

SERVING CONGRESS AND THE NATION



# Performance and Accountability Report

## Fiscal Year 2022

# 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

Source: GAO. | [www.gao.gov](http://www.gao.gov)

## 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: Roman Babakin/stock.adobe.com. | GAO-23-900398

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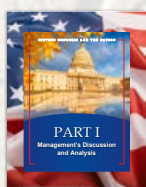
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# How to Use This Report

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 (FY) 2022 (October 1, 2021 through September 30, 2022). In assessing our performance, we compared actual results against targets and goals set in our [annual performance plan](#) and performance budget, and that were developed to help carry out our [strategic plan](#). Our complete set of strategic planning and performance and accountability reports is available on our website at <https://www.gao.gov/about/what-gao-does/performance>.

This report includes a snapshot of our FY 2022 performance, a letter from the Comptroller General, and five parts, as follows:



## Part I: Management's Discussion and Analysis

This section includes 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.

It includes a summary of our mission, organizational structure, strategies we use to achieve our goals, and process for measuring our performance. In addition, it discusses our agency-wide performance results and use of resources in FY 2022. It also includes information on management challenges, external factors that affect our performance, and future challenges and priorities.



## Part II: Performance Information

This section includes details on our performance results by strategic goal in FY 2022 and our targets for FY 2023.



## Part III: Financial Information

This section includes details on our finances in FY 2022, 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.



## Part IV: Inspector General's View of GAO's Management Challenges

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



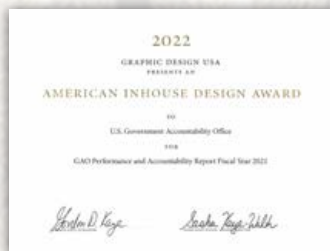
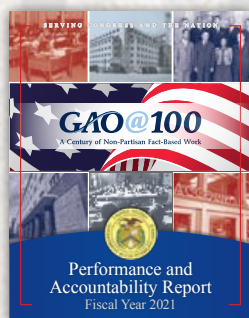
## Part V: Appendixes

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.

# Awards

## 2021 CEAR Award and 2022 American Inhouse Design Award

Last year, the Association of Government Accountants awarded GAO (for the 21st consecutive year) its Certificate of Excellence in Accountability Reporting (CEAR) for our Performance and Accountability Report for FY 2021. In FY 2022, we also received the American Inhouse Design Award for our Performance and Accountability Report for FY 2021, from Graphic Design USA.



# A FY 2022 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. We 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 about \$1.31 trillion in financial benefits and over 27,000 program and operational benefits that helped change laws, improve public safety and other services, and promote better management throughout the government. Dollars invested in GAO since 2002 equal \$11.7 billion.

## Did you know?

In FY 2022:

–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 \$55.6 billion in financial benefits—a return of about \$74 for every dollar invested in GAO.

–GAO also identified 1,262 other benefits—those that cannot be measured in dollars but that led to program and operational improvements across the government.

–GAO reported on 38 areas 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 169 reports, 30 testimonies, \$48 billion in financial benefits, and 510 other benefits.

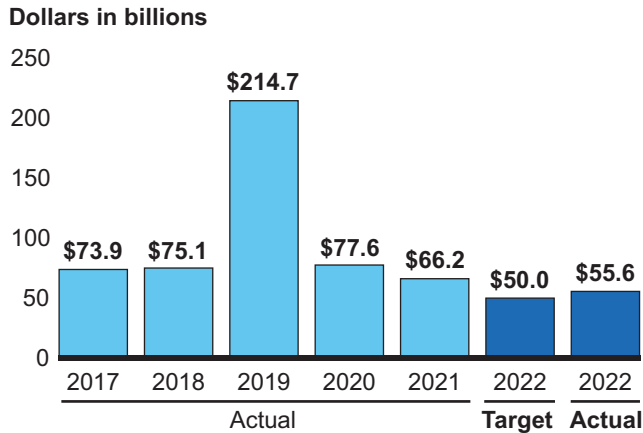
–GAO received requests for work from 90 percent of the standing committees of the Congress.

–Senior GAO officials were asked to testify 72 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 July 2022, the Partnership for Public Service ranked GAO as first among mid-size federal agencies as a “best place to work” for the second year in a row.

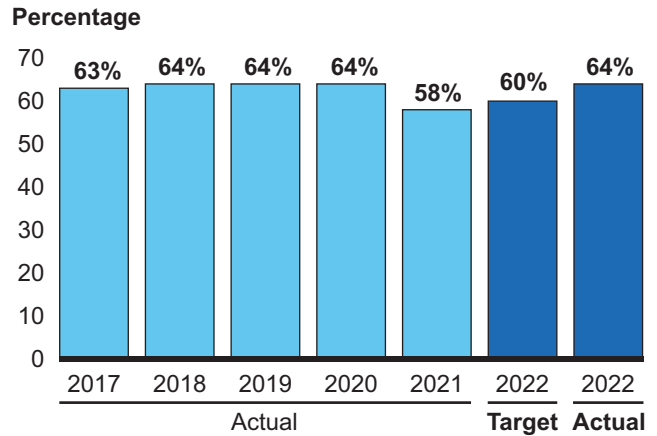
**Accountability ★ Integrity ★ Reliability**

