainable Business Model for USPS. USPS is critical to the nation’s economy. However, its business model is financially unsustainable due to declining mail volumes and rising costs. In 2020, we reported that businesses and foreign postal entities facing similar challenges made major changes, such as reducing less profitable services. However, USPS cannot make similar changes because it has not reached consensus with stakeholders, including the Congress, on the actions to take. We suggested the Congress reassess the nation’s postal needs and how to fund those needs. Our findings will help inform congressional decision-making on USPS. (GAO-20-385)</p>
<p>Business Process and Management</p>	<p>Improving Federal Financial Management. Prior to the Chief Financial Officers Act of 1990, government reports found that agencies lost billions of dollars to fraud, waste, abuse, and mismanagement. In 2020, we reported on progress made since enacting this law, including more reliable financial information and improved internal controls. We suggested that the Congress consider developing legislation to further improve federal financial management—such as preparing financial management plans and better linking cost to performance. Most of these Matters are included in pending legislation. (GAO-20-566, GAO-20-203T)</p>

Source: GAO. | GAO-21-4SP

Note: Click on report covers below to access key reports related to Table 6. Additional examples of other benefits for fiscal year 2020 can be found in [Part II](#) of this report.



Source: GAO. | GAO-21-4SP

Other Measures of Our Results

Past Recommendations Implemented

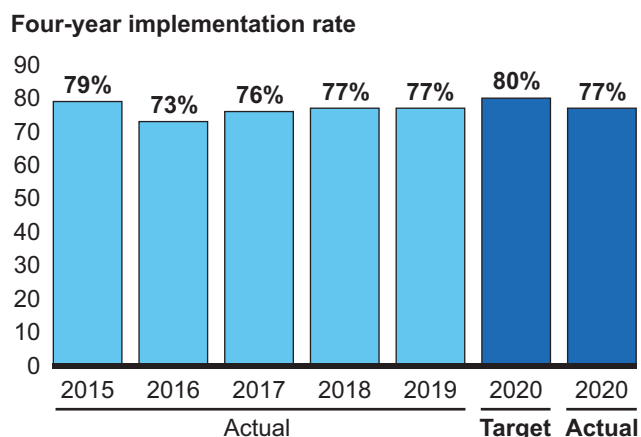
One way we measure our effect on improving the government’s accountability, operations, and services is tracking the percentage of recommendations that we made 4 years ago that have since been implemented. Putting these recommendations into practice generates tangible benefits for the nation. We use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

We achieved a 77 percent implementation rate for fiscal year 2020. While we fell below our target of 80 percent by three percentage points, we matched our performance for the past 2 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 duplication, fragmentation, and overlap work—including progress made and the benefits of full implementation. In addition, federal agencies subject to the 2019 Good Accounting Obligation in Government Act (GAO-IG Act,) such as DOD, DHS, and Veterans Health Administration (VHA), provided updates on the status of our open recommendations in their annual budget justifications.

Our 4-year average implementation rate for past recommendations has been 77 percent. We are retaining our target of 80 percent for fiscal year 2021 and will continue to take appropriate actions to reach this target. (See [Setting Performance Targets](#).)

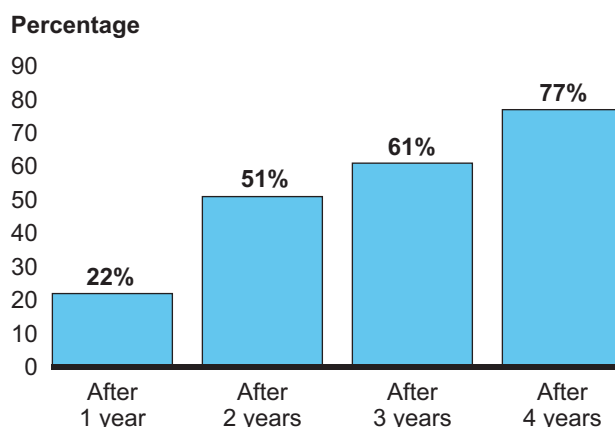
Figure 15: Percentage of Past Recommendations Implemented



Source: GAO. | GAO-21-4SP

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 2016



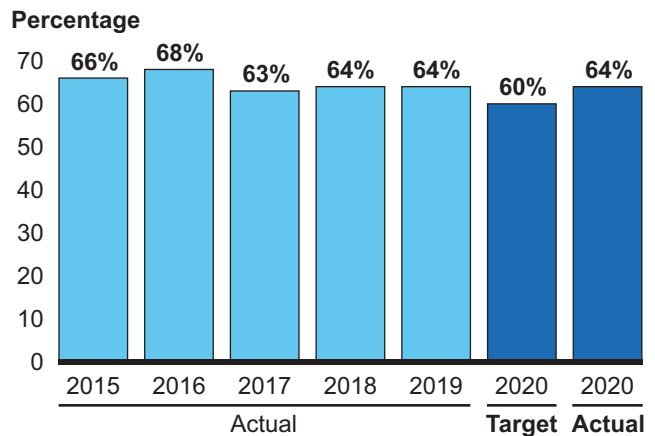
Source: GAO. | GAO-21-4SP

New Products Containing Recommendations

In fiscal year 2020, about 64 percent of the 519 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 exceeded our target of 60 percent by 4 percentage points. We are maintaining the 60 percent target for 2021 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-21-4SP

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

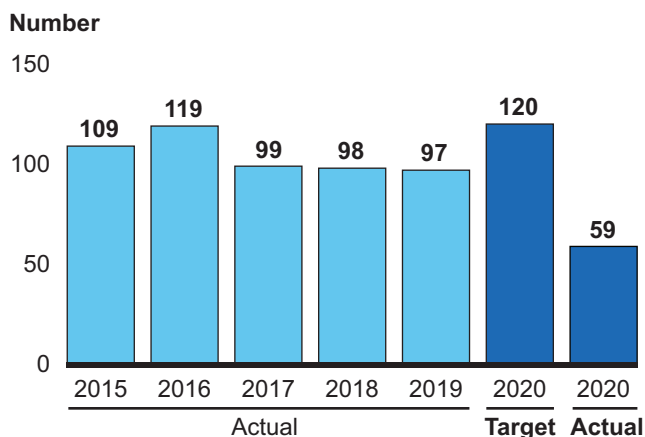
To fulfill the informational needs of the Congress, we plan to deliver the results of our work orally, as well as in writing, at a time agreed upon with our client. Our performance this year indicates that we assisted the Congress well. In fiscal year 2020, we received requests for work from 90 percent of the standing committees of the Congress and 27 percent of the subcommittees. Our 4-year average for these requests is 90 percent and 34 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 691 total products and completed work for 96 committees or subcommittees in fiscal year 2020.

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 2020, our senior executives were asked to testify 59 times and we fell 61 testimonies short of our target (see [fig. 18](#)). Although we did not meet our target, we were asked to testify before 43 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 59 testimonies that our senior executives delivered in fiscal year 2020 covered the scope of our mission areas. Forty-four percent of the testimonies that our senior executives delivered were related to our high-risk areas and programs, which are listed on [page 45](#) of this report.

Figure 18: Testimonies



Source: GAO. | GAO-21-4SP

Our senior executives also participated in seven roundtables sponsored by congressional committees, subcommittees, or working groups. The topics covered by these roundtables included (1) examining federal housing assistance programs; (2) veterans' disability claims in the time of COVID-19; (3) protecting the U.S. from global pandemics; (4) protecting the adequacy and effectiveness of our military forces under COVID-19; (5) reopening and rebuilding America's schools; (6) GAO's infectious disease modeling report ([GAO-20-372](#)); and (7) veteran health data—portability, privacy, promises, and pitfalls.

We also delivered five member briefings, and were asked to submit (1) four Statements for the Record in lieu of testifying; and (2) responses to 27 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 79 hearings beyond those at which we testified.

For fiscal year 2021, we have reduced our target from 120 to 100 to better reflect the average number of testimonies we have delivered over the past 5 years. (See [p. 22](#) and [Setting Performance targets.](#))

Table 7: Selected Testimony Topics • Fiscal Year 2020

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

- Meeting Growing Demand for Veterans' Long-Term Care
- Addressing Persistent Challenges with FDA Inspections of Foreign Drug Manufacturers
- Ensuring the Qualifications and Competence of VA Health Care Providers
- Improving the Accuracy of Medicaid's Enrollment Practices to Reduce Improper Payments
- Advancing FAA's Efforts to Promote a Robust, Diverse Workforce for Aviation Maintenance
- Reducing the Potential for Fraud in Recovery Homes for Substance Use Disorder
- Implementing Consumer Protections for Airline Passengers
- Improving Facility Security Assessments for Federal Land Management Agencies
- Improving Resilience to Climate Change Through Strategic Investment of Federal Resources
- Addressing Weaknesses That Limit Delivery of Federal Tribal Programs
- Using a Strategic Approach to Assess Federal Agencies' Environmental Justice Efforts
- Improving Oversight of Nursing Homes to Better Protect Residents from Abuse
- Improving DOD Oversight of its Exceptional Family Member Program
- Developing Needed Aviation-Preparedness Plan for Communicable Disease Outbreaks

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

- Improving Early Implementation of the Nation's Biodefense Strategy
- Addressing Remaining Challenges with Recent Disaster Recovery Efforts
- Managing VA's Supply Chain under COVID-19
- Improving Workforce Diversity at the State Department
- Enhancing the Transportation Security Administration's Efforts to Improve Airport Security Areas
- Learning from Past Efforts to Acquire Missile Defense Systems
- Addressing Challenges to the Coast Guard's Arctic Capabilities
- Improving NNSA's Efforts to Modernize the Nation's Nuclear Weapons Through Portfolio Management
- Addressing Challenges to Help DOD Sustain a Growing Fleet of F-35 Aircraft
- Strengthening DOD's Oversight of Privatized Military Housing
- Addressing Persistent and Substantial Delays in Ship and Submarine Maintenance
- COVID-19: FEMA's Role in the Response and Related Challenges
- Improving CBP's Oversight of Funds, Medical Care, and Reporting of Deaths at the Southwest Border

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

- Addressing Significant Challenges to Information Security at VA and Other Federal Agencies
- Improving SBA's Oversight of Tribal 8(a) Firms
- Addressing Challenges for the 2020 Census with Operations Underway
- Improving IT Management and Cybersecurity at OMB and Other Agencies
- Addressing Challenges to Better Ensure Equal Employment Opportunity in the DHS Workforce
- Using Established Transition Planning Practices for Telecommunications to Help Agencies Prevent Costly Delays
- Providing Enhanced GAO Capabilities for Oversight, Insight, and Foresight on Science and Technology Issues
- Safeguarding Federal Employees Returning to the Workplace During Pandemics
- Addressing the Nation's Fiscal Health
- Building on Progress Made Under the CFO Act of 1990 to Improve Federal Financial Management
- Clearly Communicating Public Comment Posting Practices for Federal Rulemaking

Source: GAO. | GAO-21-4SP

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

Comptroller General Testifying Before the Congress



October 30, 2019

Comptroller General testified to the U.S. Senate on the 30th anniversary of the Chief Financial Officers (CFO) Act , October 30, 2019.

United States Government Accountability Office
GAO
 Testimony
 Before the Committee on the Budget,
 U.S. Senate

For Release on Delivery
 Expected at 2:00 p.m. ET
 Wednesday, October 30, 2019

**FEDERAL FINANCIAL
 MANAGEMENT**

**Substantial Progress
 Made since the CFO Act
 of 1990 and Preliminary
 Observations on
 Opportunities for
 Enhancement**

Statement of Gene L. Dodaro,
 Comptroller General of the United States

GAO-20-203T



June 26, 2020

Comptroller General testified to the U.S. House of Representatives on federal efforts to respond to and recover from the COVID-19 pandemic, including opportunities for improvement.

United States Government Accountability Office
GAO
 Testimony
 Before the Select Subcommittee on the
 Coronavirus Crisis, Committee on
 Oversight and Government Reform,
 House of Representatives

For Release on Delivery
 Expected at 10:00 a.m. ET
 Friday, June 26, 2020

COVID-19

**Opportunities to Improve
 Federal Response and
 Recovery Efforts**

Statement of Gene L. Dodaro,
 Comptroller General of the United States

GAO-20-659T

Source: GAO (two photos above, screenshots of GAO website, and covers of GAO reports). | GAO-21-4SP

Timeliness

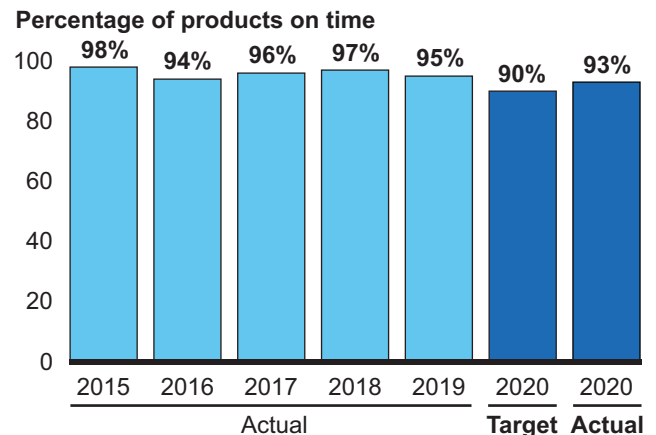
To be useful to the Congress, our products must be available when our clients need them. In fiscal year 2020, we exceeded our timeliness target of 90 percent by 3 percentage points (see [fig. 19](#)). We reach out directly to our clients through several means, including an electronic feedback form. We 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 51 percent of the congressionally requested written products we issued in fiscal year 2020.

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 2020, of the congressional staff that responded to the question on timeliness, 93 percent said our products were on time. Overall, the response rate to our entire form was about 14 percent. We received feedback on 41 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 2021 target at 90 percent because we believe that this is realistic given current staffing levels and workload demands.

Figure 19: Timeliness



Source: GAO. | GAO-21-4SP

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 and professional multidisciplinary staff were critical to our fiscal year 2020 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 12 fiscal years, we have refined our processes for measuring how well we manage our human capital. In fiscal year 2020, we exceeded the targets for six of our seven people measures. These measures are directly linked to our Goal 4 strategic objective of being a leading practices federal agency. For more information about our [people measures](#), see [pages 133-137](#) of this report.

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 2020, our new hire rate was 76 percent. We hired 121 new staff against a target of 159 new staff (76 percent of our target) by the end of the year. This was due, in part, to some delays we experienced while transitioning to a virtual environment due to COVID-19. We also faced challenges earlier in the year with declinations from qualified candidates which required re-advertising the same positions later in the year.

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

Performance measure	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target	2020 actual
People							
New hire rate	83%	81%	83%	85%	89%	80%	76%

Source: GAO. | GAO-21-4SP

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 2020, we exceeded our target rate of 92 percent for retention with retirements by 3 percentage points at 95 percent. We also exceeded our target rate of 96 percent for retention rate without retirements by one percentage point at 97 percent.

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

Performance measures	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target	2020 actual
People							
Retention rate							
With retirements	94%	93%	94%	94%	94%	92%	95%
Without retirements	96%	96%	97%	97%	96%	96%	97%

Source: GAO. | GAO-21-4SP

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 employee feedback survey. 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. This fiscal year, we updated the questions underlying these four measures based on employee feedback. (See

Part V of this report on pp. 129-138 for additional information about these updated measures.) This fiscal year, 77 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 1 percentage point. For staff utilization, we exceeded our target of 76 percent by 9 percentage points. For experience with supervisors (formerly effective leadership by supervisors), we exceeded our target of 82 percent by 8 percentage points, at 90 percent. For organizational climate, we exceeded our target of 76 percent by 10 percentage points, at 86 percent. Given our performance on these measures in recent years, we have decided to keep these targets for fiscal year 2021.

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

Performance measures ^a	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target	2020 actual	2021 target
People								
Staff development ^b	N/A	N/A	N/A	N/A	N/A	80%	81%	80%
Staff utilization ^b	N/A	N/A	N/A	N/A	N/A	76%	85%	76%
Supervisors (experience with) ^{b,c}	N/A	N/A	N/A	N/A	N/A	82%	90%	82%
Organizational climate ^b	N/A	N/A	N/A	N/A	N/A	76%	86%	76%

Source: GAO. | GAO-21-4SP

^aCertain portions of our web-based survey are used to develop these four measures (see Appendix on Data Quality).

^bIn 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.

^cIn 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.

Focusing on Our Internal Operations

Our mission and people are supported by our administrative services, including information management, infrastructure operations, human capital, and financial management. To assess our performance and set targets related to how well our administrative services help employees get their jobs done and improve quality of work life, and employee satisfaction with IT tools, we use information from our annual customer satisfaction survey (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. We measured staff satisfaction with our three internal operations for fiscal year 2020 through our internal customer satisfaction survey. See [p. 138](#).

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 work life, 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 2020, we exceeded our target rate of 80 percent for “help get job done” by 3 percentage points at 83 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 11 percentage points at 69 percent satisfaction; however, this measure is up by 13 percentage points over fiscal year 2019, and we continue to seek areas for IT improvement. Given our recent performance and planned improvements, we have decided to keep these targets for fiscal year 2020 (see [Setting Performance Targets](#)).

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

Performance measures	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target	2020 actual	2021 target
Internal operations								
Help get job done	80%	N/A ^a	84%	85%	82%	80%	83%	80%
Quality of work life	78%	N/A ^a	82%	82%	82%	80%	86%	80%
IT tools	67%	N/A ^a	74%	73%	56%	80%	69%	80%

Source: GAO. | GAO-21-4SP

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

^aWe 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 2019, 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 35 high-risk problems.

