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Comptroller General
of the United States

United States Government Accountability Office
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**Key National Indicator Systems:
An Opportunity to Maximize National Progress
And Strengthen Accountability**

By The Honorable David M. Walker
Comptroller General of the United States
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(short version)

It's an honor and a pleasure to be with you in Palermo tonight. Looking around the room, I see several of my colleagues from other supreme audit institutions. It's good to be together once again. I'd also like to recognize Ambassador Connie Morella, the U.S. Ambassador to the OECD, who, during her many years in Congress, worked closely with GAO and earned a reputation as an effective advocate for "good government."

A special thank you goes to the secretary general of the OECD, Donald Johnston, and to the OECD's chief statistician, Enrico Giovannini. It's because of their strong leadership, along with the assistance of Enrico's able assistants, Erica, Christine, and others, that this

conference is taking place in this beautiful and historic city.

The aim of this conference is, in many ways, unprecedented. A worldwide community of leaders from government, private industry, and academia has taken time out from their busy schedules to assemble here with a single purpose. That purpose is to share knowledge on how to develop independent, fact-based, balanced, reliable and transparent systems of key national indicators that span several domains, including economic, social, environmental, and security. Such indicators would have several potential benefits, including helping policymakers and the public better assess, both on absolute and relative bases, the position and progress of nations on issues ranging from the economy to the environment. Although we represent diverse, and sometimes even conflicting points of view, our success here in Palermo depends on our willingness to work together to address common challenges and achieve a common goal.

Tonight, I'd like to focus on a central theme that links every topic being discussed at this conference. On its surface, this theme appears straightforward, even simple, but its many complexities should not be underestimated. The theme I'm talking about is how best to improve national progress and strengthen accountability in the 21st century.

Maximizing national progress and strengthening accountability in the 21st century will require both reflection and action. To begin and sustain this process,

we'll need to answer and continually improve our answers to several basic questions.

First, and at the most basic level, are we as individuals, and for many of us as public servants, doing what we can to maximize our contributions to society? Would our consciences be clear tonight if we knew we were going to be held to account for our contributions tomorrow?

Second, are our public institutions, including government, guiding progress in a responsible way? Are they getting real results with the resources and authorities they have been given and can they prove the progress they claim?

Third, are our nations doing everything they can to fight corruption and make the best possible use of taxpayer dollars? Are policymakers pursuing worthwhile public policy goals in a way that avoids shifting an unfair burden of debt or other adverse consequences onto our children and grandchildren?

Finally and more broadly, how can the many societies, races, and religions that share this planet work together to pursue a greater good that benefits all mankind? In a world that grows smaller every day, it seems to me that every human being – whether it's a factory worker in China, a banker in Brazil, a farmer in France, or an auditor in America – is increasingly linked by issues of mutual concern.

As Comptroller General of the United States, I head the U.S. Government Accountability Office, more commonly

known as “GAO.” GAO is an independent agency in the legislative branch of our federal government. Among other things, we’re the supreme audit institution (SAI) in the United States.

GAO is sometimes called the “investigative arm of Congress” or the “congressional watchdog” because GAO helps Congress oversee the rest of the U.S. federal government. For more than 80 years, GAO has worked to fight corruption, speak truth to power, improve performance, promote transparency, and assure accountability in how government does business. Simply stated, we try to make government work better for all Americans. To this end, GAO provides the U.S. Congress with oversight of agency operations, insight into ways to improve government services, and foresight about future and emerging challenges facing our nation and its citizens.

GAO is in the knowledge and information business, so we are very familiar with the subject of national indicators. In fact, GAO’s approach to conducting its work may be instructive for developing and promulgating a portfolio of key national indicators. For example, GAO reports have credibility because the information they contain is professional, objective, fact-based, nonpartisan, non-ideological, fair, and balanced. GAO reports have impact because policymakers in Washington know they can count on the facts and analyses presented in our work. Our agency operates under strict professional standards, including independence criteria. From cover to cover, every GAO report is thoroughly checked for accuracy before it’s

issued. GAO also has a set of core values that form the foundation for what we do and how we do it. These core values — accountability, integrity, and reliability — supplement the professional standards we follow and represent a higher calling for our institution and all the individuals who compose it. In my view, these core values are also relevant to any key national indicator initiative.

Although every nation has its own approach to ensuring accountability at various levels, including government, I think each of us here tonight would agree that a set of meaningful and reliable key national indicators can be indispensable to that effort.

After all, timely, useful, reliable and transparent information is the single most important and powerful tool we have to facilitate strategic planning, assess progress, inform decision-making and strengthen accountability. Supreme audit institutions have a special role to play in developing this information. As independent professional services organizations with extensive expertise in statistics, many SAIs are well positioned to encourage the development of such systems and suggest ways to ensure the reasonableness and reliability of the related processes and resulting information.