**Figure 1: Financial Benefits GAO Recorded**



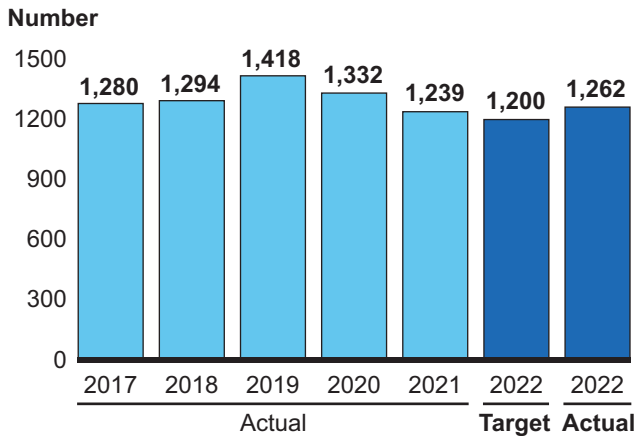
Source: GAO. | GAO-23-900398

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



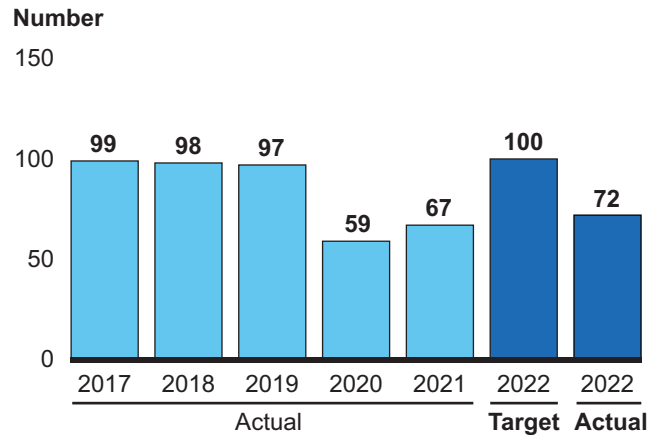
Source: GAO. | GAO-23-900398

**Figure 2: Other Benefits**



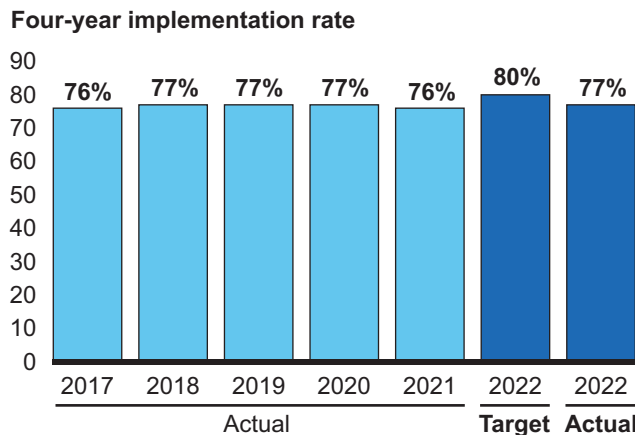
Source: GAO. | GAO-23-900398

**Figure 5: Testimonies**



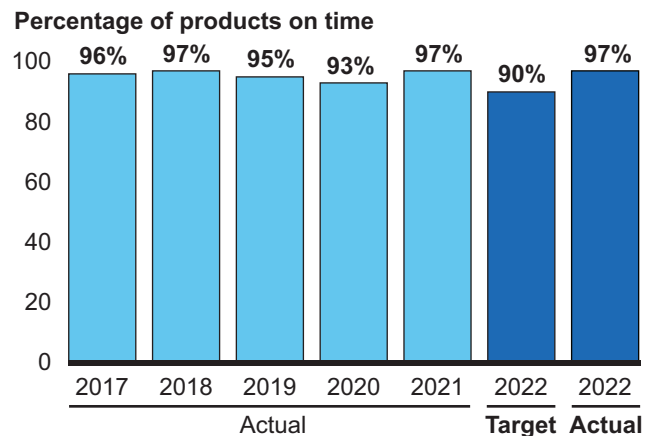
Source: GAO. | GAO-23-900398

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



Source: GAO. | GAO-23-900398

**Figure 6: Timeliness**



Source: GAO. | GAO-23-900398

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**

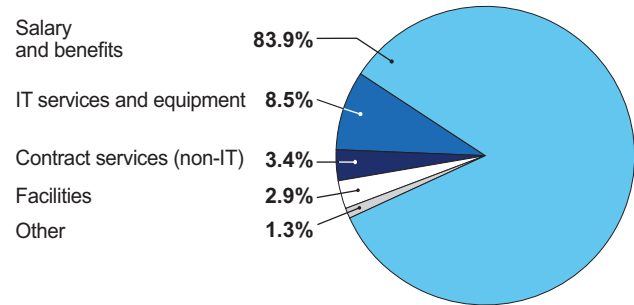
	FY 2022	FY 2021
Clean opinion on financial statements	Yes	Yes
Clean opinion on internal control over financial reporting	Yes	Yes
Timely and accurate Governmentwide TAS ATB system (GTAS) reporting	Yes	Yes
Material weaknesses in internal control	None	None
Significant internal control deficiencies	None	None

Source: GAO. | GAO-23-900398

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 FY 2022 Funds by Category**

Percentage of total costs



Source: GAO. | GAO-23-900398

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

	FY 2022	FY 2021
Total Assets	\$361.5	\$301.6
Total Liabilities	\$122.7	\$113.4
Total Net Position	\$238.8	\$188.2
<b>Net Cost of Operations by Goal</b>		
Goal 1: Well-being / Financial Security of American People	\$267.2	\$257.8
Goal 2: Changing Security Threats / Challenges of Global Interdependence	181.3	156.6
Goal 3: Help Transform the Federal Government to Address National Challenges	206.7	198.5
Goal 4: Maximize the Value of GAO	14.4	14.6
Other Costs in Support of the Congress	69.7	66.5
Reimbursable services not attributable to above cost categories	(17.3)	(17.5)
<b>Total Net Cost of Operations</b>	<b>\$722.0</b>	<b>\$676.5</b>
Actual Full-time Equivalents (FTE)	3,354	3,209