Financial benefits to the federal government due to progress in addressing high-risk areas from fiscal years 2006 through 2018 totaled nearly \$350 billion—averaging about \$27 billion per year. This year, our high-risk work yielded 168 reports, 26 testimonies, \$54.2 billion in financial benefits, and 606 other benefits.

Our experience for more than 28 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.

A complete list of these areas is shown on the next page (table 12) and details can be found at

<https://www.gao.gov/highrisk/overview>.

Our next update will be issued in early 2021.

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

In May 2020, we issued our tenth 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 168 new actions in 29 new areas (and 10 existing areas) that could reduce fragmentation, overlap, and duplication, or provide other

cost savings and revenue enhancement opportunities across the federal government (GAO-20-440SP).

Significant progress has been made in addressing many of the 908 actions that we identified from 2011 to 2019 to reduce costs, increase revenues, and improve agency operations. As of March 2020, the Congress and executive branch agencies had fully or partially addressed 79 percent of all actions (721 of 908)—57 percent (519) fully addressed and 22 percent (202) partially addressed. This yielded about \$393 billion in financial benefits between 2010 and 2019, with \$36 billion more projected in the future.

This work has also led to key other (non-financial) benefits, including (1) strengthened collaboration between HUD and its rental assistance program stakeholders at the federal, state, and local levels to help achieve long-term housing goals; and (2) improved the tax information for IRS on partnerships and corporations to help it identify compliant tax returns and better focus its work on returns warranting further review.

Policymakers and the public can track the status of congressional and executive branch efforts to address the issues we have previously identified on GAO's Action Tracker, located on our website under the "Duplication and Cost Savings" collection https://www.gao.gov/duplication/action_tracker/all_areas.

Table 12: GAO's High Risk List as of September 30, 2020

High risk area	Year designated
Strengthening the Foundation for Efficiency and Effectiveness	
▪ Improving Federal Management of Programs that Serve Tribes and Their Members ^a	2017
▪ 2020 Decennial Census ^a	2017
▪ U.S. Government's Environmental Liabilities ^a	2017
▪ Improving the Management of IT Acquisitions and Operations	2015
▪ Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks ^a	2013
▪ Management of Federal Oil and Gas Resources	2011
▪ Modernizing the U.S. Financial Regulatory System ^a	2009
▪ Resolving the Federal Role in Housing Finance ^a	2009
▪ USPS Financial Viability ^a	2009
▪ Funding the Nation's Surface Transportation System ^a	2007
▪ Managing Federal Real Property	2003
▪ Strategic Human Capital Management	2001
Transforming DOD Program Management	
▪ DOD Approach to Business Transformation	2005
▪ DOD Support Infrastructure Management ^a	1997
▪ DOD Business Systems Modernization	1995
▪ DOD Financial Management	1995
▪ DOD Weapon Systems Acquisition	1990
Ensuring Public Safety and Security	
▪ Government-wide Personnel Security Clearance Process ^a	2018
▪ Protecting Public Health through Enhanced Oversight of Medical Products	2009
▪ Transforming EPA's Processes for Assessing and Controlling Toxic Chemicals ^a	2009
▪ Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests ^a	2007
▪ Improving Federal Oversight of Food Safety ^a	2007
▪ Strengthening Department of Homeland Security Management Functions	2003
▪ Ensuring the Cybersecurity of the Nation ^a	1997
Managing Federal Contracting More Effectively	
▪ VA Acquisition Management	2019
▪ DOD Contract Management	1992
▪ DOE's Contract Management for the National Nuclear Security Administration and Office of Environmental Management ^a	1990
▪ NASA Acquisition Management ^a	1990
Assessing the Efficiency and Effectiveness of Tax Law Administration	
▪ Enforcement of Tax Laws ^a	1990
Modernizing and Safeguarding Insurance and Benefit Programs	
▪ Managing Risks and Improving VA Health Care ^a	2015
▪ National Flood Insurance Program ^a	2006
▪ Improving and Modernizing Federal Disability Programs	2003
▪ Pension Benefit Guaranty Corporation Insurance Programs ^a	2003
▪ Strengthening Medicaid Program Integrity ^a	2003
▪ Medicare Program and Improper Payments ^a	1990

Source: GAO. | GAO-21-4SP

^aLegislation 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 2020. The following exemplify some of our key contributions.

OGC handled more than 2,100 bid protests during the course of fiscal year 2020.⁹ 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 2020, we issued more than 500 decisions on the merits, which are accessible on GAO's Bid Protest Decisions web page at <http://www.gao.gov/legal/bid-protests/search>. 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 2020 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.

During the second quarter of fiscal year 2020, OGC transitioned to a fully virtual environment in response to COVID-19. Despite the change in our staff's operating environment, GAO's bid protest work has moved forward without interruption. Specifically, we have continued to hold teleconferences with parties to the protest; convene telephonic hearings, where appropriate; and resolve all bid protests within 100 calendar days.

Within OGC, seven 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. These appear on our website at <https://www.gao.gov/legal/contract/decisions.html>.

During fiscal year 2020, the GAO Contract Appeals Board opened nine new appeals and closed 15 appeals. Of the appeals that were closed, six were voluntarily withdrawn by the appellant, and nine were dismissed based on the parties' settlement. 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 2020, the board had three pending appeals on

⁹The 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: 2,198 filings in fiscal year 2019; 2,607 filings in fiscal year 2018; and 2,596 filings in fiscal year 2017

its docket, as compared with nine appeals pending at the end of fiscal year 2019.

In fiscal year 2020, we published 21 appropriations law products. These are available on our Appropriations Law Decisions web page at <https://www.gao.gov/legal/appropriations-law-decisions/search>. In a decision that has important ramifications for the constitutional prerogatives of the Congress, we concluded that OMB violated the Impoundment Control Act of 1974 (ICA) when it withheld funds appropriated to DOD for security assistance to Ukraine for policy reasons.¹⁰ Though the ICA permits the President to temporarily withhold budget authority from obligation by proposing a deferral, the ICA only permits deferrals in a limited range of circumstances, and more importantly, does not permit deferrals for policy reasons. Because OMB explained that it temporarily withheld funds appropriated for Ukraine to ensure funds were not spent in a manner that would conflict with the President's foreign policy objectives, we concluded that OMB's temporary withholding of funds constituted an impermissible policy deferral, which is improper under the ICA.

Additionally, in testimony before the House Committee on the Budget, the General Counsel explained how our role in providing information and legal analysis on appropriations law matters ensures respect for the Congress's constitutional power of the purse, and discussed legislative proposals that would help us continue to advance and protect such power.¹¹ Following his testimony, we continued to demonstrate how we protect the Congress's constitutional prerogatives by notifying the Congress of four violations of the Antideficiency Act for which the agencies failed to make the legally required report.¹²

We also issued a number of decisions addressing significant, novel legal issues arising from federal agencies' use of appropriated funds during the partial government shutdown that occurred in fiscal year 2019. For example, we concluded that the Department of the Treasury violated the Antideficiency Act when IRS incurred obligations to process tax remittances and issue tax refunds because IRS lacked available budget authority to support these activities and no exception to the Antideficiency Act applied.¹³ We also concluded that the National Archives and Records Administration violated the Antideficiency Act when it incurred obligations to publish documents in the Federal Register because it did not have specific statutory authority to incur obligations in the absence of available appropriations and no exception to the Antideficiency Act applied.¹⁴ In addition, in July 2020, we issued an updated package of our statistical data regarding proposed and enacted rescissions since the passage of the ICA through February 28, 2020.¹⁵

GAO is also sometimes asked to provide decisions on Congressional Review Act (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 five decisions in fiscal year 2020.

Other Legal Work

Attorneys from OGC also provided ongoing appropriations law assistance to various congressional committees and federal agencies on a number of topics, including the application of the Antideficiency Act and the Impoundment Control Act of 1974. We also informally assisted the Congress on a number of other matters, including agency

¹⁰ B-331564, Jan. 16, 2020.

¹¹ B-331902, Mar. 11, 2020.

¹² See, e.g., B-331093, June 30, 2020.

¹³ B-331093, Oct. 22, 2019.

¹⁴ B-331091, July 16, 2020.

¹⁵ B-330828, July 16, 2020.

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.¹⁶ In fiscal year 2020, the Red Book averaged thousands of downloads 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.

Attorneys from OGC continued to provide training on appropriations law, including a 2½-day course on appropriations law 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 directs. We held 20 classes across 17 agencies, including classes for the Senate and the House of Representatives.

We also provided briefings for the staff of the appropriations committees and for both the Senate and the House of Representatives. In addition, attorneys spoke on our appropriations law work at conferences and trainings hosted by two agencies and professional organizations. To enhance communication within the appropriations law community across all agencies and within the three branches of government, we hosted our 16th annual Appropriations Law Forum in September 2020.

For fiscal year 2020, we received 12 Antideficiency Act reports and also made selected information from reports

received in fiscal year 2019 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 257 reports and maintain an official repository of Antideficiency Act reports.

We continued to report under the CRA on major rules proposed by federal agencies to the standing committees of jurisdiction of both Houses of the Congress. We issued 153 reports for rules received in fiscal year 2020.

We also continued to fulfill our responsibilities under the Federal Vacancies Reform Act (FVRA). FVRA requires executive departments and agencies to immediately report to the Congress and the Comptroller General certain vacancies that require presidential appointment and Senate confirmation. It requires the Comptroller General to report to the Congress, the President, and the Office of Personnel Management if the Comptroller General determines that an acting official is serving longer than the 210-day period (including applicable extensions) established by the act. We issued five FVRA opinions in fiscal year 2020.

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 advised agency management on a number of employment issues resulting from COVID-19, including moving to a fully remote work environment. In addition, they 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.

¹⁶ *Principles of Federal Appropriations Law*, also known as the Red Book, is a multi-volume treatise concerning federal fiscal law available at <https://www.gao.gov/legal/red-book/overview>. 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).

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 to our agency headquarters. In fiscal year 2020, this included 262 international visitors from 101 countries. GAO values these visits as important opportunities to build or reinforce our professional networks.

Domestic Partnerships

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

In fiscal year 2020, 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 (NIAF) 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 2020, GAO planned and held in-person and virtual events that reached over 3,900 practitioners to help auditors across the nation better understand and enhance strategies on topics including audit collaboration, Blockchain, CARES Act, cybersecurity, homelessness, real-time auditing, Green Book, data reliability, risk assessments, and innovative writing processes.

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 2020 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 public sector preparation and recruitment, the importance of data, fiscal and social issues, as well as the GAO and academic response to COVID-19.

GAO convened a national working group consisting of federal Inspectors General, state and local government audit offices, Office of Management and Budget, and the Department of Treasury representatives 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 members of the PRAC to discuss collaboration between 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 participation in INTOSAI working groups and the INTOSAI Journal of Government Auditing ([the INTOSAI Journal](#)).

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 2020, we led the INTOSAI response to the COVID-19 pandemic by assisting INTOSAI and its members with continuity of operations and developing a lessons learned document for external audiences.

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 194 members. In fiscal year 2020, we continued to modernize the Journal and expand its reach, with an emphasis on real-time coverage and messaging 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 bolster the professional capacities and independence of their audit agencies, they are better able to ensure government funds are spent efficiently and effectively.

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 2020 and is using this opportunity to modernize the program and explore online learning options.

Center for Audit Excellence

The Congress authorized GAO to establish a [Center for Audit Excellence](#) (Center) in 2014 in order 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 2020, the Center continued to experience strong demand for training and technical assistance services. The Center provided training and technical assistance to 11 domestic accountability organizations—including federal inspectors general and state and local audit offices—that enhanced their understanding of federal internal control standards, data analytics, and other performance auditing topics. In response to the evolving COVID-19 pandemic, the Center also developed and began offering several online, virtual training courses to domestic accountability organizations.

The Center also provided capacity development support to six national audit organizations in Europe, Central America, Africa, and Asia to enhance their capacity to conduct and achieve results from financial and performance audits. The Center also initiated its first project under an agreement with the World Bank to review and help strengthen a European Supreme Audit Institution's capacity to deliver high-quality audit services. In addition, working remotely, the Center initiated new multi-year technical assistance projects in Ethiopia, Georgia, and Armenia under a 2016 MOU with USAID. These projects will include assessments of selected national audit office capabilities, policies, and guidance, as well as training and other technical assistance services. Moreover, the Center also continued its support of the Philippines Commission on Audit by providing performance audit training and technical assistance, and completed a needs assessment of the Dominican Republic's SAI.

Strategic Planning and Foresight

We continued to strengthen the components of GAO's foresight ecosystem through several initiatives, including the development of a risk analysis briefing, 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 remote audits during the COVID-19 pandemic.

In addition, we (1) featured a speaker on demographics and generational change through our Foresight Speaker Series; (2) rolled out multi-day virtual training on foresight for GAO's executive candidates; and (3) co-led a CG Forum on Artificial Intelligence Governance, with STAA, and Analytics team, to enhance understanding of audit and governance principles for providing oversight of algorithms and automated systems.

Managing Our Resources

Resources Used to Achieve Our Fiscal Year 2020 Performance Goals

Our financial statements for the fiscal year ending September 30, 2020, were audited by an independent auditor, CliftonLarsonAllen, 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 97](#) in this report.

[Table 13](#) summarizes key data.

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

	Fiscal year 2020	Fiscal year 2019
Total Assets	\$189.1	\$161.7
Total Liabilities	\$99.2	\$89.8
Total Net Position	\$89.9	\$71.9
Net Cost of Operations by Goal		
Goal 1: Well-being / Financial Security of American People	\$257.5	\$230.3
Goal 2: Changing Security Threats / Challenges of Global Interdependence	173.5	196.3
Goal 3: Help Transform the Federal Government to Address National Challenges	160.7	148.6
Goal 4: Maximize the Value of GAO	12.6	14.0
Other Costs in Support of the Congress	64.7	62.0
Reimbursable services not attributable to above cost categories	(13.0)	(13.1)
Total Net Cost of Operations	\$656.0	\$638.1
Actual full-time equivalents (FTE)	3,178	3,161

Source: GAO. | GAO-21-4SP

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

In fiscal year 2020, our budgetary resources of \$650.0 million included both new direct and CARES Act appropriations as well as \$30.2 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 2020 were \$750.5 million.

Total assets at the end of fiscal year 2020 were \$189.1 million, consisting mostly of Fund Balance with the U.S. Department of the Treasury (Treasury) and property and equipment (including the headquarters building, land and improvements, and computer equipment and software). This represents a \$27.4 million increase from the total assets at the end fiscal year 2019 of \$161.7 million primarily represented as an increase in our year end fund balance with the treasury of \$29.1 million. Total liabilities were \$99.2 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. The fiscal year ending balance in accrued annual leave increase of \$8.8 million was driven primarily by the COVID-19 pandemic as employees put their vacation plans on hold. This increase makes up the bulk of the increase in total liabilities of \$9.4 million. Total liabilities at the end of fiscal year 2019 were \$89.8 million.

Our net cost of operations in fiscal year 2020 is \$656.0 million compared to \$638.1 million in fiscal year 2019 an overall increase of \$17.9 million. The largest goal increase, in Goal 1, was predominantly as a result of the COVID-19 related work performed during fiscal year 2020 from the following mission teams: Health Care; Homeland Security and Justice; Education, Workforce and Income Security; and, Financial Management and Assurance. Likewise, Goal 2 decreases were partially as a result of work shifting to Goal 1 for COVID-19 related audits. During fiscal year 2020, a total of 33 COVID-19 related audit products were issued and 121 related audits were underway at year-end.

During fiscal year 2020 GAO used resources to prepare for, and respond to, COVID-19. Part of these resources are covered by a COVID-19 supplemental appropriation. Enacted on March 27, 2020, H.R. 748 "Coronavirus Aid, Relief, and Economic Security Act" (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. 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 appropriation. 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. 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 child care services to GAO headquarters 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. In addition, Public Law No: 116-159, the "Continuing

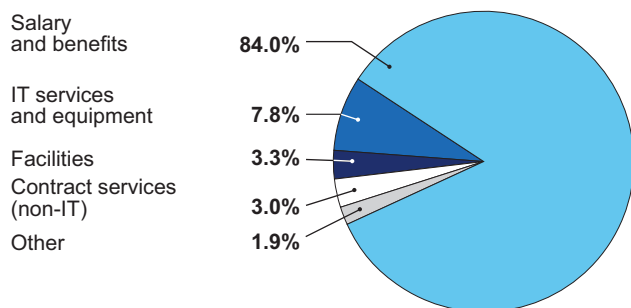
Appropriations Act, 2021 and Other Extensions Act” enacted on October 1, 2020, extended the provisions of section 19009 of the CARES Act, authorizing GAO to reimburse the salaries incurred by Tiny Findings until the termination of the public health emergency declared pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d) resulting from the COVID-19 pandemic.

The budgetary resources used and obligations incurred under the CARES Act appropriation as of September 30, 2020 were \$12.1 million, with an additional \$7.9 million remaining available after September 30, 2020. Other COVID-19 related resources used and obligations incurred using the GAO Annual Appropriation totaled \$2.8 million as of September 30, 2020. 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 2020 costs break down by category.