While SAIs are well positioned to help in connection with key national indicators, why should they or anyone else care? Frankly, how a nation keeps score, counts. Keeping score is the only way to maximize performance and ensure accountability. Facing facts is essential. If a

nation doesn't keep score, how will it know what it's trying to achieve? If a nation doesn't keep score, how will it know how it's doing? If a nation doesn't keep score, how can it find the best solutions and get the best results with limited resources? After all, while our dreams may be unlimited, our resources are not.

From a broader perspective, keeping a nation informed is essential to any culture that values accountability and progress. Honest and transparent reporting also helps to build public trust and confidence both in government and all sectors of society.

This bedrock principle of informing a nation and its citizens is nothing new. It's a matter of common sense that's been around for centuries. But as we enter a period of new national and global challenges, the need for an informed citizenry has acquired a renewed importance and meaning.

Today, information is collected and shared at the speed of light. Through the Internet, massive amounts of data are now available to anyone, anywhere, anytime. But this information is often fragmented, provided by multiple sources with wide variations in quality, scalability, and comparability. Each of our key national indicator efforts must recognize this reality.

Key national indicators can help us to better understand which programs, policies, functions, and activities are working and which are not. When seen in the aggregate and as part of a broader portfolio, key national indicators can provide a fuller and fairer view of how

well a nation is doing as well as whether and, if so, how its political leaders are planning for the future. Such information can educate policymakers and the public about the appropriateness, affordability, and sustainability of a nation's current path. Key national indicators can also help elected officials make tough but necessary policy choices including facilitating better targeting of government actions while ensuring long-term fiscal, social and environmental sustainability as well as the intergenerational equity of existing and proposed government policies and programs.

There's simply no substitute for understanding the big picture — that is, the position and progress of a nation as a whole. The challenge and the opportunity before us is to build sophisticated information resources and key indicator systems that yield vital insights that transcend specific economic sectors, public and private institutions, and national borders.

There are many areas in which the stakes are high and better knowledge is needed. In the case of the United States, these areas include ensuring fiscal sustainability, enhancing homeland security, stimulating economic growth, creating productive and fulfilling jobs, improving education and innovation, delivering quality and affordable health care, strengthening competitiveness, protecting the environment, and promoting quality of life.

With access to solid facts and results-based information, we increase our chances of developing well-framed questions, conducting appropriate analyses, making

good decisions, arriving at effective solutions, and creating accountability for results. In my view, statisticians, SAI's, political leaders, the press, and the public throughout the world have a vital interest in seeing that key indicator systems are developed, promoted and used.

Key indicator systems are already in place in several sectors in the United States and in other countries. During the conference, we'll be hearing more about these systems. Despite this progress, I'm sorry to say that the United States still lacks a key indicator system at the national level. As a result, in some areas U.S. policymakers are flying blind, like an airplane pilot at night and without an instrument panel. This must change if we expect to maximize government's performance and ensure its accountability. Stated differently, the U.S. leads in many things but not in all things. The U.S. is lagging behind other Nations in connection with key national indicators. As a result, we need and want your help!

But change does seem to be on the way in the U.S. As you heard this morning from Katherine Wallman and Kenneth Prewitt, the U.S. key national indicators initiative is moving ahead. Also, during the past two years, GAO has been working with the U.S. Congress; executive branch agencies; and prominent professional groups, such as our National Academies, to study the key national indicator systems of selected cities, regions, states, nations, and supranational institutions.

During this effort, our GAO team learned from many of you in this room. Tonight, we'd like to return the favor by sharing with you the results of our first wide-ranging study of key indicator systems in the United States and around the world. The report is called "Informing Our Nation: Improving How to Understand and Assess the USA's Position and Progress." Yesterday, we issued this report to the U.S. Congress and posted it publicly on the Internet. My staff brought a limited number of printed copies and compact discs to this conference, but you can also download the report from GAO's website at www.gao.gov. If you don't have time to read the entire report, there's a one-page summary that highlights the key findings and conclusions at the front of the report.

This report answers three main questions. First, what is the state of the practice in key indicator systems? Second, what are the implications for the United States? And third, what options are available to the United States to implement such a system? My hope is that the answers to these questions will contribute to the discussion here in Palermo and will help to spur international action on key indicator systems once the conference is over.

By adopting key national indicator systems, we'll be able to generate quality information that can help individuals, institutions, and nations accelerate progress and make better choices when it comes to their futures. We'll also create knowledge that both informs and constrains the exercise of power and ensures that no one is above the law and everyone is accountable for results.

In summary, key national indicators systems can serve to inform strategic planning, enhance performance and accountability reporting, and facilitate effective policy analysis and program evaluation in ways that can benefit many countries and generations. They can also help to inform the public, stimulate public debate and help to assure that nations have an informed electorate.

Achieving success in developing key national indicator systems that are reasonably comprehensive, relevant, reliable, recognized, credible, comparable, transparent, accessible, useful and used will require the combined efforts of many parties over an extended period of time. Let us start here in Palermo! By doing so, we can help to maximize both national and global progress while strengthening accountability around the globe. I, along with my other GAO colleagues, look forward to working together with each of you and others to partner for progress in this and other important areas of mutual interest and concern.

Thank you for your time and attention as we say in America, let's do it!