Source: GAO. | GAO-23-900398

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: rasica/stock.adobe.com. | GAO-23-900398

## What's Next? Future Challenges and Priorities

The federal government faces an unsustainable fiscal future. At the end of FY 2021, debt held by the public was about 100 percent of gross domestic product, a 33 percent increase from FY 2019. Projections from the Office of Management and Budget (OMB) and Treasury, the Congressional Budget Office, and GAO all show that current fiscal policy is unsustainable over the long term. To change this unsustainable fiscal outlook, the Congress should develop a plan to place the government on a sustainable long-term fiscal path. The Congress and the administration will need to pivot and make difficult budgetary and policy decisions to address the key drivers of the debt and change the government's fiscal path.

In the interim, we will continue to monitor the nation's fiscal health and provide near-term options for improving the nation's fiscal condition. We will also undertake work in several key areas based on congressional interest, and we will continue to focus on internal operations.

### Impacts of Evolving Science and Technology

The ongoing recovery from COVID-19 demonstrates the value of keeping pace with emerging and rapidly evolving scientific and technological advances, as well as the risk of not doing so. U.S. and international efforts have delivered safe and effective vaccines at unprecedented speed. However, new challenges have emerged, such as increased numbers of COVID-19 cases due to variants and the spread of monkeypox cases as a new public health emergency.

Since its establishment in 2019, our Science, Technology, Assessment, and Analytics (STAA) team has taken its place as a key resource for the Congress in monitoring and addressing such challenges. Among other things, its growing portfolio of work includes technology assessments on regenerative medicine and performance audits on research security. GAO's Innovation Lab continues to modernize our advanced analytics capabilities through emerging technologies, such as cloud services and blockchain.

### Cybersecurity of Systems, Critical Infrastructure, and Sensitive Data

Escalating threats, including new and more destructive attacks from around the globe, highlight the critical and persistent need for effective cybersecurity. Our work will continue to assess multiple priorities, such as the development and execution of a comprehensive national cybersecurity strategy and the establishment of leadership needed to perform effective oversight.

### Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks

Climate change poses risks to many environmental and economic systems and creates a significant fiscal risk to the federal government. For example, between FYs 2015 and 2021, selected appropriations for disaster assistance totaled \$315 billion. Our work will assist the Congress by evaluating government-wide action to reduce fiscal exposure to climate change in the five areas identified in our high-risk list, including, the federal government's role as insurer of property and crops.

### Managing Agency Operations

Annually, GAO assesses its operating environment, internal and external factors, and opportunities and threats to identify potential risks that could significantly impair its ability to achieve planned strategic and operational goals and objectives. Some potential risks that could negatively impact GAO include a lack of: (1) available high-performing staff to accomplish the work and deliver innovative and effective products to the Congress and American people, and (2) a robust technological infrastructure to meet workforce and operational needs and ensure the agency's systems and data are secure from threats.

For more information on Future Challenges and Priorities, see pages 57-61.





Source: Patrick Rolands/stock.adobe.com. | GAO-23-900398

## From the Comptroller General

November 15, 2022

I am pleased to present GAO's Performance and Accountability Report (PAR) for FY 2022. 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. GAO has continued to provide reliable, professional, fact-based, non-partisan information to the Congress and the public on a range of domestic and international challenges and priorities. Our work has helped change laws, improve public safety and other services, and promote better management throughout the government.

Throughout FY 2022, we continued to conduct oversight of a wide range of matters related to the COVID-19 pandemic under the CARES Act, enacted in March 2020, and supported by funding provided by the American Rescue Plan Act of 2021, enacted in March 2021. More recently enacted legislation also reflects the importance of GAO's oversight work to the Congress. For example, the Inflation Reduction Act of 2022 provides \$25 million to GAO to conduct oversight of the distribution and use of funds appropriated under the act, and to address whether the economic, social, and environmental impacts of the funding are equitable. In addition, both the Infrastructure Investment and Jobs Act and the CHIPS Act of 2022 include provisions for GAO to report on a wide range of subjects covered by the legislation. These include areas related to technology, education, research, cybersecurity, and the cost, effectiveness, and efficiency of various transportation programs.

We also continued supporting congressional oversight across a wide array of government programs and operations through our High-Risk work and our work to identify areas that could reduce fragmentation, overlap, and duplication. Our results for FY 2022 demonstrate our steadfast commitment to our mission and adaptability to meet the ongoing needs of the Congress.

**Financial Benefits:** In FY 2022, we documented \$55.6 billion in financial benefits for the government—a return of about \$74 for every dollar invested in us. Our average return on investment for the past 5 years is \$145 to \$1.

Examples of action taken as a result of our work which significantly contributed to our FY 2022 financial benefits include: (1) OMB increasing the use of category management to help federal agencies purchase goods and services more efficiently through fewer, larger contracts (\$35.7 billion), (2) Small Business Administration (SBA) enhancing oversight of the COVID-19 Paycheck Protection Program (PPP) to recoup improper and fraudulent payments (\$3.5 billion), (3) Centers for Medicare & Medicaid Services (CMS) basing Medicare uncompensated costs on actual instead of estimated care costs (\$2.1 billion), and (4) the Congress accelerating W-2 deadlines to help the Internal Revenue Service (IRS) match wage information from employers to tax returns before issuing refunds (\$2.0 billion). These and other examples are discussed further in [Part I](#) and [II](#).