Figure 20: Use of Fiscal Year 2020 Funds by Category:

Percentage of total costs



Source: GAO. | GAO-21-4SP

Limitation on Financial Statements

Responsibility for the integrity and objectivity of the financial information presented in the financial statements in this report rests with our managers. The 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 and the formats prescribed in OMB Circular No. A-136, *Financial Reporting Requirements*. 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 FedRAMP compliant and secure facility. LBFMS utilizes Treasury’s Invoice Processing Platform (IPP), 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 our effort to continuously improve our operations, we regularly review changes to government accounting

standards and update configuration items pertinent to GAO in LBFMS. We have tested and implemented several US Standard General Ledger (USSGL) and Business Event Type Code (BETC) changes to be effective in fiscal year 2021, and we continue to work on LBFMS improvements to provide full integration capability with Treasury's Government 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, 2020, 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 FFMIA and believe we have implemented and maintained financial systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, the U.S. Standard General Ledger at the transaction level as of September 30, 2020. We made this assessment based on criteria established under FFMIA 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 2020, the members of the committee were:

- Robert H. Attmore (Chair), CPA, CGFM-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, 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 the U.S. Department of Education, also served as counsel to the inspector general at the General Services Administration and as the Deputy Inspector General of the U.S. Department of Agriculture. She has also served on the DATA Act Interagency Advisory Committee and chaired

the Recovery Accountability and Transparency Board.

The [committee's report](#) appears in [Part III](#) of this report on [page 96](#).

Planned Resources to Achieve Our Fiscal Year 2021 Performance Goals

For fiscal year 2021 GAO requested an appropriation of \$706.1 million, an increase of \$76.1 million or 12.1 percent over the fiscal year 2020 appropriation of \$630.0 million. Currently, GAO is operating under a Continuing Resolution and expects final congressional decisions on our fiscal year 2021 appropriation will occur early in calendar year 2021. As of this writing neither the House nor the Senate has passed an appropriations bill for fiscal year 2021. The House appropriations committee mark-up level for fiscal year 2021 would allow GAO to maintain end of year fiscal year 2020 staffing levels and continue to address limited IT and building infrastructure initiatives.

As with much of the rest of the federal government and nation as a whole, GAO has had to adapt to the new reality of operating during the ongoing COVID-19 pandemic. Through our longstanding commitment to telework and recent investments in virtual technology, GAO was able to quickly transition to a near 100 percent virtual working environment in March 2020. We expect to be in this posture through at least the end of calendar year 2020, and perhaps longer depending on when a vaccine becomes readily available to the general public. As much as possible in the current environment and as funding levels allow, we will continue to address mission-related and administrative staffing shortages, tackle delayed infrastructure improvements of building, records, and IT legacy systems, and make productivity enhancements to the engagement management system.

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 IG each year to comment on management's assessment of these challenges. For most of fiscal year 2020, we focused 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—our scope has expanded this year in recognition of both the challenges we overcame, and those that remain.

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

CHALLENGE: Responding to the Pandemic

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 from the safety of their homes, while recognizing the challenges of telework for some, such as caring for children and other family members.

In February 2020, we instituted a Pandemic Task Team to develop and implement operating policies, procedures, and scenarios in response to the growing news of COVID-19. Led by our Chief Administrative Officer (CAO), this diverse team of health, science, human capital, legal, and operations experts continually monitored the situation, advised leadership on operating policy matters, and ensured continuity across GAO. They will continue to serve in this capacity for the duration of the pandemic.

On March 13, 2020, in response to the rapidly evolving pandemic situation in the United States, we limited employee access to our headquarters and field office locations and implemented a maximum telework policy. Although our headquarters building continues to support critical functions, including those of our tenants, the U.S. Army Corps of Engineers and the Department of Justice (DOJ), all of our employees have continued teleworking to the maximum extent possible. Our ability to successfully transition to a full telework posture quickly and effectively is a direct result of our well-established telework program.

Myriad operating policies had to be considered and, in some cases, created anew to address the maximum telework posture and to manage the day-to-day operations of the agency. With strong coordination from our infrastructure, human capital, information technology (IT), financial management, professional development, legal services, and labor relations teams, and our Executive Committee, we quickly and effectively instituted policies to allow uninterrupted service to our building tenants and to our employees.

Communication has been critical to our ability to keep employees apprised of management decisions. The Executive Committee held all-agency teleconferences every few weeks since March to address employee questions and convey policy and procedural changes; an internal COVID-19 website was established to house all pandemic-related materials and messages; and the Comptroller General met regularly with senior leaders and individual mission and operations teams.

As the pandemic continued, we periodically convened working groups to address the need for further expertise. Three working groups under the leadership of the Pandemic Task Team focused on (1) building re-entry and operations, (2) employee wellness, and (3) mission readiness. These working groups leveraged metrics and data from across the agency to create strategies for next steps on these issues.

CHALLENGE: Maintaining Our Operations

Managing a quality workforce. The pandemic has not minimized or altered our commitment to recruiting and onboarding new employees, and retaining our expert workforce. With the onset of the pandemic, we very quickly transitioned to provide all of these activities and functions virtually. For recruiting, we actively participated in virtual job fairs and information sessions, engaged students in their virtual classrooms, and took advantage of the opportunity for GAO to connect with students at schools that are not geographically close to one of our offices and to involve a wider range of employees in our recruiting initiatives.

For onboarding, we moved rapidly to make virtual onboarding a reality, enabling us to bring both summer interns and entry-level analysts to the agency despite the pandemic, and to continue our annual workforce planning cycle. In support of

all of our employees, we have worked tirelessly to provide them access to ongoing professional development and training by converting a large number of in-person courses to virtual; increasing our Counseling Center's offerings of support groups and seminars to address the challenges and stress employees are confronting; sustaining our diversity, equity, and inclusion (DE&I) efforts by hosting virtual events and guest speakers; implementing workplace flexibilities such as expanded core work hours and administrative leave to support work-life balance; and using available technology such as Skype for Business, Adobe Connect, and WebEx to connect, engage, and share enriching experiences in support of our work and mission.

We acknowledge that as the pandemic continues and we maintain our telework posture, we will need to be aware of and prepared to address ongoing and emerging employee challenges as they affect employees both personally and their contribution to our mission. The Pandemic Task Team and working groups will continue to work together closely to align employee and mission needs, identify areas of concern, and mitigate problems.

Maintaining a reliable, secure information technology framework. In the first quarter of fiscal year 2020, we deployed a number of IT upgrades—including a virtual desktop and more recent versions of the operating software, Microsoft Office tools, and telecommunications software—that enabled our seamless transition to maximum telework in March, in response to the pandemic. We monitored daily the load on our network and other metrics, and balanced resources accordingly to ensure our IT systems were reliably supporting the work we are now doing almost entirely remotely.

Ensuring workplace safety in headquarters. Although access to our headquarters building is limited, we implemented workplace safety measures for our headquarters tenants and others, including increasing the use of outside air for our ventilation and cooling systems; frequent, routine cleaning of high-touch surfaces; plexiglass sneeze guards for our entry points and guard stations; and implemented face mask and elevator-distancing policies.

Policies and procedures were implemented to allow for employees working on critical classified work to do so safely in headquarters. We are currently reviewing best practices across federal and local governments to help guide management's decision making related to how and when employees may need to return to the office.

CHALLENGE: Improving the Efficiency of Our Engagements

GAO has identified internal management challenges that warrant attention, to ensure all our work provides benefit to the Congress and taxpayers. We continued improvement activities to balance administrative needs and engagement work in order to sustain high-quality products and services. The security and safety of all GAO staff in response to COVID-19 guidelines stressed the need to continue progress on activities identified to modernize or replace processes, technology, and knowledge-sharing practices to better sustain the utilization and demand on GAO's resources.

We completed a pilot of our process to integrate industry-standard project management practices into our engagement process with participation throughout the agency. These practices will help ensure efficient and effective engagement solutions for clients. They have also assisted some pilot teams in considering alternative methods to address

client needs on ongoing engagements, given the current operating environment. Improvements will be implemented over the next few fiscal years.

We are concluding our evaluation of changes made to our engagement process that were implemented in June 2015 and will report the outcomes of the new process in early 2021. These engagement process updates, together with our current efforts to integrate project management techniques into the process, will ensure our work is conducted as efficiently as possible and we meet our client needs in a timely and effective manner.

In the area of technology, we continued to update enterprise systems that support our mission work with a focus this year on systems that support our ability to monitor and distribute the results of our work. These updates were to our web-based application that provides a single location for all engagement management data, enhances abilities to monitor our work with the Congress, and improves our case management solutions.

We continued to pilot test a new system that will facilitate our ability to easily generate our products in a web-based format that our clients and the public can access on any device, including mobile devices. We successfully used this system to publish multiple products, including GAO's first mandated report and testimony on the CARES Act recovery and response efforts, and will begin rolling the system out agency-wide in 2021. Agency-wide system releases to enable additional efficiencies in fact checking and publishing processes are also scheduled for 2021. In addition, in response to shifting duties and workload for some GAO staff due to the current operating environment, we started a new pilot program to republish high priority, previously-issued GAO products using this system so the products can be more easily accessed in HTML format

(such as GAO reports related to pandemic preparedness and response).

In addition, we are in the early phases of replacing our content management system with a new system that will improve efficiency in saving and retrieving content, finding and associating like content, and eventually automating manual and cumbersome workflows.

Office of the Inspector General

GAO's OIG independently conducts audits and investigations of GAO programs and operations. During fiscal year 2020, the OIG issued two audit reports. In audit report [OIG-20-1](#), the OIG assessed GAO's policies and procedures for managing its Voluntary Leave Transfer Program. In [OIG-20-2](#), the OIG assessed the extent to which GAO maintained adequate internal control over non-competed contracts. These and other OIG publications are available on GAO's website at <https://www.gao.gov/ig/> or at <https://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 at <https://oig.alertline.com> 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 2020, the OIG initiated 13 investigations and closed 12 investigations.

The OIG has begun inquiries based on traditional areas of vulnerability that cut across agencies and core administrative functions. These "proactive" inquiries focus on data analysis, looking for outliers or exceptions that require targeted investigative methods (including interviewing subjects and witnesses). In FY 2020, the OIG initiated five proactive inquiries and closed two.

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 and are available at on GAO's website at <https://www.gao.gov/ig/> or <https://www.oversight.gov>.

OIG Recommendations

The OIG made four recommendations to strengthen control related to GAO's Voluntary Leave Transfer Program (VLTP) management, and five recommendations to strengthen control related to non-competed contracts. In both instances, GAO has taken steps to address OIG findings. See [Table 14](#) for additional information on these nine recommendations.

Formal responses with supporting documentation and anticipated completion dates are due to the OIG 60 days after report issuance. As of the end of fiscal year 2020, GAO is also in the process of implementing seven recommendations from prior fiscal year OIG reports on information security. For further information, see [OIG-21-1SP](#). 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
<p>VOLUNTARY LEAVE TRANSFER PROGRAM: Additional Controls Are Needed to Strengthen Program Management, OIG-20-1 (August 17, 2020)</p>	<p>1. Update the leave transfer program procedures to establish who is responsible for maintaining recipient applications, including medical documentation; ensuring their signed approval from unit managers; and overseeing the implementation of established responsibilities.</p>	<p>GAO management is in the process of formally updating our voluntary leave transfer program (VLTP) standard operating procedures, and in the interim has established an internal review process to ensure that we receive and maintain complete and approved applications, including all necessary medical documentation.</p>
	<p>2. Issue guidance for responsible staff to help them confirm that the medical certifications address the nature, severity, prognosis, and duration of leave recipients' medical emergencies.</p>	<p>GAO management is in the process of revising our VLTP standard operating procedures, which will include guidance that will help staff confirm that medical documentation is complete and includes all necessary information.</p>
	<p>3. Establish procedures to be followed by approving officials to monitor recipients' medical status and continued program participation.</p>	<p>GAO management will provide additional guidance to approving officials regarding what medical documentation is required as part of the VLTP application, the requirements to regularly verify an employee's medical status and eligibility in the VLTP program, and appropriate procedures to end an employee's participation in the program.</p>
	<p>4. Develop and implement written procedures and recordkeeping requirements for manual donated leave calculations and time and attendance recording.</p>	<p>GAO management is in the process of formally updating our VLTP standard operating procedures (SOP). The updated SOP will include procedures related to leave calculations and time and attendance procedures.</p>

<p>NON-COMPETED CONTRACTS: Actions Are Needed to Improve Internal Control, OIG-20-2 (September 18, 2020)</p>	<p>5. Update acquisition management policy and procedures to define and document the roles and responsibilities of the Competition Advocate and Senior Procurement Executive to address the required reviews, and related annual reports.</p>	<p>GAO management does not use all the Federal Acquisition Regulations (FAR) nomenclature in describing its procurement operations. However, the division of responsibilities between Acquisition Management Procurement Operations (AMPO), which is responsible for awarding contracts, and the Procurement Policy and Oversight Division (PPOD), which is responsible for policy and compliance, adequately addresses the spirit of the FAR while respecting GAO’s independence.</p>
	<p>6. Incorporate contract competition data into the quality review process to help ensure that data reported into FPDS-NG is accurate.</p>	<p>PPOD has added a specific test to validate whether the “extent competed” type has been entered into Momentum and the Federal Procurement Data System-Next Generation (FPDS-NG). In addition, the Office of Financial Management implemented a mandatory relationship edit in Momentum that will enforce selecting an “extent completed” value on contract documents. Both actions have been tested and are working as intended.</p>
	<p>7. Update the AMPO SOP to document the requirements for acquisition plans, and the publicizing of non-competitive justifications.</p>	<p>AMPO added the thresholds triggering when acquisition plans are required and clarified the publicizing of non-competitive justifications to its standard operating procedures.</p>
	<p>8. Develop and implement steps to ensure that proposal price reviews are adequately performed and documented, Recommendation for Award forms are completed, and offering letters to SBA contain all the required information.</p>	<p>AMPO provided additional training to contract specialists on the requirements for documenting proposal price reviews, completing recommendations for award forms, and ensuring that offering letters to the SBA include the information required by SBA for a particular award.</p>
	<p>9. Obtain adequate evidence to support the listed price of the IT equipment GAO acquired through another Legislative Agency’s BPA. Confirm that required discounts were applied, or that GAO was overcharged and seek reimbursement, as appropriate.</p>	<p>GAO management reviewed the documentation provided by AMPO and determined that it was adequate to substantiate that GAO received a discount in excess of the 40 percent required by the House of Representatives Blanket Purchase Agreement (BPA), in addition to confirming the pricing from other publicly available sources.</p>

Source: GAO, based on GAO OIG reports. | GAO-21-4SP

Mitigating External Factors

For fiscal year 2020, 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
- Challenges in hiring desired expertise
- 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. In response to the pandemic, we, like many other employers, shifted our workforce to telework. With telework best practices in place for many years, our staff readily carried on with the agency's work. Nonetheless, the pandemic required adaptations. These included temporarily halting ongoing classified work, giving agencies (responding to their own pandemic-related missions) more time to make officials available and produce requested documents; and foregoing in-person interviews and travel to audit sites and relying instead on telephone and internet-based platforms to obtain information. In addition, pandemic-specific legislation passed by the Congress included reporting requirements for GAO that will require work well into the future.

To ensure that our work supports the highest legislative and oversight priorities, we continued to engage the Congress. The 550 congressional requests and new mandates GAO received in fiscal year 2020 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 fiscal year 2020, GAO worked with the Congress to revise mandates in the 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 and HUD. The General Fund covers every federal entity that receives appropriated funds. We hope to achieve passage of this legislation by the end of the current Congress.

We also continued 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, and cybersecurity. In January 2019, we created the STAA mission team to focus on related policy issues. Similarly, our Information Technology and Cybersecurity (ITC) team regularly provides Congress with insights into how to ensure the nation's cybersecurity.

As we continue to position ourselves to address congressional interest in science, technology, and cybersecurity, we plan to focus hiring on additional engineers or scientists and staff with scientific and technology policy analysis experience to broaden our scientific and technical expertise. As we seek to increase the level of staff hired in these specialty areas, we face challenges recruiting and hiring staff with the desired education, experience, and 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 2020, GAO conducted multiple audits involving the IC and, as we reported last year, this work continues to require a significant amount of time and resources to overcome access issues with certain IC elements, such as the CIA 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, to include discussions of access issues and reasonable accommodations consistent with ICD 114, which have been helpful in facilitating positive interaction between ODNI and GAO staff. However, these senior-level coordination meetings between ODNI and GAO have been reduced in the past year due in part to the COVID-19 pandemic. We will continue efforts to increase senior-level coordination meetings 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. We will continue to monitor this area to ensure continued progress in obtaining needed information in a timely manner.

GAO is reporting a new issue for fiscal year 2020 involving access to Environmental Protection Agency (EPA) information. In 2019, EPA instituted new procedures for handling GAO requests, creating a role for its Office of Congressional and Intergovernmental Relations and an enhanced role for its Office of General Counsel, in approving document production to GAO and approving and participating in GAO interviews with EPA officials. These procedures have resulted in significant challenges to our ability to obtain information to which GAO has statutory access. In addition, our ability to interview knowledgeable EPA officials in a timely fashion has been restricted. We have and will continue to proactively engage with EPA leadership and relevant congressional committees to facilitate our access to EPA information.

Also new this year is the CARES Act, enacted in March 2020, which gives us broad access authorities to facilitate our extensive monitoring and oversight responsibilities under the act, including bimonthly reporting 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. While we have experienced some delays in receiving important information, most notably from SBA, we have elevated such matters to senior agency officials for an expedited resolution to ensure that our bimonthly 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.

As discussed above, we encountered significant challenges obtaining information from SBA about the Paycheck Protection Program (PPP) established by the CARES Act. Specifically, we experienced lengthy delays in obtaining reliable information critical to our review, including even descriptions of available data. SBA initially provided us only with mostly publicly available data and even more limited information during interviews of key staff. While we have made progress in our efforts to obtain crucial information, our efforts to ensure we receive complete and current data from SBA are ongoing.

Part II

Performance Information



Source: Eyewire. | GAO-21-4SP

Performance Information by Strategic Goal

In the following sections, we discuss how each of our four strategic goals contributed to our fiscal year 2020 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 2020.



Source: Center for Disease Control and Prevention, Alissa Eckert, Dan Higgins. | GAO-21-4SP

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 multiyear (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.

Example of Work under Goal 1

Decreasing Financial Risk for the Black Lung Disability Trust Fund. The federal government's Black Lung Disability Trust Fund faces financial challenges and has borrowed billions to cover its costs. The fund pays benefits to certain coal miners when no coal mine operator can be held responsible or the liable operator does not pay. We found that the Department of Labor (DOL) did not take action to ensure that coal operators provide enough collateral to secure their future black lung benefit liabilities, and we recommended that DOL establish procedures to monitor coal operators in order to reduce the fund's financial risk. DOL agreed and plans to do so. Our findings on the fund's solvency also led the Congress to increase the Coal Tax for fiscal year 2020 to pre-2019 levels. (GAO-20-438T, GAO-20-21, GAO-19-622T, GAO-18-351)



Source: GAO. | GAO-21-4SP

Cindy Brown Barnes, Managing Director, Education, Workforce, and Income Security team, testified on financial challenges facing the Black Lung Trust Fund.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](https://www.gao.gov/about/stratplanning.html), which is available on our website at <https://www.gao.gov/about/stratplanning.html>. The work supporting these objectives is performed primarily by headquarters and field staff in the following teams: Education, Workforce, and Income Security; Financial Markets and Community Investment; Health Care; Homeland Security and Justice; Natural Resources and Environment; and Physical Infrastructure.

To accomplish our work under these strategic objectives in fiscal year 2020, 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	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target ^a	2020 actual ^b	Met/not met	2021 target
Financial benefits (dollars in billions)	\$51.4 ^b	\$19.6	\$22.4 ^b	\$52.5 ^b	\$60.6 ^b	\$28.5	\$66.8 ^b	Met	28.0
Other benefits	255	284	263	262	245	235	296	Met	235
Testimonies	57	38	48	42	43	47	22	Not Met	37

Source: GAO. | GAO-21-4SP

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2020 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.

^aOur fiscal year 2020 targets for all three of our performance measures differ from those we reported in our fiscal year 2020 performance plan in June 2019, based on revised estimates from mission teams. Specifically, we increased our financial benefits from \$18.5 billion to \$28.5 billion; decreased our other benefits target from 244 to 235; and increased the testimony target from 46 to 47. See [Setting Performance Targets](#) and [p.34](#).

^bIn fiscal years 2015, 2017, 2018, and 2019 we achieved some unexpectedly large financial benefits; however, we did not expect this level of results in fiscal year 2020.

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	2015	2016	2017	2018	2019	2020
Financial benefits (dollars in billions)	\$28.7	\$27.1	\$27.2	\$36.5	\$38.8	\$50.6
Other benefits	260	263	261	266	264	267
Testimonies	59	53	50	46	43	39

Source: GAO. | GAO-21-4SP

The following sections describe our performance under Goal 1 for each of these three quantitative performance measures, and describe the targets for fiscal year 2021.

Financial Benefits

The financial benefits reported for this goal in fiscal year 2020 totaled \$66.8 billion, exceeding the target we set by \$38.3 billion, or about 134 percent. This was due primarily to two unexpectedly large financial accomplishments from (1) revisions to spending limits for Medicaid demonstration projects (\$29.4 billion), and (2) termination of the DOE's MOX program for plutonium disposal (about \$13 billion). Other financial benefits contributing to this total included CMS fully basing Medicare uncompensated care payments on hospitals' actual uncompensated care costs (about \$2.5 billion), and DOE reexamining the size of the Strategic Petroleum Reserve (about \$1.6 billion).

We set the target for fiscal year 2021 at \$28 billion based on our recent performance and discussions with the Goal 1 teams about the level of benefits they believe they can achieve.

Example of Goal 1's Financial Benefits

Reducing DOD's Payments for Certain Types of Prescription Drugs. In 2014, we found that DOD's TRICARE program was paying for drug prescriptions that included bulk drug substances—raw powders generally not approved by FDA. This practice was inconsistent with regulations stipulating that TRICARE only pay for FDA-approved drugs. We recommended that DOD follow its regulations. In response, DOD implemented several measures to address this issue in 2015, including an automatic screening and prior authorization process for these types of prescription drugs. This helped it avoid over \$1 billion in costs between May 2019-April 2020. ([GAO-15-64](#))

Other Benefits

Other benefits reported for Goal 1 in fiscal year 2020 totaled 296, exceeding our target of 235 by 61 benefits or about 26 percent. Goal 1's other benefits were primarily in the areas of public insurance and benefits, public safety and security, and program efficiency and effectiveness. For fiscal year 2021, we set our target at 235 for these other benefits based on what our Goal 1 teams expect to achieve based on past, ongoing, and expected work.

Example of Goal 1's Other Benefits

Helping FDIC Improve Its Oversight of Fintech Activities. Fintech firms are nonfinancial entities that offer financial services, such as payments, loans, and advice through mobile devices. In March 2018, we found that some U.S. and foreign financial regulators had adopted knowledge-building initiatives that helped fintech firms share information with them, which helped foreign regulators improve oversight capacity. The Federal Deposit Insurance Corporation (FDIC) had not adopted any such initiatives, so we recommended that it evaluate their feasibility. In response, in 2019-2020, FDIC sought OMB approval for two initiatives that could help the agency improve its oversight of fintech activities. ([GAO-18-254](#))

Testimonies

Our senior executives testified 22 times on our Goal 1 work, which fell short of the fiscal year 2020 target of 47 by 25 testimonies or about 53 percent. For instance, we testified on the need to (1) improve the federal response to COVID-19; (2) better protect VA employees from sexual harassment; (3) improve oversight to ensure that Medicaid recipients meet eligibility requirements; (4) strengthen delivery of federal programs to Tribes; (5) address retirement security concerns facing older women; and (6) better protect nursing home residents from abuse. (See [table 7](#) for selected testimony topics by goal.) We set our fiscal year 2021 target at 37 testimonies on Goal 1 issues based on our experience over the past few years.

Example of Goal 1's Testimonies

Developing Needed Aviation-Preparedness Plan for Communicable Disease Outbreaks. COVID-19 is only the latest disease to raise concerns about contagions spread through air travel. In 2015, during the Ebola epidemic, we recommended that the Department of Transportation (DOT) work with relevant stakeholders to develop a comprehensive national aviation-preparedness plan for communicable disease outbreaks. However, it has yet to do so. We concluded that the absence of a national plan undermined the ability of the public health and aviation sectors to coordinate on a response to COVID-19. As of May 2020, DOT supported the inclusion of aviation in a comprehensive pandemic preparedness plan, but held that HHS and DHS should lead the effort. In June, we recommended that the Congress require DOT to produce such a plan. ([GAO-20-655T](#), [GAO-20-659](#), [GAO-16-127](#))



Source: GAO. | GAO-21-4SP

Heather Krause, Director, Physical Infrastructure team, testified virtually on air travel during communicable disease outbreaks.

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 for an Aging Population	
Expanding Access to Retirement Plans	In FY17, we reported that long-term, part-time workers may be ineligible to enroll in 401(k) plans. This affects millions of long-term employees who could not save and invest in their employer-based retirement savings plans. We suggested expanding eligibility through a change in the “year of service” definition for 401(k) plans. The Congress subsequently enacted the Setting Every Community Up for Retirement Enhancement Act of 2019, which implemented this change. Greater access to these plans will help part-time workers better prepare for retirement. (GAO-17-69)
Benefits and Protection for Workers, Families, and Children	
Improving SSA’s Representative Payee Program	The Social Security Administration (SSA)’s Representative Payee program appoints people to manage Social Security benefits for those unable to do so themselves. We recommended that SSA develop a long-term strategy to address growing workload demands—such as by exempting custodial parents and spouses from the requirement to file annual accounting forms. (Such exempted payees would still have other reporting requirements.) SSA’s proposal to drop this requirement was included in the Strengthening Protections for Social Security Beneficiaries Act of 2018. SSA eliminated these forms, which will reduce costs by an estimated \$330 million over 5 years. (GAO-13-473)

Improving Disaster Assistance for Individuals with Disabilities

In 2019, we found that FEMA faced challenges providing disaster assistance to individuals with disabilities. We recommended that it implement new registration-intake questions to better identify the needs of these individuals, and establish strategic objectives for FEMA's new, more integrated approach to addressing the needs of disaster survivors with disabilities. In response, FEMA revised the questions, established objectives in their 2019-2022 Strategic Plan, and began seeking feedback on its integrated disability approach. These efforts can help FEMA ensure better services to disaster survivors with disabilities. ([GAO-19-318](#))

Lifelong Learning to Enhance U.S. Competitiveness

Collecting Better Data on the Effects of Automated Trucking

In 2019, we found that DOT and DOL did not regularly convene stakeholders to gather data on the effects of automated trucking technology on U.S. drivers—including 1.9 million heavy and tractor-trailer truck drivers. We recommended that they do so to inform potential regulatory changes. In 2020, Congress responded by directing DOT and DOL to improve data collection to better identify shifts in demand, workforce needs, and trucking safety; DOT must also report annually on likely changes to drivers. This will help DOT and DOL with future planning, such as assisting workers whose jobs may be affected. ([GAO-19-161](#))

A Responsive, Fair, and Effective System of Justice

Improving Federal Firearm Background Check Records

Federal agencies must submit relevant criminal records to the National Instant Criminal Background Check System, which is used to check the records of people seeking to buy firearms from licensed dealers. However, we found in 2019 that most federal agencies submitted incomplete reports on their criminal history records. In response, DOJ revised guidance to clarify requirements and address gaps in reporting. In 2020, we also found that DOD does not submit military domestic violence protective orders to this system. The Congress subsequently added a provision to legislation that would allow these records to be submitted. ([GAO-20-528](#))

Health Care Needs and Financing

Enhancing Reporting of Concerns with VHA Providers

In November 2017, we reported that inadequate oversight practices at the VHA resulted in the agency not reporting medical providers with serious quality and safety concerns to the National Provider Data Bank or state licensing boards. In response, VHA reported in 2019 that it implemented a new tool to ensure that provider concerns are appropriately reported in a timely manner. The agency also provided evidence that it reported concerns about specific providers that we flagged. As a result, VHA is better able to share information with the public about medical providers about whom it has serious concerns. ([GAO-18-63](#))

Analyzing Clinical Trial Data to Maximize Public Investment in Research

In 2016, we found that the National Institutes of Health (NIH), which spends nearly \$3 billion annually on clinical trials, had not established a process to use its clinical trial data to make decisions about NIH investments. For example, it could use these data to ensure that its research portfolio is balanced and not unnecessarily duplicative. We recommended that NIH establish a process for using these data. In 2018, NIH deployed a new system to track clinical trial data and implemented a process to aggregate and use it. This will help ensure that NIH is maximizing public investment in clinical trials. ([GAO-16-304](#))

Stewardship of Natural Resources and the Environment

Improving EPA's Location Data for Superfund Sites

EPA's Superfund program works to clean up sites contaminated by hazardous substances. During our review of Superfund sites and climate change, we identified errors with the location data—including coordinates and addresses—that EPA had for the sites. For example, the coordinates EPA provided were sometimes in a different location than the site. As a result of our work, EPA changed its formula for identifying coordinates in March 2019 and corrected the coordinates and addresses of numerous sites. Doing so improved EPA's information on Superfund sites, which is used to clean up these sites and better manage the risks posed by climate change. ([GAO-20-73](#))

Better Documenting the Need for Food Recalls

Prompt responses to outbreaks of foodborne illness can help stop the spread of illnesses and deaths. However, unwarranted food recalls can trigger serious economic losses. In 2012, we found that FDA had not documented how it weighs evidence to determine if a food recall is necessary. We recommended that FDA document its process, including how it weighs evidence on the need for a recall. In response, FDA published recall guidance in November 2018. As a result, FDA can better ensure that it applies standards uniformly and gives clear information to consumers and the food industry. ([GAO-12-589](#))

Stable Financial System and Consumer Protection

Helping the Federal Reserve Provide More Complete Recommendations to Banks

In May 2019, we found that the Board of Governors of the Federal Reserve System's (Federal Reserve) communication to banks about supervisory concerns sometimes lacked detail on cause and effect. We recommended that the Federal Reserve update its policies and procedures on communicating supervisory concerns, such as ineffective leadership, to include these details. In response, in 2020, the Federal Reserve updated its bank supervision and bank examination manuals to require this information. This will allow the Federal Reserve to provide more complete recommendations to banks, and help banks provide more complete and timely responses. ([GAO-19-352](#))

Helping Federal Reserve Examiners Escalate Supervisory Concerns


In May 2019, we found that the Federal Reserve lacked specific and measurable guidelines for its examiners on escalating supervisory concerns, such as poor credit administration practices, to enforcement action. We recommended that the Federal Reserve update its policies and procedures to incorporate such guidelines. In response, in 2020, the Federal Reserve updated its bank supervision and bank examination manuals with a new section on escalating issues. Using the new guidelines, Federal Reserve examiners should be better able to decide which issues may require enforcement action. ([GAO-19-352](#))

Viable National Infrastructure

Improving How FAA Oversees Drone Safety

FAA oversees compliance with unmanned aircraft systems (UAS or "drones") regulations, including those prohibiting small UAS from endangering lives and property. However, we reported in 2019 that FAA did not consistently communicate to law enforcement partners on their expected role in UAS safety. FAA also had not determined what data it needed to assess its efforts. We made recommendations to improve FAA's small UAS oversight. FAA has taken some steps in response, such as improving communication with law enforcement partners. This will better inform law enforcement about what information to share with FAA on unsafe UAS operations. ([GAO-19-427T](#), [GAO-19-52](#))

Source: GAO. | GAO-21-4SP



Source: Comstock. | GAO-21-4SP

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 United States and its allies. The complex and rapidly evolving security environment facing the United States 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 multiyear (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 Intelligence Community's management and integration.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#), which is available on our website at <https://www.gao.gov/about/stratplanning.html>.

Example of Work under Goal 2

Our review of the military justice system found that Blacks and Hispanics were more likely than Whites to be tried in a general or special court-martial proceeding but that race was not a statistically significant factor for a conviction in all the military services. The military services also record race and ethnicity differently, which makes it difficult to identify disparities across the services. Per our findings, the FY 2020 National Defense Authorization Act directed the Secretary of Defense to include race, ethnicity, and gender data in annual military justice reports, and identify and address the causes of such disparities in the military justice system. ([GAO-20-648T](#), [GAO-19-344](#))



Source: GAO-21-4SP

Brenda Farrell, Director, Defense, Capabilities, and Management team, testified virtually on our review of the military justice system.

The work supporting these objectives is performed primarily by headquarters and field staff in the following teams: Contracting and National Security Acquisitions, Defense Capabilities and Management, Homeland Security and Justice, and International Affairs and Trade. In addition, the work supporting some performance goals and key efforts is performed by headquarters and field staff from the Financial Markets and Community Investment; ITC; Financial Management and Assurance (FMA); Natural Resources and Environment; ARM; and STAA teams.

To accomplish our work in fiscal year 2020 under these strategic objectives, we conducted engagements that involved fieldwork related to international and domestic programs that took us across multiple continents (prior to COVID-19). As shown in [Table 18](#), we exceeded our target for other benefits and fell short of our targets for financial benefits and testimonies for Goal 2.

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

Performance measure	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target	2020 actual ^b	Met/not met	2021 target
Financial benefits (dollars in billions)	\$13.1	\$13.0	\$46.5 ^a	\$10.5	\$147.4 ^a	\$12.0	\$5.9	Not Met	\$10.3
Other benefits	505	502	500	517	682	362	646	Met	367
Testimonies	23	43	21	26	29	28	17	Not Met	21

Source: GAO. | GAO-21-4SP

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2020 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.

^aIn fiscal years 2017 and 2019, we achieved one unexpectedly large financial benefit; however, we did not expect this level of results in 2020.

^bOur fiscal year 2020 targets for all 3 of our performance measures differ from those we reported in our fiscal year 2020 performance plan in June 2019, based on revised estimates from mission teams. Specifically, we decreased our financial benefits target from \$12.7 billion to \$12.0 billion, increased our other benefits target from 349 to 362, and decreased the testimonies target from 29 to 28. See [Setting Performance Targets](#) and [p. 34](#).

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 19](#).

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

Performance measure	2015	2016	2017	2018	2019	2020
Financial benefits (dollars in billions)	\$18.4	\$18.3	\$24.6	\$20.8	\$54.4	\$52.6
Other benefits	510	508	511	506	550	586
Testimonies	37	34	32	28	30	23

Source: GAO. | GAO-21-4SP

The following sections describe our performance under Goal 2 for each of our quantitative performance measures and describe the targets for fiscal year 2021.