**Legislative Impacts:** In FY 2022, the Congress used GAO's work extensively to inform key legislative decisions. Examples linked directly to GAO's work include:

- The Consolidated Appropriations Act for FY 2022 included over 25 directives based on GAO's work, including:
  - requiring OMB to publicly post apportionments for executive branch appropriations to increase visibility into OMB's use of its apportionment authority;
  - directing the Department of Defense (DOD) to report to the Congress on its progress toward deploying an electronic health record system;
  - directing the Department of Energy (DOE) to establish a performance baseline for the U.S. International Thermonuclear Experimental Reactor Program; and
  - directing the National Institute of Standards and Technology (NIST) to coordinate across the federal government in identifying an authoritative set of climate information to assist organizations in developing standards to improve building resiliency and therefore lower long-term costs.
- The National Defense Authorization Act for FY 2022 and related Joint Explanatory Statement included 27 actions based on GAO's work, including:
  - directing DOD to provide a briefing to congressional committees on progress in implementing GAO recommendations about Navy surface warfare officer career paths;
  - revising the calculation for payments for privatized housing projects to be based on national average rates, consistent with the calculation for the basic allowance for housing rate reduction; and
  - limiting the quantity of F-35s procured by the military services beginning in FY 2029 based on their ability to achieve affordability cost targets.
- The Infrastructure Investment and Jobs Act included 15 actions based on GAO's work, including:
  - requiring additional third-party information reporting for certain transactions involving digital assets, including virtual currencies, to IRS to improve tax compliance in this area. (The Joint Committee on Taxation estimated the revenue effect of this additional information reporting to be \$27.97 billion between 2024 and 2031.);
  - establishing grant programs at the Environment Protection Agency (EPA) to increase the resilience of drinking water and wastewater systems to natural disasters;

- authorizing grants for school districts, especially high-poverty districts, to make infrastructure improvements (such as heating, ventilation, and air conditioning and other building systems) based on facilities’ needs in school buildings; and
  - requiring that Department of Transportation (DOT) advance knowledge on the effectiveness of pedestrian and cyclist safety countermeasures by collecting, analyzing, and sharing information with states on the range of countermeasures states have implemented.
- The Inflation Reduction Act of 2022 included 15 actions based on GAO’s work, including:
    - increasing the royalty rate for new onshore and offshore oil and gas leases, better assuring the government a fair return on federal lands;
    - providing the EPA with funding that would help modernize the air quality monitoring system, including through expanded air toxics monitoring and the deployment of air quality sensors in low-income and disadvantaged communities;
    - authorizing funding for EPA grants and technical assistance to help schools in low-income and disadvantaged communities address environmental issues, mitigate air pollution hazards, and develop school environmental quality plans;
    - authorizing funding for the U.S. Postal Service (USPS) to electrify its vehicle fleet; and
    - improving tax compliance by providing IRS with additional funding for enforcement, particularly for high-income individual taxpayers.

Other Benefits: Many other benefits resulting from our work cannot be measured in dollars but lead to program and operational improvements. In FY 2022, we recorded 1,262 of these other benefits. For example, our work on **public safety and security**:

- Led the Federal Aviation Administration (FAA) to conduct fraud risk assessments and mitigate the potential for fraudulent aircraft registrations;
- Led the Department of Homeland Security (DHS) to fully incorporate our best practices for technology readiness assessments to help ensure it was purchasing effective technology to combat biological attacks;
- Prompted the Army to develop guidance on incorporating cybersecurity requirements into its contracts to help improve communication with contractors about better protecting weapon systems from cyberattacks;
- Led the Food and Drug Administration (FDA) and Department of Agriculture (USDA) to incorporate leading practices for interagency collaboration into their Food Loss and Waste strategy, which should help them better coordinate to achieve their goal of reducing food waste by half by 2030; and
- Led the Transportation Security Administration (TSA) to analyze and monitor its COVID-19 data and measures more thoroughly to better protect its workforce and the public from COVID-19 while conducting screening at commercial airports.

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

- Led the Department of Health and Human Services (HHS) to issue guidance to state Medicaid, child-welfare, and other officials to improve monitoring of psychotropic medications prescribed to children in foster care;

- Prompted the Congress to enact provisions in the Consolidated Appropriations Act of 2021 to provide greater access to Supplemental Nutrition Assistance Program benefits for college students and led the Food and Nutrition Service to make its website easier for students to access and understand; and
- Led the Departments of Housing and Urban Development (HUD), HHS, Interior, and Agriculture to form an interagency task force to develop a coordinated process to reduce time and expense for tribes pursuing affordable housing projects with mandatory environmental reviews.

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

- Prompted the Drug Enforcement Administration (DEA) to use computer algorithms to proactively identify patterns and trends in drug distribution to help identify suspicious activities;
- Prompted IRS to implement corrective actions to address 68 of 120 recommendations from our financial statement audits—such as better safeguarding assets (including taxpayer receipts, property, and equipment)—to help improve IRS’s financial operations and protect taxpayer data from potential loss, theft, and inappropriate disclosure; and
- Prompted the State Department to launch four working groups and create a task force to update its Diversity and Inclusion Strategic Plan to help State investigate, identify, and remove barriers to having a diverse workforce.

Building Bodies of Knowledge: Through the products issued this year, we continued to build on bodies of work related to our three broad external strategic goals: (1) address current and emerging challenges to the well-being and financial security of the American people, (2) help the Congress respond to national 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 (1) schooling and strategies teachers found helpful to keeping students engaged, such as live instruction (whether virtual or in person); (2) specific obstacles for high-poverty students, English learners, and early learners and strategies to mitigate them, such as tutoring or one-on-one check-ins between teachers and students; and (3) the decrease in academic progress, strain on students and teachers, and solutions to address these ongoing challenges, such as mental health services, smaller class sizes, and better communication between schools and families.
- **Veterans.** We reported on efforts and steps federal agencies, such as the Department of Veterans Affairs (VA) and DOD, could take to: (1) better identify veterans who may be experiencing food insecurity and refer them for assistance; (2) improve VA disability claims processing for veterans exposed to Agent Orange; and (3) better assess the effectiveness of programs that help veteran servicemembers transition to civilian employment.
- **National Security Space Capabilities.** We reported on challenges and steps that DOD and the intelligence community could take to enhance their capabilities to acquire commercial satellite imagery. Our recommendations to clarify roles and responsibilities, assess approaches to emerging capabilities, and develop performance goals and measures will help minimize the potential for unnecessary overlap as interest in commercial imagery grows. These steps will also better position the intelligence community and DOD to leverage commercial opportunities needed to maintain their advantage over competitors such as China.

- Science and Technology.** This year, our STAA team continued to bolster our expertise in science and technology through targeted hiring in areas including civil engineering, neuroscience, and cloud solutions—reaching a total of 136 staff as of September 2022. In addition, our Innovation Lab continues to develop ground-breaking advanced analytics and emerging technology prototypes across GAO. For example, the Lab helped pioneer an interactive web-based resource, the Identification Verification Controls Simulator, which helps federal agencies prevent improper payments by improving the controls in their programs. We have also worked to develop more agile, user-focused reporting. For example, we developed fully digital versions of Generally Accepted Government Auditing Standards (Yellow Book), GAO’s Cost Guide, and GAO’s Schedule Guide, making them more easily accessible and useable on any device.

We continued to issue our Science and Tech Spotlights, which distill complex issues into a two-page summary. We issued nine such products in areas including brain-computer interface, deep-sea mining, and non-fungible tokens—bringing our total to 35 since 2019. We also issued in-depth Technology Assessments on various topics, including vaccine development, blockchain, and persistent chemicals. Furthermore, we collaborated with the Congressional Staff Academy on a series of multi-part courses to provide briefings on science and technology issues, such as artificial intelligence and blockchain, and their policy implications to hundreds of congressional staff.

- COVID-19 Response and Recovery.** We continued to oversee and evaluate the \$4.6 trillion in spending in response to COVID-19. We also continued to issue comprehensive COVID-19 oversight reports and targeted COVID-19-related reports, testimonies, and science and technology spotlights in areas such as contact tracing for air travel, the risk of improper payments associated with distribution of emergency relief funds, and long COVID. These products included 350 recommendations and 18 matters for congressional consideration across our body of COVID-19 reports.

We have provided ongoing monthly briefings to the Congress and reported on a bimonthly or quarterly basis beginning in June 2020. Our March 2022 testimony before the Congress included 10 matters for congressional consideration to enhance the transparency and accountability of federal spending in areas such as improper payments and antifraud controls. Our 10th oversight report, issued in April 2022, made 15 recommendations to federal agencies in areas such as COVID-19 payment oversight, public health data collection, and critical manufacturing. Of the 127 recommendations we made from June 2020 through September 2022, agencies have fully or partially addressed 58 percent of them.

- High-Risk.** The High-Risk List focuses attention on government operations that are vulnerable to fraud, waste, abuse, and mismanagement or need transformation. In 2022, we added two new issues to the List—offering solutions to a total of 38 high-risk problems. These new issues are (1) HHS Leadership and Coordination of Public Health Emergencies, and (2) Unemployment Insurance system. In March 2022, we reported on key practices to successfully address high-risk areas and remove them from the List.

This year, our high-risk work yielded \$48 billion in financial benefits, 510 other benefits, 169 reports, and 30 testimonies. Federal financial benefits due to progress in addressing high-risk areas during the past 17 years (FYs 2006-2022) totaled about \$675 billion.

- Fragmentation, overlap, and duplication.** In 2022, we issued our 12th annual report, which identified 94 new actions in 21 new areas (and nine existing areas) that could reduce fragmentation, overlap, and duplication, or provide other cost savings and opportunities to enhance revenue across the federal government. From 2011-2022, we identified 1,299 such

actions. As of March 2022, the Congress and executive branch agencies had fully addressed 724 of these actions and partially addressed 240, yielding about \$552 billion in financial benefits.

### Serving Our Clients

In FY 2022, we received 640 requests for work from 90 percent of the standing committees of the Congress—supporting a broad range of congressional interests. We issued 535 reports and made 1,255 new recommendations. We testified 72 times before 43 separate committees or subcommittees on topics including increasing access to mental health care, addressing persistent tax filing challenges, identifying barriers to receiving federal disaster recovery assistance, improving cybersecurity protections for the nation’s critical infrastructure, and improving conflict of interest procedures to address foreign influence in federal research.

I sent letters to the heads of most federal departments and several agencies—29 letters in 2022—recognizing their progress in implementing our priority recommendations and calling their attention to those still requiring action. These letters were also sent to congressional committees of jurisdiction to inform their oversight and published on our [website](#). Additionally, I continued to meet with several new agency heads after their confirmation, and our teams continue to outreach with agency leadership.