Financial Benefits

The financial benefits reported for Goal 2 in fiscal year 2020 totaled \$5.9 billion, which was \$6.1 billion below our \$12.0 billion target. Financial benefits contributing to this total include making better use of DOD's allocated funds in some of its Operations and Maintenance accounts and sub-accounts (\$981.7 million), reducing embassy and consular operations costs by considering unobligated balances (about \$950 million), and improving the FBI's management of unobligated balances for fingerprint check fees (about \$565 million). We set our fiscal year 2021 target at \$10.3 billion based on what our Goal 2 teams believe they can achieve based on past, ongoing, and expected work.

Example of Goal 2's Financial Benefits

Better Reflecting DOD's Actual Costs When Funding FY 2020 Operations. DOD's O&M appropriations provide the largest portion of DOD's budget, including funding for training and support of military units. DOD has 1 year to obligate these funds, and 5 years before unobligated and undisbursed funds are cancelled and returned to the Treasury. We found that, between FYs 2009-2013, an average of \$6.6 billion per year were cancelled and returned to the Treasury from DOD's O&M accounts. The Congress cited these unused funds when it reduced DOD's O&M funding for FY 2020 by \$349 million, which better reflects DOD's actual operating costs.

Other Benefits

The other benefits reported for Goal 2 in fiscal year 2020 totaled 646 and exceeded our target of 362 by 284 benefits or about 78 percent. Many of Goal 2's other benefits were in the areas of public safety and security, acquisition and contract management, and business process and management. We set our fiscal year 2021 target at 367, based on what our Goal 2 teams expect to achieve based on past, ongoing, and expected work.

Example of Goal 2's Other Benefits

Improving Diagnostic Test Distribution Processes. Zika virus disease can cause adverse pregnancy and neurological outcomes. In 2017, we found that CDC was not fully transparent regarding how it distributed tests it developed to help diagnose Zika virus disease. We recommended that CDC establish a transparent process for distributing such tests. In response, CDC finalized an agreement with laboratory organizations and others clarifying its responsibility for facilitating communication and sharing resources for developing and conducting diagnostic tests—helping streamline development of diagnostic test capacity for future disease outbreaks. (GAO-17-445)

Testimonies

Our senior executives were asked to testify 17 times on our Goal 2 work in fiscal year 2020, falling short of our target of 28 testimonies by 11 testimonies or about 39 percent. Goal 2 testimony topics included the need to (1) address lessons learned from missile defense acquisition efforts; (2) strengthen DOD's oversight and monitoring of privatized military housing; (3) improve workforce diversity at the State Department; (4) adopt a portfolio management approach for NNSA's nuclear weapons modernization; (5) address challenges facing the Coast Guard in developing its Arctic capabilities; and (6) improve Customs and Border Protection's oversight of funds, medical care, and reporting of deaths at the southwest border. (See [table 7](#) for selected testimony topics by goal.) We have set our fiscal year 2021 testimony target at 21 based on our recent experience.

Example of Goal 2’s Testimonies


Improving Implementation of the National Biodefense Strategy. The National Biodefense Strategy (2018) is the nation’s interagency plan to address biological threats, such as naturally occurring diseases like COVID-19. On March 11, 2020, we testified on how the strategy had worked so far. We found that it did not have clear processes, roles, or responsibilities for interagency decision-making—such as reaching consensus or deciding how best to leverage resources. We recommended that HHS (lead agency for the strategy) clearly document how it will address such factors. HHS concurred and shared how it plans to develop a communication and outreach plan with key stakeholders—an important step to effectively implement the strategy. ([GAO-20-483T](#), [GAO-20-273](#))



Source: <https://oversight.house.gov> | GAO-21-4SP

Christopher Currie, Director, Homeland Security and Justice team, GAO (far right), is sworn in to testify on the National Biodefense Strategy, along with fellow panel members (left to right): Dr. Anthony Fauci, Director, National Institute of Allergy and Infectious Diseases, NIH; Dr. Robert Redfield, Director, CDC; Dr. Robert Kadlec, Assistant Secretary, Preparedness and Response, HHS; and Dr. Terry M. Rauch, Assistant Secretary of Defense for Health Readiness Policy and Oversight, DOD.

..... To listen to the related podcast or read the testimony, click on graphics below.



**Pandemic Preparedness:
Watchdog Report Deep
Dig Edition**

<https://www.gao.gov/multimedia/podcasts/705369>

United States Government Accountability Office

GAO Testimony
Before the Committee on Oversight and
Reform, House of Representatives

For Release on Delivery
Expected at 9:30 a.m. ET
March 11, 2020

**NATIONAL BIodefENSE
STRATEGY**

**Opportunities and
Challenges with Early
Implementation**

Statement of Chris P. Currie, Director,
Homeland Security and Justice

and

Mary Denigan-Macauley, Director,
Health Care

GAO-20-483T

Table 20 provides 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	
Better Tracking Family Separations and Medical Care at the Southwest Border	CBP apprehended over 850,000 noncitizens along the southwest border in FY 2019. CBP is required to track any family separations, but we found that these separations were not always accurately tracked. In February 2020, we made 9 recommendations to help improve tracking of family units and documentation on family separations. CBP has also sought to improve medical care for those in its custody. In July 2020, we made 10 recommendations to improve CBP's oversight of funds, medical care, and the reporting of deaths. In response, CBP plans to improve its guidance for processing family separations, and develop oversight mechanisms for medical care. (GAO-20-536 , GAO-20-245)
Strengthening IRS's Internal Controls and Cybersecurity	We have reported on cybersecurity vulnerabilities we have identified at IRS. For instance, we have recommended that IRS apply software patches in a timely and consistent manner to protect against cybersecurity threats. Over the last 5 years, we have made a total of 218 IT recommendations. In response, the IRS has implemented 92, which has helped strengthen its cybersecurity program. However, 126 remain, addressing those weaknesses in areas such as access controls, separation of duties, and cryptography. Implementing all our recommendations would better protect the IRS's IT systems from internal and external threats. (GAO-20-411R , GAO-18-391 , GAO-17-395 , GAO-16-398)
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. In June 2011, we asked that in reauthorizing NFIP, Congress consider reforms to increase NFIP's financial stability. We had recommended that FEMA, which manages NFIP, take steps to align premium rates with the risk of losses. In 2012, Congress passed legislation addressing NFIP's structural challenges and FEMA began changing how it sets rates for certain properties. The changes led to about \$377 million in additional premium payments as of the end of fiscal year 2018. (GAO-11-297)
Military Capabilities and Readiness	
Improving Planning for Sustaining Ships Early in Shipbuilding Programs	In 2020, we examined every recent class of Navy ship and found systemic problems maintaining ships—like failed engines—affecting military readiness. Specifically, the Navy had not identified, evaluated, or mitigated concerns with the operation and maintenance of ships as they were planned, designed, and built—adding \$130 billion in costs. In turn, the Navy agreed to implement our 11 recommendations, and the Congress included a provision in the FY 2021 National Defense Authorization Act to improve accountability for such cost increases. This will help improve maintenance considerations in Navy shipbuilding programs and military readiness. (GAO-20-2)
Clarifying Information about Agent Orange Exposure for Veterans	Veterans who were exposed to Agent Orange in the Vietnam War era may be eligible for disability compensation. However, we found in 2018 that DOD's official list of Agent Orange testing and storage locations omitted some locations and had not been updated for years. We recommended DOD and VA develop a formal process to communicate to veterans where Agent Orange was known to have been present. In response, DOD and VA developed a joint plan to provide updated information on VA's website about where Agent Orange had been tested or stored. This could help veterans obtain information on their potential exposure and eligibility for disability benefits. (GAO-19-24)

Reducing Reliance on Contract Support for Naval Operation DOD has relied on contractors to provide operational contract support (e.g., obtaining supplies and services) in Iraq and Afghanistan. In 2011, DOD noted the risk of depending on contractors and outlined planned changes to build its expertise by integrating contracting support into military planning/operations. However, we found in 2013 that the Navy, Marine Corps, and Air Force had yet to do so. In response, the Navy issued guidance in 2018 on policy, responsibilities, and requirements for integrating this support into its operations. This will help reduce the Navy's reliance on contractors for supplies, services, and related expertise. ([GAO-13-212](#))

U.S. Foreign Policy Interests

Improving USAID's Response to Infectious Diseases The 2015-2016 Zika virus outbreak led the World Health Organization to declare a global public health emergency. USAID supported a range of activities overseas to help, including mosquito control, public awareness, and research. However, we reported in 2019 that USAID did not track Zika funding by country and took additional time to launch response efforts in some countries. In response to our recommendations, USAID took steps to enhance how it plans responses to infectious diseases and tracks funds. These actions will help the agency respond more quickly to future outbreaks, support oversight, and inform planning decisions. ([GAO-19-356](#))

Ensuring Access to Watch Lists for Weapons Exports The government controls the export of certain firearms, artillery, and ammunition to manage the risks of exporting sensitive items while facilitating legitimate trade. Recent changes transferred this control from the State Department to the Commerce Department. However, these agencies use different watch lists to screen parties to export transactions. In March 2019, we found that Commerce did not have access to State's watch list and recommended State share its list with Commerce. In November 2019, the agencies agreed to share their respective lists—enhancing Commerce's ability to ensure that these weapons are used as intended. ([GAO-19-307](#))

Better Tracking Reimbursements from Foreign Partners DOD has used its Acquisition and Cross-Servicing Agreements to provide billions of dollars' worth of logistical support to over 100 foreign partners. However, we found in 2020 that DOD had not accurately tracked orders under these agreements from 2014 to March 2018, and had not received the expected reimbursements for thousands of them. We made recommendations to help DOD improve recordkeeping and reimbursement for these orders. In response, as of August 2020, DOD had improved its recordkeeping, recovered about \$1 million, and could recover additional reimbursements from overdue orders that DOD valued at over \$1 billion as of November 2019. ([GAO-20-309](#))

Source: GAO. | GAO-21-4SP



Source: Brand X Pictures. | GAO-21-4SP

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 multiyear (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](#), which is available on our website at <https://www.gao.gov/about/stratplanning.html>. The work supporting

these objectives is performed primarily by headquarters and field staff from the ARM, FMA, FAIS, ITC, STAA, and Strategic Issues teams. In addition, the work supporting some performance goals and key efforts is performed by headquarters and field staff from the Contracting and National Security Acquisitions, Physical Infrastructure, and Natural Resources and Environment teams. This goal also includes our bid protest and appropriations law work, which is performed by staff in OGC.

To accomplish work under these objectives, we also perform 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. However, we did not meet our other benefits target or testimony target for fiscal year 2020.

Example of Work under Goal 3

Strengthening Plans for Moon Landing. NASA is pursuing an aggressive timeline to return U.S. astronauts to the moon by 2024, 4 years earlier than planned. But we found in 2019 that NASA did not have a comprehensive rationale for its lunar plans or know how much the 2024 mission would cost. We recommended that NASA develop a cohesive plan outlining its efforts for a moon landing, and document a cost estimate for the mission. NASA agreed with our recommendations. Implementing our recommendations would help NASA establish a solid business case for its lunar plans and provide the Congress with information on the complete cost of this mission. ([GAO-20-68](#))

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

Performance measure	2015 actual	2016 actual	2017 actual	2018 actual	2019 actual	2020 target ^b	2020 actual	Met/not met	2021 target
Financial benefits (dollars in billions)	\$10.1	\$30.8 ^a	\$5.0	\$12.1	\$6.7	\$3.2	\$5.0	Met	\$3.4
Other benefits	526	448	517	515	491	398	390	Not Met	385
Testimonies	26	37	29	28	23	24	18	Not Met	22

Source: GAO. | GAO-21-4SP

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2020, 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.

^aIn 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.

^bOur fiscal year 2020 targets for all three performance measures differ from those we reported in our fiscal year 2020 performance plan in June 2019, based on revised estimates from mission teams. Specifically, we decreased our financial benefits target from \$3.9 to \$3.2 billion, decreased other benefits from 411 to 398, and increased testimonies from 23 to 24. See [Setting Performance Targets](#).

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

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

Performance measure	2015	2016	2017	2018	2019	2020
Financial benefits (dollars in billions)	\$12.1	\$15.6	\$14.8	\$14.5	\$13.6	\$7.2
Other benefits	562	511	501	502	493	478
Testimonies	30	29	31	30	29	25

Source: GAO. | GAO-21-4SP

The following sections describe our performance under Goal 3 for each of our quantitative performance measures and describe the targets for fiscal year 2021.

Financial Benefits

In fiscal year 2020, the financial benefits reported for Goal 3 totaled \$5.0 billion, exceeding our target of \$3.2 billion by \$1.8 billion, or about 56 percent. This was due primarily to two unexpectedly large financial benefits from actions taken by the Congress (1) revising partnership audit rules (nearly \$1.17 billion), and (2) IRS preventing issuance of invalid tax refunds (over \$900 million). We have set our 2021 target at \$3.4 billion based on what our Goal 3 teams believe they can achieve given past, ongoing, and expected work.

Example of Goal 3's Financial Benefits

Increasing Tax Revenue by Helping Revise Partnership Audit Rules. In 2014, we found that IRS had difficulty auditing large partnerships (those with at least 100 partners and \$100 million in assets) because it would reach out to individual partners to collect any taxes owed. This process was labor intensive and limited the number of large partnerships that the IRS could audit. We recommended that 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 is expected to increase tax revenue by nearly \$1.17 billion in FY 2020 dollars. ([GAO-14-732](#))

Other Benefits

Other benefits reported for Goal 3 in fiscal year 2020 totaled 390, falling short of our target by 8 benefits or about 2 percent. Goal 3's benefits were primarily in the areas of program efficiency and effectiveness, business process and management, tax law administration, and acquisition and contract management. We have set our fiscal year 2021 target at 385 other benefits based on past, ongoing, and expected work.

Example of Goal 3's Other Benefits

Better Managing IT Acquisitions. Each year, the federal government spends over \$90 billion in IT. Even so, these investments have often failed or performed poorly due to ineffective management. The Federal Information Technology Acquisition Reform Act (FITARA) is intended to improve agencies' acquisition and management of IT. Between 2017 and 2020, we supported congressional efforts to measure FITARA implementation by preparing scorecards that tracked and scored agency actions to address FITARA requirements. As a result, the Congress held 10 hearings—increasing oversight of and attention to agencies' IT acquisitions and management. ([GAO-20-691T](#), [GAO-19-157SP](#), [GAO-19-131](#), [GAO-18-234T](#))



Source: GAO. | GAO-21-4SP

Carol Harris, Director, Information Technology and Cybersecurity team, testified on federal agencies' efforts to implement the Federal Information Technology Acquisition Reform Act (FITARA).

Testimonies

Our senior executives were asked to testify 18 times on topics related to this strategic goal in fiscal year 2020, falling short of our target by 6 testimonies or about 25 percent. Among the Goal 3 testimony topics covered were the need to (1) address significant information security challenges at VA and other federal agencies; (2) strengthen SBA's oversight of Tribal 8(a) firms; (3) clearly communicate public comment posting practices for federal rulemaking; and (4) continue progress made under the CFO Act to improve federal financial reporting. (See [table 7](#) for selected testimony topics by goal.) For fiscal year 2021, we have set the testimony target at 22, based on our experience in recent years. [Table 23](#) provides examples of Goal 3 accomplishments and contributions, which include both financial and other benefits.

Example of Goal 3's Testimonies

Risks to an Accurate 2020 Census. Census data inform critical decisions, such as apportioning the seats of the U.S. House of Representatives, redrawing congressional districts, and allocating billions of dollars in federal funding. COVID-19 forced the Census Bureau to delay its 2020 operations but it announced in August that it would deliver apportionment data by December as required. We identified risks to the count, including the ability to hire and retain staff, ensure safety, monitor IT systems and cybersecurity, and determine effects on data quality. The Bureau's decision was challenged in court and a final determination had not been made by September 30, 2020. ([GAO-20-720T](#), [GAO-20-671R](#), [GAO-20-551R](#), [GAO-20-496](#), [GAO-20-415](#))



Source: GAO. | GAO-21-4SP

Chris Mihm, Managing Director, Strategic Issues team, testified on risks to an accurate 2020 Census.

Table 23: Goal 3 Examples of Accomplishments and Contributions

Analyze Government's Fiscal Position

Helping Prevent IRS from Issuing Fraudulent Tax Refunds

Identity theft tax refund fraud is a threat to taxpayers and tax administration. We found in 2014 that IRS could help address this by matching wage information that employers report on the W-2 tax form to individuals' tax returns before issuing refunds. However, employers' wage data were not available until months after IRS issued most refunds. We recommended IRS assess the costs/benefits of accelerating W-2 deadlines and report this information to Congress, which IRS did in 2015. In response, Congress advanced the deadline for employers to file W-2s—which helped IRS prevent about \$906.7 million in fraudulent payments. ([GAO-14-633](#))

Improving Federal Financial Management and Controls

Financial statement audits identify weaknesses in agencies' financial reporting and controls and help prompt improvements. Our audits of agencies' FY 2019 financial activities resulted in 31 recommendations, including 22 to IRS. IRS agreed with our recommendations, which largely focused on IT controls—such as who has access and ensuring that IT systems work as intended. The IRS also implemented several of our prior recommendations by strengthening controls over taxpayer refunds and safeguarding assets, including taxpayer information. This will help improve IRS's financial operations and protect taxpayer payments from potential theft. ([GAO-20-480R](#), [GAO-20-411R](#))

Prevent Fraud, Waste, and Abuse

Improving How Federal Agencies Manage Fraud

To help manage fraud in federal programs, OMB established a working group to implement the Fraud Reduction and Data Analytics Act of 2015 (FRDAA). However, we found in 2018 that this group did not meet as often as required, and not all relevant agencies were involved. We recommended that the Director of OMB address these issues. In response, OMB widened its outreach to include more federal agencies in this working group, and began sharing best practices for managing fraud more broadly through its OMB MAX information system. These actions help agencies share experiences and solutions to prevent, detect, and respond to fraud in their programs. ([GAO-19-34](#))

Verifying Head Start Enrollment Numbers

The Head Start program helps children from low-income families get ready to attend school. In 2019, we found examples of potential fraud at some Head Start centers. We recommended that the Office of Head Start (OHS) use attendance records to help verify that these centers are serving the number of families they are funded to serve. In response, OHS updated its monitoring guidance to state that centers must provide OHS reviewers the source documentation (including attendance data) to verify enrollment numbers. By taking these steps, OHS will help ensure that Head Start centers are serving all the children they are funded to serve. ([GAO-19-519](#))

Increasing VA's Protections for Whistleblowers

In 2018, we found that VA could improve how it deals with employee misconduct. For instance, whistleblowers at VA were 10 times more likely than their peers to receive disciplinary action. We recommended that VA ensure that employees who report wrongdoing are protected against retaliation. In response, VA updated a standard operating procedure in December 2019 for investigating misconduct by senior leaders. VA also developed training on whistleblower rights and protections, which is required for all VA employees. These actions help VA ensure that employees who report wrongdoing are protected against retaliation. ([GAO-18-137](#))

Improving Government-wide Improper Payments

Improper payments—payments that should not have been made or were made in the incorrect amount—cost the government billions of dollars. Since FY 2000, we have issued many reports and testimonies on improper payments. In October 2019, we testified that aggregating government-wide improper payment estimates is essential to understanding the extent of the problem. In FY 2020, Congress passed legislation and the President signed into law a requirement that OMB report an annual government-wide estimate of improper payments. Doing so will help the federal government monitor progress toward reducing improper payments. ([GAO-20-203T](#), [GAO-20-344](#), [GAO-20-336](#))

Major Management Challenges and Program Risks

Identifying High-Risk Challenges to Addressing Drug Misuse

Drug misuse—using illicit drugs or misusing prescription drugs—is a serious public health issue. Since FY 2015, we have made over 80 recommendations to help address this problem, such as improving planning around the National Drug Control Strategy to meet legal requirements. Federal agencies have made some progress, but further actions are needed. In FY 2020, we reported on the continuing, terrible effects of drug misuse on society; we plan to add it to our 2021 High-Risk List to spur progress. Implementing our recommendations will help agencies make progress toward a strategic, coordinated, and effective national response. ([GAO-20-474](#))

Reducing Administrative Workloads/Costs for Federal Research Grants	Universities that receive federal research grants face a number of administrative grant requirements—some of which create unnecessary workloads/costs. In 2016, we found that 4 federal agencies had made efforts to reduce grant workloads and costs but that opportunities for further reductions remained. We recommended that agencies coordinate on additional areas to standardize grant requirements. In response, agencies participated in interagency efforts and identified areas, such as coordinating conflict of interest requirements, that could reduce workloads/costs for universities while maintaining accountability over grant funds. (GAO-16-573 , GAO-16-890T)
Improving Patent Quality	The U.S. patent system can help secure and commercialize new inventions, but low-quality patents—those that are overly broad or unclear—can hinder innovation by blocking new ideas from the market. In 2016, we issued two reports that identified challenges the U.S. Patent and Trademark Office (USPTO) faces ensuring patent quality and conducting thorough searches of relevant information while examining patent applications. In response to our recommendations to help address these challenges, USPTO took steps such as evaluating the time needed to perform thorough examinations, which will help ensure that USPTO issues high-quality patents. (GAO-16-490 , GAO-16-479)
Improving IT Management at DHS	To develop higher quality software that meets mission needs at a lower cost, federal agencies are transitioning to iterative and Agile development approaches—which call for rapid delivery of working software. We convened a group of knowledgeable specialists to help develop appropriate criteria and used it to analyze DHS's transition to the Agile software development approach. We made recommendations to help DHS improve its transition—such as establishing additional training requirements. DHS agreed with our recommendations and plans to address them. Our work will help DHS improve its transition to Agile and help guide other federal agencies making a similar transition. (GAO-20-213)
Ensuring that Federal Agencies Can Fully Adjust Civil Penalties for Inflation	Civil monetary penalties are an important element of regulatory enforcement because they allow federal agencies to punish willful and egregious violators and deter future violations. However, we found that agencies were unable to fully adjust their civil penalties for inflation under current law, which reduced their ability to make these penalties suitably severe. In response, Congress enacted statutory amendments that allowed agencies to more fully adjust civil penalties for inflation to help preserve their relevancy. The Congressional Budget Office also estimated these changes would increase government revenue by \$110 million in FY 2020. (GAO-03-409)
Better Identifying Unused Balances from Expired Grant Awards	Effective and efficient grant closeout processes allow federal agencies to identify unspent funds and potentially return them to the Treasury. In 2016, we found that the Department of Commerce (Commerce) was not reporting undisbursed balances in its expired grant accounts as required. In response, Commerce implemented measures that helped it better identify unspent grant funds. This led to over \$215 million in financial benefits for the federal government. (GAO-16-362)

Source: GAO. | GAO-21-4SP



Source: GAO. | GAO-21-4SP

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 three internal management challenges. The multiyear (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](https://www.gao.gov/about/stratplanning.html), which is available on our website at <https://www.gao.gov/about/stratplanning.html>. 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 Professional Development Program, and Field Operations. Assistance on specific key efforts is provided by ARM and other offices, including SPEL Congressional Relations, 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](#) on [page 44](#), 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

COVID-19 Response. On March 13, 2020, the agency pivoted to maximum telework to ensure the health and safety of our employees, which required seamless coordination across all operational units to provide employees the policies, procedures, and equipment necessary to continue our mission remotely. 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	<ul style="list-style-type: none"> ■ 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 requiring recruitment teams to develop annual diversity recruitment strategies, identifying and reaching out to additional schools with under-represented student populations, and creating training to deliver to students on how to navigate the federal application process. ■ We hired 121 new permanent staff, and onboarded 96 of these employees completely virtually for the first time in our history during the global pandemic. ■ We managed a year-round program for 151 analyst and operations interns, providing GAO with a robust pipeline of vetted, well-trained staff to support workforce needs, and implemented new support structures such as mentors and buddies to ensure our interns felt connected, valued, and able to thrive. ■ We converted in-person core curriculum courses to virtual delivery within 4 months of GAO moving to nearly 100 percent telework, helping ensure that employees at all levels received the training they needed to continue their professional development. ■ In the area of project management, we have completed training for the 12 pilot engagement teams on new tools and techniques for our initiative to integrate industry-standard project management practices into our engagement process.
Enhancing and sustaining a fair, diverse, and inclusive culture	<ul style="list-style-type: none"> ■ To implement actions included in the 2019-2023 DE&I strategic implementation plan, we engaged employee organizations and teams on their involvement in strategies for hiring underrepresented demographic groups and identifying any challenges related to workplace equity. ■ To reaffirm our commitment to equal employment opportunity, DE&I in the workplace, we updated our Equal Employment Opportunity Policy Statement, issued a new Sexual Misconduct Policy, and conducted a confidential survey regarding sexual misconduct in the workplace. ■ To support and enhance broad perspectives in and approaches to our work, we hosted events on a range of topics such as demonstrating management support for DE&I efforts, choosing courage over comfort in the workplace, masculine norms, Caribbean-China relations, how stereotypes shape the experiences of Asian American and Pacific Islanders, Historical Perspectives on Latino Identity and Assimilation, and more.

Maintaining effective relationships with GAO's internal employee organizations

- In fiscal year 2020, the agency worked with the GAO Employees Organization, International Federation of Professional and Technical Engineers Local 1921 to negotiate on a variety of initiatives, including the following:
 - Completion of Headquarters space consolidation
 - New Sexual Misconduct Policy with hotline and portal reporting features
 - Rollout of multiple technology solutions, including Virtual Desktop Initiative (VDI) 2.0 and Skype
 - Implementation of all COVID-19 working conditions
 - Multiple field office renovations and relocations

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

Enhancing outreach to the Congress and access to our work

- We launched an effort to gather feedback from 22 Senate and House committees to better understand how they use our products and services and how we can meet their needs, and participated in a briefing for House interns to ensure they are aware of our role.
- We redesigned the internal class we use to prepare our senior executive staff to give testimony before Congress, emphasizing the internal working of congressional hearings.
- We launched a new coronavirus oversight page on GAO's public website that provides information on GAO's oversight role, a live feed of reports, and a record of past related reports by category; established a coronavirus oversight RSS feed and e-mail subscription; and posted a number of WatchBlog posts and podcasts, all to keep the Congress and American public apprised of our coronavirus-related work and activities.
- We launched the Deep Dig podcasts, a series of special editions of our Watchdog Report podcast series that take an in-depth look at an area of national concern and give our audiences additional context to understand GAO's work. Deep Dig episodes have looked at challenges in administering the 2020 Census, pandemic preparedness, Navy shipbuilding, and critical infrastructure cybersecurity, among others. Episodes have averaged more than 1,000 downloads.
- In June 2020, we launched a GAO Instagram account to continue our social media outreach efforts, with a focus on giving users a more personal look at behind-the-scenes fieldwork, featuring staff who work for the agency.

Enhancing GAO's foresight and strategic planning capacity

- We led the development of an INTOSAI pandemic lessons learned document to engage external parties such as the World Health Organization, the United Nations, and the International Civil Aviation Organization Council on how audit institutions can help inform decisions that could (1) improve government efforts to prepare for and respond to future pandemics, and (2) provide insights on oversight of pandemic response efforts.
- We helped lead efforts to assist audit offices around the world share best practices and understand the implications of remote audits during the COVID-19 pandemic in our capacity as vice-chair to INTOSAI's Supervisory Committee on Emerging Issues.
- We developed a multi-day virtual training for our executive candidates on foresight tools and best practices as a leadership competency.
- We held a Comptroller General Forum on Artificial Intelligence Oversight to enhance understanding of audit and governance principles for providing oversight of algorithms and automated systems.

Continually improving government auditing standards	<ul style="list-style-type: none"> ■ We addressed the strategic goals outlined in the National Intergovernmental Audit Forum Strategic Plan through implementation of an increased digital presence, advancing audit standards, and sharing best practices. ■ We 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	<ul style="list-style-type: none"> ■ We led coordination with the Pandemic Response and Accountability Committee, federal inspectors general, national associations, academia, and state and local auditors in response to the COVID-19 pandemic in support of the continuity of operations of GAO audits. ■ We led the INTOSAI response to the COVID-19 pandemic by rapidly deploying a website for the global accountability community with resources to help our international colleagues with maintaining continuity of operations.
Enhancing GAO's products, processes, and programs	<ul style="list-style-type: none"> ■ We established a new pre-employment suitability process to support more efficient onboarding of newly hired staff. ■ We increased the timeliness of our leave audits by 15 percent due in part to the new leave audit database we implemented in the prior fiscal year. ■ We made a number of improvements in our Enterprise Risk Management (ERM) program, including increased integration between ERM and internal control, issuance of a Risk Appetite Statement, and increasing the number of fraud risk assessments.
Provide Modern Integrated Tools and Systems in a Secure Environment	
Empowering staff with integrated tools to enhance business processes and increase efficiency	<ul style="list-style-type: none"> ■ In early fiscal year 2020, we launched the agency-wide rollout of iGEL, VDI 2.0, Windows 10, Skype, Office 2016, and DM10, all critical to our ability to support the agency's move to maximum telework in response to the global pandemic. ■ We purchased a talent management system (TMS) to replace several legacy systems; the new TMS will enable employees to manage both their annual performance appraisal milestones and ongoing professional development training in one place, and managers to have a global view of these activities for those they supervise. ■ We completed initial development on New Blue, GAO's web-based publishing platform program, and will continue to pilot it and user supports needed for agency-wide rollout in fiscal year 2021. ■ We improved GAO's ability to produce video content by transitioning from an existing AVID-based legacy system with outdated and limited accessibility into a mobile production capability that leverages new technologies and cloud-based workflows. The new capability can be used anywhere; permits GAO's video producers to create a wider variety of high-quality video products, from report-related videos to internal training, with faster turnaround times; and allows contributions from staff from across the agency.
Enhancing tools that integrate enterprise data to facilitate decision-making	<ul style="list-style-type: none"> ■ We launched a simplified, shortened, and refined Employee Engagement Survey (formerly the Employee Feedback Survey), which was the culmination of diverse agency-wide stakeholder collaboration and effort. ■ We created a COVID-19 operations dashboard to help senior leaders monitor critical functions and inform decision-making through the pandemic.

Enabling a mobile, collaborative environment

- In addition to the rollout of VDI 2.0, Skype, and other technologies that enabled us to seamlessly transition to nearly 100 percent telework, we procured and distributed additional Adobe Connect licenses to support the need to collaborate and communicate, and provide critical trainings, virtually.
- We developed a secure IT solution that allows employees to remotely access computer towers needed for engagement data analysis, including COVID-19 pandemic reporting.

Ensuring a secure, cost-effective physical and technological infrastructure

- We initiated, developed, and fully instituted an insider threat program to educate employees about insider threat risks, provide resources, and to coordinate efforts to deter, mitigate, and respond to insider threat incidents.
- We began to install new secure networks (IntelDirect and Department of Energy) to increase classified work capabilities.
- We built a new secure room for the Seattle Field Office in federally owned space to provide classified work capabilities.
- We completed a number of capital investment projects in our Headquarters building, including creating a new refreshment and gathering space to facilitate employee collaboration and conversation, and replaced carpet, paint, and wallpaper throughout the building.

Source: GAO. | GAO-21-4SP

Part III

Financial Information



Source: GAO. | GAO-21-4SP

From the Chief Financial Officer

November 16, 2020

Fiscal year 2020 has been one of the most unusual on record, requiring us to navigate many challenges. But despite the unprecedented situation, I am pleased to report the U.S. Government Accountability Office (GAO) continued to set the standard for excellence in government financial management. Once again, GAO’s financial statements, which are an integral part of our Performance and Accountability Report (PAR), received an unmodified “clean” opinion. Our independent auditors found that GAO maintained, in all material aspects, effective internal control over financial reporting, and our financial management systems substantially complied with the applicable requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA). Although not required, GAO considers the independent auditor’s opinion on internal controls and on the system’s compliance with FFMIA 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 FFMIA 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 2019 PAR received an award from the Association of Government Accountants. We received the Certificate of Excellence in Accountability Reporting (CEAR) award, our 19th consecutive award since we first applied in fiscal year 2001.

The funding enacted for fiscal year 2020 allowed GAO to continue hiring through the year, achieving 3,178 full-time equivalent (FTE) positions, and support priority investments in our information technology and building infrastructure. Additionally, GAO received \$20 million in funding as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which requires GAO to: “conduct monitoring, oversight, and audits of the authorities and funding provided to address the Coronavirus 2019 pandemic and the effect of the pandemic on the health, economy, and public and private institutions of the United States.” Although the pandemic presented challenges to GAO’s operating conditions, our longstanding commitment to telework and working virtually allowed us to continue our mission of supporting Congress and improving government unimpeded.

GAO has primarily been operating in a maximum telework posture since mid-March of this year. To enhance our ability to operate in a maximum telework posture, GAO reallocated primarily travel funds which could not be used due to the pandemic to higher priority needs, such as obtaining additional technology collaboration tools, adding bandwidth to the network, and ordering hardware needed to operate in the pandemic. Going forward, GAO will continue to focus on building staffing levels toward the goal of 3,250 FTEs, maintaining and investing in IT and building facilities infrastructure, and continuing to explore new cost reduction measures.


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 Office of Management and Budget (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 key business cycles such as acquisitions, human capital/payroll, disbursements, information technology, and financial reporting. 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 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 2020. 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 (ERM) and fraud risk assessment activities into our existing governance structure. Under the direction of the Chief Risk Officers (CROs), we (1) prepared and updated the agency-wide risk profile for 2020; (2) assessed the internal control over operations, reporting, and compliance; and (3) collaborated with internal stakeholders to facilitate several fraud risk assessments of identified high-risk program areas, consistent with GAO's *A Framework for Managing Fraud Risks in Federal Programs* (Fraud Risk Framework).

The pandemic required GAO offices to adapt new procedures to operate in a maximum telework environment, and our staff met the challenge. We reacted quickly to first assess business processes to identify any risks associated with managing these processes in a maximum telework environment, and then identified cost-effective solutions to address them. These solutions ranged from new procedures for ordering and shipping office supplies and telework equipment to alternative processes for conducting our GAO financial audit remotely. The flexibility and creativity that enabled us to pivot to a maximum virtual operating environment with minimal disruption will continue to serve us well to thrive in whatever new challenging environment we face in 2021.



Karl J. Maschino
Chief Administrative Officer/
Chief Financial Officer

Audit Advisory Committee's Report

November 16, 2020

The Audit Advisory Committee (the Committee) assists the Comptroller General in overseeing the U.S. Government Accountability Office's (GAO) 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 2020 Performance and Accountability Report.