### Focusing on Our People

The hard work and dedication of our diverse and professional multidisciplinary staff positioned GAO to achieve a 97 percent on-time delivery of our products in FY 2022. We exceeded or met six of our seven targets for our people measures—retention rate with retirements, retention rate without retirements, staff development, staff utilization, experience with supervisors, and organizational climate. We fell short on our new hire rate target by 4 percentage points, achieving 76 percent because several positions needed to be re-posted or applicants were unable to onboard by the end of the fiscal year.

GAO was again recognized as one of the best places to work in the federal government. In June 2022, the Partnership for Public Service ranked GAO as first among mid-size federal agencies as a “best place to work” for the second year in a row.

### Managing Our Internal Operations

In FY 2022, we continued efforts to support our fourth strategic goal—maximize the value of GAO by enabling quality, timely service to the Congress, and being a leading practice federal agency. Among other things, we developed a new “Snapshot” product—a short report ideal for smartphone access to provide overviews of broad topics based on previously issued work. Examples include direct payments to individuals during the COVID-19 pandemic and healthy eating. We also expanded our diversity, equity, and inclusion pillars by adding a fourth pillar—accessibility. These four pillars will be measured by a new baseline set of questions in our annual employee experience survey that will allow GAO to better assess how it is meeting its people values in these focus areas.

We made progress in addressing our four management challenges. These include continuing to thrive in the pandemic, envisioning the future of the work, establishing IT systems for the future of work, and improving the efficiency of our engagements. As the pandemic evolved, we maintained a flexible approach to managing our operations. The agency has also drafted a management proposal for the future of work and is currently working with our union partners to negotiate the terms of operations. Additionally, we continually consider how to sustain our talent pipeline to help ensure succession planning at every level. Regarding IT, we successfully

migrated select services and applications to the cloud and will continue this effort in the coming years. We also awarded a contract to begin implementing our 4-year plan to replace our aging document management system. And, we continued to improve the efficiency of engagements, for example, by streamlining components of our product review and publication processes.

Throughout FY 2022, our General Counsel met with the General Counsels and Solicitors at over 25 departments and agencies to discuss our work and access authorities and requests. These meetings served as a complement to the Comptroller General's meetings with the leadership of departments and agencies and highlighted the importance of thorough and timely responses to GAO's requests for information. In addition, the Office of General Counsel (OGC) handled about 1,600 bid protests and issued more than 450 decisions on the merits. It also published 14 appropriation law products addressing appropriation law issues arising from a broad scope of activities across the federal government, including the application of the recording statute to a service contract involving the transfer of nuclear material.

This fiscal year, we also made significant contributions to the domestic and international auditing communities. For example, over 4,600 auditors attended virtual events on topics including Pandemic Funding Oversight and Data Science Best Practices. We also made several contributions through our leadership role in the International Organization of Supreme Audit Institutions (INTOSAI), such as launching the first-ever virtual International Auditor Fellowship Program.

We again received from independent auditors an unmodified or "clean" opinion on our financial statements for FY 2022. There was no reportable noncompliance for FY 2022 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.

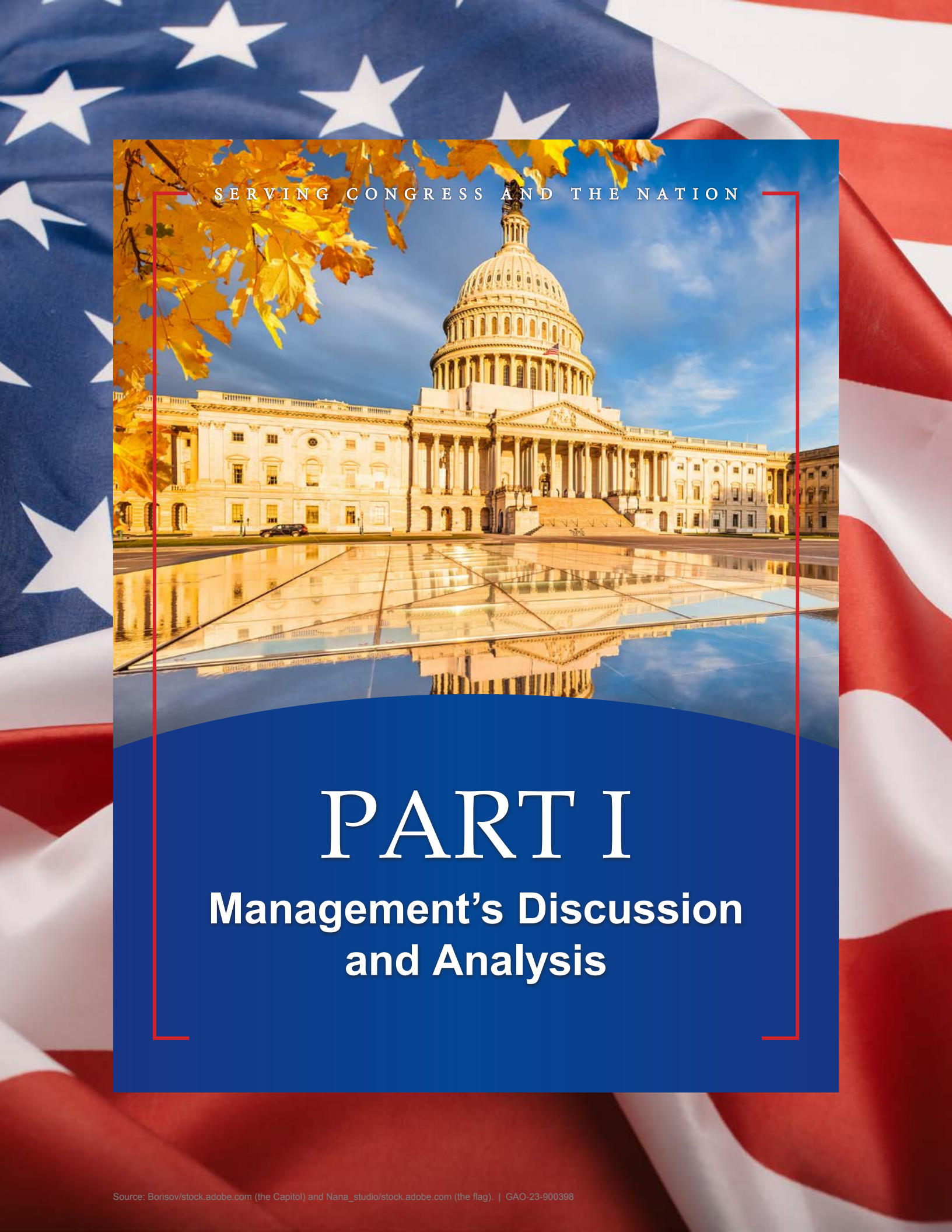
In FY 2023 and beyond, we look forward to continuing to serve the Congress and the public on issues affecting the lives of all Americans.



Gene L. Dodaro  
Comptroller General  
of the United States

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The image features a central photograph of the U.S. Capitol building in Washington, D.C., with its iconic dome and neoclassical architecture. The building is reflected in a large, calm pool of water in the foreground. The scene is framed by a large American flag, with the stars and stripes visible in the background. The text "SERVING CONGRESS AND THE NATION" is overlaid in white, all-caps, sans-serif font at the top of the central image. A red double-line border surrounds the central image area.

SERVING CONGRESS AND THE NATION

# PART I

## Management's Discussion and Analysis



Source: GAO. | GAO-23-900398

## Management Assurance Statements

November 15, 2022

### 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 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, 2022, 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 affected 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, 2022, was operating effectively and that no material weaknesses were found in the design or operation of internal control over financial reporting.

### Assurance Statement on Financial Management Systems

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



Gene L. Dodaro  
Comptroller General  
of the United States



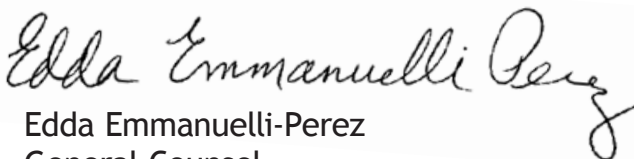
Karl J. Maschino  
Chief Administrative Officer/  
Chief Financial Officer



Orice Williams Brown  
Chief Operating Officer



William L. Anderson  
Controller



Edda Emmanuelli-Perez  
General Counsel



Source: GAO. | GAO-23-900398

## About GAO

GAO is an independent, nonpartisan 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 (GPRAMA); and the Federal Information Security Modernization Act of 2014

(FISMA).<sup>1</sup> Accordingly, this performance and accountability report for FY 2022 provides information on the work of GAO that we consider comparable to that reported by executive branch agencies that choose to prepare annual PARs in lieu of Agency Financial Reports.

<sup>1</sup>FMFIA 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 GPRAMA, Pub. L. No. 103-62, 107 Stat. 285 (Aug. 3, 1993), and, among other things, requires executive branch agencies to prepare strategic plans, annual performance plans, and annual performance reports. FISMA, Pub. L. No. 113-283, 128 Stat. 3073 (Dec. 18, 2014), codified at 44 U.S.C. §§ 3551-3558, largely superseded the very similar Federal Information Security Management Act of 2002, Pub. L. No. 107-347, title III, 116 Stat. 2899, 2946 (Dec. 17, 2002), setting requirements for federal agencies to implement policies and procedures to cost-effectively reduce IT risks.

## GAO Past and Present

### GAO's Start



The Pension Building.

Source: National Building Museum.

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

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### The Early Years



Inside the Pension Building.

Source: GAO Archives.

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

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

### After World War II



Dedication of the new GAO building.

Source: GAO Archives.

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

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



GAO headquarters building.

Source: GAO Archives.

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

During the Vietnam War, for example, GAO opened an office in Saigon to monitor military expenditures and foreign aid. And, in 1972, some of GAO's reviews touched on Watergate.

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

## Recent Years

GAO also built domestic and international partnerships with federal inspectors general, state and local audit organizations, and other countries' national audit offices to enhance its ability to perform audits, allow it to shape professional audit standards, and serve as a leader within the accountability community. For example, the agency reported on the savings and loan industry, and it has repeatedly warned about government spending and the nation's fiscal health.



In the 1990s, GAO worked with executive branch agencies to strengthen financial management, urging federal agencies to modernize outmoded financial systems, prepare yearly financial statements, and submit them for audit. We also began reporting our [High-Risk List](#), which has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public. In 2004, GAO's name was changed by law from the General Accounting Office to the [Government Accountability Office](#) to better reflect [the mission and services](#) it provides.

In the 2000s, GAO increased its attention on disaster preparedness, recovery, and resilience; [cybersecurity threats](#); and the evolving impacts of [science and technology](#). In 2011, we began reporting on [fragmentation, overlap, and duplication](#) in the government. Most recently, we have focused our attention on the oversight of [COVID-19](#).

Since 2002, GAO's work has resulted in \$1.31 trillion in financial benefits and over 27,000 program and operational benefits that helped change laws, improve public safety and other services, and promote better management throughout government.