Robert H. Attmore
Chair
Audit Advisory Committee

Independent Auditors' Report



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Comptroller General of the United States
Government Accountability Office

In our audits of the fiscal years 2020 and 2019 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, 2020, and 2019, 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, 2020;
- GAO's financial management systems substantially complied with the applicable requirements of the Federal Financial Management Improvement Act (FFMIA) as of September 30, 2020; and
- No reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements we tested for fiscal year 2020 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)¹ and other information² 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. 19-03, *Audit Requirements for Federal Financial Statements* (OMB Bulletin 19-03). GAO's financial statements comprise the balance sheets as of September 30, 2020 and 2019, 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, 2020, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act (FMFIA).

¹The RSI consists of the section titled "Management's Discussion and Analysis" on pages 26 to 66 of GAO's Performance and Accountability Report (PAR) and subsection titled "Deferred Maintenance and Repairs for Fiscal Year 2020" on pages 120 to 121, which is included with the financial statements.

²Other information consists of all the other information included in GAO's PAR, except for the financial statements, the auditors' report, and the RSI.

INDEPENDENT AUDITORS' REPORT (Continued)

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

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, 2020, 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.³ 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 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

³A 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.

INDEPENDENT AUDITORS' REPORT (Continued)

reporting based on criteria established under FMFIA. Our audit 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, 2020 and 2019, 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, GAO maintained, in all material respects, effective internal control over financial reporting as of September 30, 2020, 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 deficiencies⁴. 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

⁴ 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.

INDEPENDENT AUDITORS' REPORT (Continued)

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, 2020. 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.

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, 2020 based on criteria established under FFMIA for federal financial management systems.

INDEPENDENT AUDITORS' REPORT (Continued)**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

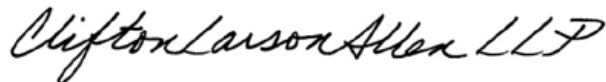
Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to GAO that have a direct effect on the determination of material amounts and disclosures in GAO's financial statements, and perform certain other limited procedures. Accordingly, 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 2020 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.

CliftonLarsonAllen LLP

Greenbelt, Maryland
November 13, 2020

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.

Financial Statements
U.S. Government Accountability Office
Balance Sheets

As of September 30, 2020 and 2019

(Dollars in thousands)

	<u>2020</u>	<u>2019</u>
Assets		
Intragovernmental		
Fund balance with Treasury (Note 2)	\$165,663	\$136,554
Accounts receivable	4,029	5,346
Total Intragovernmental	<u>169,692</u>	<u>141,900</u>
Property and equipment, net (Note 3)	18,897	19,270
Other	483	485
Total Assets	<u>\$189,072</u>	<u>\$161,655</u>
Liabilities (Note 4)		
Intragovernmental		
Accounts payable and other	\$640	\$3,286
Federal employee benefits (Note 5)	5,900	4,464
Federal Employees' Compensation Act (FECA) liability (Note 6)	<u>1,876</u>	<u>1,959</u>
Total Intragovernmental	<u>8,416</u>	<u>9,709</u>
Accounts payable and other	12,072	12,441
Salaries and benefits	24,395	20,702
Accrued annual leave (Note 4)	42,655	33,823
Actuarial FECA liability (Note 6)	<u>11,632</u>	<u>13,099</u>
Total Liabilities	<u>\$99,170</u>	<u>\$89,774</u>
Net Position		
Unexpended appropriations	\$69,319	\$69,440
Cumulative results of operations	<u>20,583</u>	<u>2,441</u>
Total Net Position (Note 12)	<u>\$ 89,902</u>	<u>\$71,881</u>
Total Liabilities and Net Position	<u>\$189,072</u>	<u>\$161,655</u>

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

Financial Statements
U.S. Government Accountability Office
Statements of Net Cost
For the Fiscal Years Ended September 30, 2020 and 2019
(Dollars in thousands)

	<u>2020</u>	<u>2019</u>
Net Costs by Goal		
Goal 1: Well-being / Financial Security of American People		
Gross Costs	\$258,043	\$230,929
Less: reimbursable services	(549)	(591)
Net goal costs	<u>257,494</u>	<u>230,338</u>
Goal 2: Changing Security Threats / Challenges of Global Interdependence		
Gross Costs	173,527	196,306
Less: reimbursable services	-	-
Net goal costs	<u>173,527</u>	<u>196,306</u>
Goal 3: Transforming the Federal Government's Role		
Gross Costs	177,998	163,278
Less: reimbursable services	(17,302)	(14,629)
Net goal costs	<u>160,696</u>	<u>148,649</u>
Goal 4: Maximize the Value of GAO		
Gross Costs	12,565	13,968
Less: reimbursable services	-	-
Net goal costs	<u>12,565</u>	<u>13,968</u>
Other Costs in Support of the Congress		
Gross Costs	66,641	64,015
Less: reimbursable services	(1,945)	(2,059)
Net costs	<u>64,696</u>	<u>61,956</u>
Less: Reimbursable services not attributable to above cost categories (Note 7)	<u>(12,973)</u>	<u>(13,075)</u>
Net Cost of Operations (Note 9)	<u>\$656,005</u>	<u>\$ 638,142</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, 2020 and 2019
(Dollars in thousands)

	<u>2020</u>	<u>2019</u>
Unexpended Appropriations, beginning of fiscal year	\$69,440	\$74,617
Budgetary Financing Sources and Uses		
Appropriations received	650,000	599,750
Appropriations permanently not available	(71)	-
Appropriations used	<u>(650,050)</u>	<u>(604,927)</u>
Total Budgetary Financing Sources and Uses	(121)	(5,177)
Total Unexpended Appropriations, end of fiscal year	<u>\$69,319</u>	<u>\$69,440</u>
Cumulative Results of Operations, beginning of fiscal year	\$2,441	\$4,623
Budgetary Financing Sources - appropriations used	650,050	604,927
Other Financing Sources		
Federal employee retirement benefit costs paid by OPM and imputed to GAO (Note 5)	<u>24,097</u>	<u>31,033</u>
Total Financing Sources	674,147	635,960
Net Cost of Operations	<u>656,005</u>	<u>638,142</u>
Net Change	18,142	(2,182)
Cumulative Results of Operations, end of fiscal year	<u>\$20,583</u>	<u>\$2,441</u>
Net Position	<u><u>\$89,902</u></u>	<u><u>\$71,881</u></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, 2020 and 2019
(Dollars in thousands)

	<u>2020</u>	<u>2019</u>
Budgetary Resources (Note 10)		
Unobligated balance from prior year budget authority, net	\$70,260	\$67,352
Appropriations	650,000	599,750
Spending authority from offsetting collections	30,237	35,188
Total budgetary resources	<u>\$750,497</u>	<u>\$702,290</u>
Status of Budgetary Resources		
New obligations and upward adjustments	\$663,424	\$642,243
Unobligated balance, end of year:		
Apportioned, unexpired account	17	129
Unapportioned, unexpired accounts	84,490	57,368
Unexpired unobligated balance, end of year	84,507	57,497
Expired unobligated balance, end of year	2,566	2,550
Total unobligated balance, end of year	87,073	60,047
Total budgetary resources	<u>\$750,497</u>	<u>\$702,290</u>
Outlays, Net		
Outlays, net	\$620,820	\$598,411
Distributed offsetting receipts	(147)	(16)
Agency outlays, net	<u>\$620,673</u>	<u>\$598,395</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 net position. 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 generally accepted accounting principles 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. The statements were also prepared in accordance with OMB Circular No. A-136, *Financial Reporting Requirements* (rev. August 27, 2020).

Intragovernmental Assets

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

Fund Balance with Treasury

The Treasury Department 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 headquarters 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 two 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 headquarters 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. The U.S. Office of Personnel Management (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 governmentwide 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 the U.S. Department of Labor (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's policy is to recognize 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 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 funds with the Treasury consist of only appropriated funds. The status of these funds as of September 30, 2020 and September 30, 2019, is as follows:

Dollars in thousands

	2020	2019
Fund Balance with Treasury	<u>\$165,663</u>	<u>\$136,554</u>
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	\$68,007	\$37,124
Unavailable	2,566	2,550
Obligated balance not yet disbursed	<u>95,090</u>	<u>96,880</u>
Total status of Fund Balance with Treasury	<u>\$165,663</u>	<u>\$136,554</u>

Note 3. Property and Equipment, Net

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.

The composition of property and equipment as of September 30, 2019 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	132,710	\$125,053	7,657
Computer and other equipment and software	58,441	48,481	9,960
Leasehold improvements	<u>2,516</u>	<u>2,054</u>	<u>462</u>
Total property and equipment	<u>\$194,858</u>	<u>\$175,588</u>	<u>\$19,270</u>

Depreciation expense for property and equipment for fiscal year 2019 is \$7,053,000.

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, 2020 and September 30, 2019 is as follows:

Dollars in thousands

	2020	2019
Intragovernmental liabilities—FECA liability**	\$1,876	\$1,959
Salaries and benefits—Comptrollers' General retirement plan*	1,042	1,150
Accrued annual leave	42,655	33,823
Actuarial FECA liability**	<u>11,632</u>	<u>13,099</u>
Liabilities not covered by budgetary resources	57,205	50,031
Liabilities not requiring budgetary resources	109	113
Liabilities covered by budgetary resources	<u>41,856</u>	<u>39,360</u>
Total liabilities	<u>\$99,170</u>	<u>\$89,774</u>

* See [Note 5](#) for further discussion of the Comptrollers' General retirement plan.

** See [Note 6](#) for further discussion of FECA liabilities.

The increase in accrued annual leave balance for fiscal year 2020 was primarily driven by the COVID-19 pandemic as employees put their vacations on hold. Agency-wide over 92,000 fewer annual leave hours were taken in fiscal year 2020 than in fiscal year 2019.

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, 2020, and September 30, 2019, are \$5,900,000 and \$4,464,000, 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, 2020 and September 30, 2019 are as follows:

Dollars in thousands

Federal employee benefits costs	2020	2019
Federal employee retirement benefit costs paid by OPM and imputed to GAO:		
Estimated future pension costs (CSRS/FERS)*	\$2,384	\$11,572
Estimated future post-employment health and life insurance (FEHBP/FEGLI)	21,713	19,461
Total	<u>\$24,097</u>	<u>\$31,033</u>
Pension expenses (CSRS/FERS) not including imputed benefit costs*	\$61,043	\$49,706
Health and life insurance expenses (FEHBP/FEGLI) not including imputed benefit costs	\$27,814	\$26,592
FICA and Medicare payments made by GAO	\$27,890	\$26,918
Thrift Savings Plan – matching contribution by GAO	\$18,103	\$16,948

*As a result of increased agency contribution rates for FERS implemented in fiscal year 2020 the estimated future pension cost decreased and the pension expense increased in fiscal year 2020.

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 \$1,042,000 as of September 30, 2020, and \$1,150,000 as of September 30, 2019, is included as a component

of salary and benefit liabilities on GAO's balance sheets. The following summarizes the changes in the actuarial liability for the current plan year:

Dollars in thousands

Actuarial liability as of September 30, 2019	\$1,150
Expense:	
Interest on the liability balance	25
Actuarial loss:	
From experience	47
From assumption changes	(6)
Total expense	66
Less benefits paid	(174)
Actuarial liability as of September 30, 2020	<u>\$1,042</u>

Note 6. FECA Liabilities

GAO recorded a liability for amounts paid to claimants by DOL as of September 30, 2020, and September 30, 2019, of \$1,876,000 and \$1,959,000, 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, 2020, and September 30, 2019, which is expected to be paid in future periods. This estimated liability of \$11,632,000 and \$13,099,000 as of September 30, 2020 and September 30, 2019, respectively, is reported on GAO's balance sheets as Actuarial FECA liability.

Note 7. Building Lease Revenue

In fiscal year 2011, GAO entered into a lease agreement with the U.S. Army Corps of Engineers (USACE) to lease the entire third floor, and part of the sixth floor, of the GAO headquarters building. The period of this agreement began in fiscal year 2011 with an option to renew each year through fiscal year 2020. We have executed a new lease (signed October 7, 2020) for fiscal year 2021 with USACE which includes 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 the U.S. Department of Justice (DOJ) to lease part of the first and sixth floors of the GAO headquarters 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 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.

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

Rental revenue from space leased at the GAO headquarters building for fiscal year 2020 was \$12,535,000 (\$12,367,000 federal and \$168,000 non-federal) and fiscal year 2019 \$11,568,000 (\$11,409,000 federal and \$159,000 non-federal). These amounts are included on the statements of net cost as a major component of “Reimbursable services not attributable to above cost categories”. 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*
2021	\$15,827	\$146	\$15,973
2022	16,200	150	16,350
2023	14,274	155	14,429
2024	14,649	109	14,758
2025	15,032	112	15,144
2026 and thereafter	78,233	1,037	79,270
Total	<u>\$154,215</u>	<u>\$1,709</u>	<u>\$155,924</u>

*If options to renew are exercised.

Note 8. Leases

Operating Leases

GAO leases office space, predominately for field offices, from the U.S. General Services Administration (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 2020 and 2019 amounted to approximately \$6,611,000 and \$6,043,000, 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
2021	\$5,354
2022	5,281
2023	4,746
2024	4,263
2025	3,733
2026 and thereafter	11,739
Total estimated future lease payments	<u>\$35,116</u>

Note 9. Net Cost of Operations

GAO's total cost of operations for fiscal year 2020 and 2019 amounted to \$688,774,000 and \$668,496,000, respectively. The statements of net cost show revenues from reimbursable services of \$32,769,000 in fiscal year 2020 and \$30,354,000 in fiscal year 2019 as an offset against the total cost by goal to arrive at net costs of \$656,005,000 and \$638,142,000 for fiscal years 2020 and 2019, 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 headquarters 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, 2020 and 2019 is as follows:

Dollars in thousands

Salary and benefits expense funding	2020	% of total costs of operations	2019	% of total costs of operations
GAO paid salary and benefits	\$554,602	80.5%	\$514,150	76.9%
Benefits paid by OPM	24,097	3.5%	31,033	4.6%
Total salary and benefits expense	<u>\$578,699</u>	84.0%	<u>\$545,183</u>	81.5%

"Other costs in support of the Congress" represents costs of work that directly supports 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, General Counsel statutory bid protest decision writing function, recommendation follow-up work, and other direct support to 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 2020 and 2019 include current year appropriations, 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 headquarters 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 the U.S. Department of the 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 headquarters 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 2019 statement of budgetary resources with the corresponding information presented in the 2021 President's Budget, is as follows:

Dollars in thousands

	Budgetary resources	Obligations incurred	Net Outlays
Fiscal year 2019 Statement of Budgetary Resources	\$702,290	\$642,243	\$598,411
Obligations and adjustments, expired accounts	-	(4,494)	-
Unobligated balances, beginning of year – (funds activity, expired accounts)	(3,116)	-	-
Recovery of prior year unpaid obligations	(831)	-	-
Recoveries of prior year paid obligations (expired accounts)	(3,092)	-	-
Other – rounding in President's Budget	749	251	(411)
2021 President's Budget – fiscal year 2019, actual	\$696,000	\$638,000	\$598,000

As the fiscal year 2022 President's Budget will not be published until February 2021, a comparison between the fiscal year 2020 data reflected on the statement of budgetary resources and fiscal year 2020 data in the President's Budget cannot be performed; however, we expect similar differences will exist. The fiscal year 2021 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 2020 and fiscal year 2019 totaled \$53,234,000 and \$57,246,000, respectively. For fiscal year 2020 undelivered orders were comprised of \$6,743,000 with federal trading partners and \$46,491,000 with the public. For fiscal year 2019 undelivered orders were comprised of \$6,711,000 with federal trading partners and \$50,535,000 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

	2020	2019
Unobligated balance from prior year budget authority, net	\$70,260	\$67,352
Adjustments to budgetary resources made during current year:		
Downward adjustments of prior year undelivered orders	(3,535)	(2,626)
Downward adjustments of prior year delivered orders and other	(6,678)	(5,845)
Total unobligated balance, end of (prior) year	<u>\$60,047</u>	<u>\$58,881</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 financial accounting 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, 2020 and September 30, 2019 are as follows:

Dollars in thousands

	2020	2019
Net Operating Cost	\$656,005	\$638,142
Components of Net Operating Cost Not Part of the Net Outlays		
Property and Equipment Depreciation, Disposal and Revaluation	(7,294)	(5,915)
Increase/(decrease) in assets:		
Accounts Receivable	(1,513)	1,427
(Increase)/decrease in liabilities not affecting Net Outlays:		
Accounts Payable	3,015	(3,365)
Salaries and benefits	(5,129)	(3,505)
Other liabilities (Unfunded leave, FECA, actuarial FECA)	(7,282)	(1,182)
Other financing sources:		
Federal employee retirement benefit costs paid by OPM and imputed to GAO*	<u>(24,098)</u>	<u>(31,033)</u>
Total Components of Net Operating Cost Not Part of Net Outlays	<u>(42,301)</u>	<u>(43,573)</u>
Components of the Net Outlays That Are Not Part of Net Operating Cost		
Acquisition of capital assets	6,927	3,952
Other/ Inventory	189	(110)
Distributed offsetting receipts	<u>(147)</u>	<u>(16)</u>
Total Components of the Net Outlays That Are Not Part of Net Operating Cost	<u>6,969</u>	<u>3,826</u>
Agency, outlays net	<u>\$620,673</u>	<u>\$598,395</u>

*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, 2020, and 2019, are as follows:

Dollars in thousands

	2020	2019
Investment in property and equipment, net	\$18,897	\$19,270
Net reimbursable funds activity	58,517	32,830
Other (supplies inventory and accounts receivable from public)	483	485
Liabilities not covered by, nor requiring, budgetary resources*	<u>(57,314)</u>	<u>(50,144)</u>
Cumulative results of operations	<u>\$20,583</u>	<u>\$2,441</u>

*See [Note 4](#) for components.

Note 13. COVID-19 Activity

During fiscal year 2020 GAO used resources to prepare for, and respond to, COVID-19. Part of these resources are covered by a COVID-19 supplemental appropriation. Enacted on March 27, 2020, H.R. 748 "Coronavirus Aid, Relief, and Economic Security Act" (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. 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 appropriation. 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.

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 child care services to GAO headquarters 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.

In addition, 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 table below details the composition of our COVID-19 related budgetary resources and obligations incurred for the fiscal year ended September 30, 2020 as well as budgetary resources remaining available beyond September 30, 2020:

Dollars in thousands

	CARES ACT Appropriation	GAO Annual Appropriation
Budgetary resources:	\$20,000	N/A
Obligations incurred:		
Salaries and benefits	\$11,444	\$1,488
Tiny Findings Child Care Center	541	-
Other	126	1,278
Obligations incurred*	\$12,111	\$2,766
Budgetary resources remaining available beyond September 30, 2020	\$7,889	N/A

*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 2020

Statement of Federal Financial Accounting Standards (SFFAS) 42, Deferred Maintenance and Repairs: Amending SFFAS 6,14, 29, and 32, defines deferred maintenance and repairs (DM&R) 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.

The Government Accountability Office (GAO) operates and maintains an approximately two million square foot headquarters facility and approximately six acres of associated grounds in downtown Washington, DC. The headquarters 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 three to five 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 that in better condition.

For information technology (IT) assets, GAO has a fully funded technology maintenance contract and manages the maintenance requirements annually through the budget process, reviewing all maintenance requirements to ensure all assets are covered for the new fiscal year. For IT assets, an acceptable asset condition is met by a vendor-supported version which is no more than two versions behind.

GAO’s deferred maintenance and repairs relate to capitalized, non-capitalized, and 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 most recent contracted Facility Condition Assessment (FCA) was limited to mechanical, electrical, and plumbing assets (over \$25,000) for the GAO headquarters building and was completed in 2016. In addition, GAO facilities staff and their contractors assess the building on a continuous basis. In 2017, an internal facilities assessment was performed on areas not covered in 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 the 2016 Asset Management Plan and updated costs. It is anticipated that GAO will conduct a full asset management study—to include architectural, structural, and landscape items, along with all infrastructure elements—in fiscal year 2021.

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 \$82.3 million as of the fiscal year that ended on September 30, 2020.

Dollars in thousands

Deferred Maintenance and Repair Costs	September 30, 2020	September 30, 2019
General property and equipment	\$82,271	\$80,052

SERVING CONGRESS AND THE NATION



Part IV

Inspector General's View of GAO's Management Challenges

Inspector General's Statement



O I G

Office of Inspector General

United States Government Accountability Office

Memorandum

Date: October 27, 2020
To: Comptroller General Gene L. Dodaro
From: Inspector General Adam R. Trzeciak
Subject: GAO Management Challenges

Ad-R. Trzeciak

With the onset of Coronavirus Disease 2019 (COVID-19) GAO has added responding to the pandemic as a key challenge, followed by the challenges to maintain its operations and improve the efficiency of its engagements. I agree that responding to the difficult circumstances presented with the spread of COVID-19 this year is an important area of focus for GAO. I also note that GAO has been proactive in this area by transitioning to a maximum telework posture in March that remains in effect, demonstrating its attention to the health and safety of its workforce as it continues to fulfill its mission.

GAO's reported challenge to maintain its operations is comprised of challenges identified in prior years including maintaining a quality workforce and a reliable, secure information technology (IT) framework. I believe that GAO has made, and continues to make, significant progress in these areas to the extent that they represent successes rather than challenges, as demonstrated by its ability to virtually onboard staff during the COVID-19 pandemic. Further, completion of various IT initiatives, including an upgrade to its virtual desktop interface, coupled with reallocation of travel funds to bolster network connectivity and other IT enhancements related to expanded telework have been effective during the past fiscal year.

The third challenge, engagement efficiency, has been reported as a challenge for several years and, while essential to the agency's mission, could also be viewed more as an area of continuous improvement, rather than a challenge area. GAO issued a total of 691 products during the fiscal year, which is noteworthy in the context of the pandemic, compared to the 678 total products issued in the prior fiscal year.

In commenting on GAO management challenges for fiscal year 2019, I identified infrastructure management as a potential challenge area, highlighting space, occupancy and other issues that coincide with leasing arrangements particular to GAO in Washington, D.C. at its headquarters building. GAO rents space to several Department of Justice entities, and the U.S. Army Corps of Engineers. In fact, GAO headquarters has remained open throughout the pandemic, in large part due to the needs of the Army Corps of Engineers and its support of the federal government's response to COVID-19. The agency added ensuring workplace safety at GAO headquarters as another element to the challenge of maintaining its operations, which seems reasonable in this current environment, but may be more appropriately classified under the umbrella of infrastructure management as the agency continues to navigate its operating posture both at its headquarters in Washington, D.C. and across its 11 field offices.

SERVING CONGRESS AND THE NATION



Part V

Appendixes

Appendix I: Abbreviations

APQA	Audit Policy and Quality Assurance
ARM	Applied Research and Methods
BI	Business Intelligence Analytics
CAO	Chief Administrative Officer
CBP	U.S. Customs and Border Protection
CBSP	Consular Border Security Programs
CDC	Centers for Disease Control and Prevention
CEAR	Certificate of Excellence in Accountability Reporting
[the] Center	Center for Audit Excellence
CFO	Chief Financial Officer
CGI	CGI Federal, Inc.
CMS	Centers for Medicare & Medicaid Services
CPA	Certified Public Accountant
CR	Congressional Relations
CRA	Congressional Review Act
CRO	Chief Risk Officer
CSAT	Customer Satisfaction Survey
CSRS	Civil Service Retirement System
DATA Act	Digital Accountability and Transparency Act of 2014
DE&I	Diversity, Equity, and Inclusion
DHS	Department of Homeland Security
DM&R	Deferred Maintenance and Repairs
DOD	Department of Defense
DOE	Department of Energy
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
DP	Diplomatic Programs
DPM	designated performance manager
Education	Department of Education
EAP	Educator's Advisory Panel
EES	Employee Experience Survey
EHRI	Enterprise Human Resources Integration
EIDL	Economic Injury Disaster Loans
EPA	U.S. Environmental Protection Agency
ERM	Enterprise Risk Management
FAA	Federal Aviation Administration
FAIS	Forensic Audits and Investigative Service
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FBI	Federal Bureau of Investigation
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
FedRAMP	Federal Risk and Authorization Management Program
FEGLI	Federal Employees Group Life Insurance Program
FEHBP	Federal Employees Health Benefits Program
FEMA	Federal Emergency Management Agency

FERS	Federal Employees Retirement System
FEVS	Federal Employee Viewpoint Survey
FFMIA	Federal Financial Management Improvement Act of 1996
FICA	Federal Insurance Contributions Act
FISMA	Federal Information Security Management Act
FITARA	Federal Information Technology Acquisition Reform Act
FLC	Federal Laboratory Consortium for Technology Transfer
FMFIA	Federal Managers' Financial Integrity Act
FPDS-NG	Federal Procurement Data System-Next Generation
FRDAA	Fraud Reduction and Data Analytics Act
FTE	full-time equivalent
FVRA	Federal Vacancies Reform Act
G-Invoicing	Government Invoicing
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GAO-IG Act	Good Accounting Obligation in Government Act
GPRA	Government Performance and Results Act
GPRAMA	GPRA Modernization Act of 2010
GSA	General Services Administration
GTAS	Governmentwide TAS ATB System
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
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
IPP	Invoice Processing Platform
IRS	Internal Revenue Service
IT	Information Technology
ITC	Information Technology and Cybersecurity
LBFMS	Legislative Branch Financial Management System
LLP	Limited Liability Partnership
MOX	Mixed Oxide Fuel Fabrication Facility
NIAF	The National Intergovernmental Audit Forums
NASA	National Aeronautics and Space Administration
NFC	National Finance Center
NFIP	National Flood Insurance Program
NIA	National Interest Action
NSF	National Science Foundation
ODNI	Office of the Director of National Intelligence
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
O&M	Operations and Maintenance
OO&I	Office of Opportunity and Inclusiveness
OPM	Office of Personnel Management

PAB	Personnel Appeals Board
PAR	Performance and Accountability Report
PPOD	Procurement Policy and Oversight Division
PPP	Paycheck Protection Program
PRAC	Pandemic Response Accountability Committee
RPS-AM	Results Phase System--Accomplishments Module
RSI	Required Supplementary Information
SAI	Supreme Audit Institution
SEC	Securities and Exchange Commission
SCEI	Supervisory Committee on Emerging Issues
SES	Senior Executive Service
SFFAS	Statement of Federal Financial Accounting Standards
SBA	Small Business Administration
SOP	Standard Operating Procedure
SPEL	Strategic Planning and External Liaison
SSA	Social Security Administration
STAA	Science, Technology Assessment, and Analytics
STEM	Science, Technology, Engineering, and Math
TMS	talent management system
Treasury	U.S. Department of the Treasury
UAS	unmanned aircraft systems
U.S.	United States
U.S.C.	United States Code
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USPS	United States Postal Service
USPTO	U.S. Patent and Trademark Office
USSGL	United States Government Standard General Ledger
VA	Department of Veterans Affairs
VDI	Virtual Desktop Infrastructure
VHA	Veterans Health Administration

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	
Financial benefits	
Definition and background	<p>Our work—including our findings and recommendations—may produce benefits to the federal government that can be estimated in dollar terms. These benefits can result in better services to the public, changes to statutes or regulations, or improved government business operations. 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. 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. Multiyear 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>
Data sources	<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 (BI).</p>

Verification and Validation	<p>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.</p> <p>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 2020, APQA approved accomplishment reports covering about 99 percent of the dollar value of financial benefits we reported.</p> <p>In fiscal year 2020, 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 2020 reported financial benefits reflect the views of the independent reviewers.</p>
Data limitations	<p>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 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.</p>
Other Benefits	
Definition and background	<p>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.</p> <p>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.</p>
Data sources	<p>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 Business Intelligence Analytics (BI).</p>

Verification and validation	<p>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.</p> <p>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.</p>
Data limitations	<p>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.</p>
Percentage of products with recommendations	
Definition and background	<p>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.</p> <p>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 Performance and Accountability Report (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.</p>
Data sources	<p>Our Publications Database incorporates recommendations from products as they are issued. The database is updated daily.</p>
Verification and validation	<p>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.</p>
Data limitations	<p>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.</p>
Past recommendations implemented	
Definition and background	<p>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 2020 implementation rate is the percentage of recommendations made in fiscal year 2016 products that were implemented by the end of fiscal year 2020). Our experience has shown that if a recommendation has not been implemented within 4 years, it is not likely to be implemented.</p> <p>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.</p>

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	<p>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.</p> <p>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.</p>
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.
Data sources	The data on testimonies are compiled in our Congressional Hearing System managed by staff in our Office of Congressional Relations (CR).
Verification and validation	The teams responding to requests for testimony are responsible for entering data into the Congressional Hearing System. After we have testified at a hearing, CR verifies that the data in the system are correct and records that the hearing took place and that the testimony was delivered. CR provides weekly status reports to unit managers, who check to make sure that the data are complete and accurate.
Data limitations	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	
Definition and background	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.”
Data sources	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 Numbering Database e-mail addresses for congressional staff serving as contacts on a product. Relevant information from both of these databases is fed into another database 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.
Verification and validation	CR staff review released GAO products to check the accuracy of the addressee information in the Product Numbering Database. They also check the congressional staff directory to ensure that form recipients listed in this database 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.
Data limitations	Testimonies and written products that met our criteria for this measure were sent a client survey form, representing about 51 percent of the congressionally requested written products we issued during fiscal year 2020. 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 14 percent, and 97 percent of those who responded answered the timeliness question. We received responses from one or more people for about 41 percent of the products for which we sent a form in fiscal year 2020.
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 (CAO), 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 the Department of Agriculture’s National Finance Center (NFC) database, which handles payroll and personnel data for us and other agencies.
Verification and validation	The 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. The 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 .

Staff development	
Definition and background	<p>Our annual employee survey is an important tool we use for assessing employees' work experiences and informing strategic talent management and organizational development solutions. In FY 2020, we designed an enhanced instrument, our Employee Experience Survey (EES) (formerly, Employee Feedback Survey), to further improve our understanding of staff's experiences and, in turn, help contribute to the agency's goal to attract, retain, and develop exceptional talent to fulfill our mission.</p> <p>The new EES includes approximately 70 core questions, a series of demographic items, and an opportunity to provide written narrative feedback. The EES 2020 was web-based and administered to all permanent employees on board for about one month or longer. Staff were instructed to respond to survey questions by considering their experience over the last 12 months. A Section 508-compliant version of the instrument was designed and provided as an option to all staff receiving the survey. Under Section 508, federal agencies are required to make their electronic and information technology accessible to people with disabilities. To ensure respondents' confidentiality, an external contractor administered the survey and analyzed the data as instructed by GAO.</p> <p>The EES 2020 retains key issue areas previously reported as our People Measures—Staff Development, Staff Utilization, Experience with Supervisors (formerly, Effective Leadership by Supervisors), and Organizational Climate. Organizational behavior research suggests that many of the issues covered across these areas are important drivers of employee engagement, and that such engagement can in turn have positive effects on customer service, teamwork, and operational performance. However, some of the specific questions within these sections have been enhanced, changed, or re-organized. For example, questions included on the U.S. Office of Personnel Management Federal Employee Viewpoint Survey's (FEVS) Employee Engagement Index that are related to our People Measures concepts were integrated into the relevant People Measure index. Further, in streamlining the survey, we developed a more holistic measurement of each of the People Measures.</p> <p>The Staff Development metric assesses level of access to and usefulness of various types of staff training, including both informal and formal opportunities.</p>
Data sources	<p>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.</p> <p>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.</p> <p>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.</p>
Verification and validation	<p>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 revised EES 2020 instrument—including all questions and instructions, as well as the web-based design and navigation—was pre-tested with staff across the agency to help ensure that the survey was clear, logical, effective, and provided a positive user experience. Questions, instructions, and design were refined through an iterative process to improve the survey quality.</p> <p>In FY 2020, the EES response rate was about 77 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.</p>

Data limitations	<p>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.</p> <p>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. We took steps in survey development to minimize nonsampling errors. Specifically, 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.</p>
Staff utilization	
Definition and background	<p>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.</p> <p>For background about the EES 2020, see Staff Development, Definition and background.</p>
Data sources	<p>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.</p> <p>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.</p> <p>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.</p>
Verification and validation	<p>See Staff development, Verification and validation.</p>
Data limitations	<p>See Staff development, Data limitations.</p>
Experience with supervisors	
Definition and background	<p>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. One additional question asking staff to evaluate their DPMs overall was included on the survey. However, the overall question 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.</p> <p>For background about the EES 2020, see Staff Development, Definition and background.</p>

Data sources	<p>The Experience with Supervisors index score is based on staff's favorable responses to 13 EES items about staff's 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.</p> <p>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.</p> <p>To determine the index score, we calculated the percentage of staff selecting a favorable response across all 13 questions among those who responded to the questions.</p>
Verification and validation	See Staff development , Verification and validation .
Data limitations	See Staff development , Data limitations .
Organizational climate	
Definition and background	<p>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.</p> <p>For background about the EES 2020, see Staff Development, Definition and background.</p>
Data sources	<p>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.</p> <p>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.</p> <p>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.</p>
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 2 weeks in June 2020. We excluded anyone hired after May 9, 2020, since they had limited GAO experience. This year, we extended the survey to those in the Personnel Appeals Board (PAB) and the Federal Accounting Standards Advisory Board (FASAB) as they rely on our administrative services to do their jobs.
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.
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 headquarters, we included only their team. This 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	<p>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.</p> <p>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.</p>

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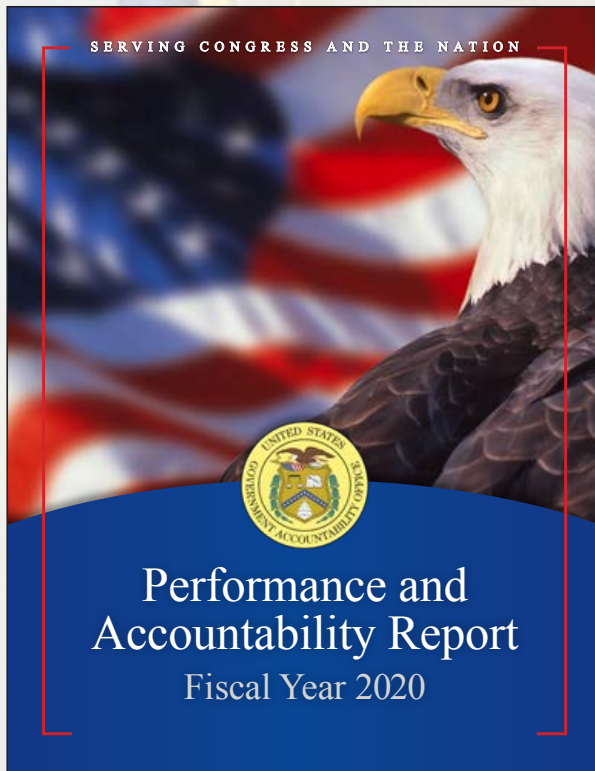
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