**In Memory**  
**Charles A. "Chuck" Bowsher**  
 May 30, 1931- September 30, 2022  
 6th Comptroller General of the United States  
 1981-1996



# Mission, Core Values, Strategic Goals, and Organizational Structure

## Mission

Our mission is to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

## Core Values

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

## Strategic Goals

GAO has three externally focused goals and one internally focused goal, which were updated in 2022. For additional information, see [Part II](#) of this report and [GAO's Strategic Plan](#).



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



- Goal 2: Help the Congress 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 Practice Federal Agency

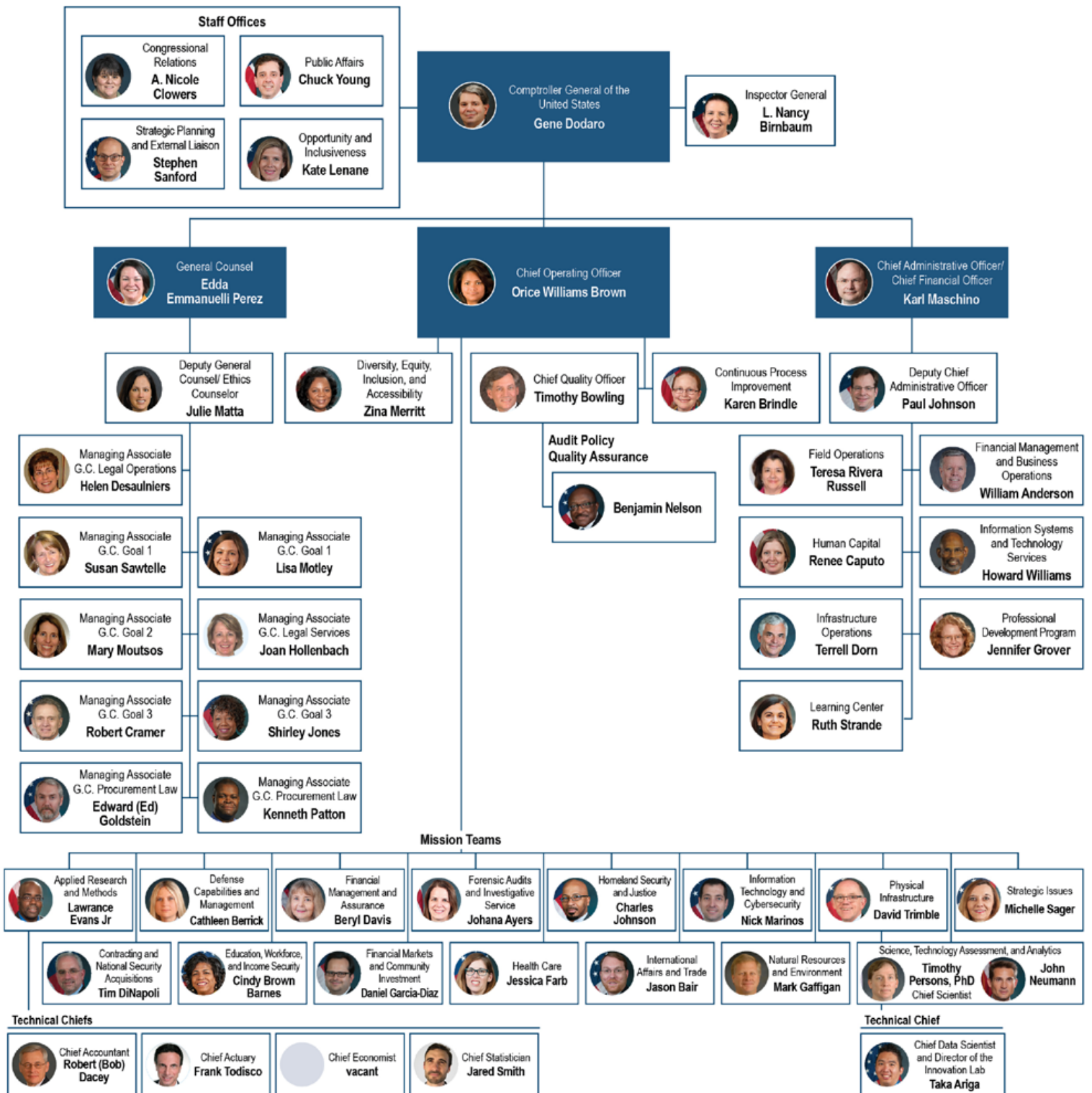
Source: GAO. | GAO-23-900398

## Organizational Structure

Gene L. Dodaro became the eighth Comptroller General of the United States and head of the GAO on December 22, 2010. He previously served as the Acting Comptroller General for almost 3 years and prior to that as GAO's Chief Operating Officer for 9 years.

Three other executives join Comptroller General Dodaro to form our Executive Committee: Chief Operating Officer Orice Williams Brown, Chief Administrative Officer/Chief Financial Officer Karl J. Maschino, and General Counsel Edda Emmanuelli Perez (see [fig. 8](#)).

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 Deputy General Counsel and Managing Associate General Counsels, 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."



We have 15 mission teams of analysts, financial auditors, and specialists to 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.

Senior executives in the mission 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.

We have several [staff offices and operations teams](#) that work to support the agency’s mission teams and Executive Committee, Congress, and the American people. For example, OGC provides legal counsel to the entire agency, supporting our four strategic goals. Each [mission team](#) has dedicated attorneys who advise staff during the audit and reporting processes. OGC also (1) provides legal opinions and decisions to Congress and federal agencies on the use of and accountability for public funds, (2) issues decisions on Congressional Review Act and Federal Vacancies Reform Act matters, and (3) adjudicates bid protests—companies’ challenges to federal agencies’ contracting decisions.

Staff in our Chief Administrative Office (CAO) provide lead support for goal 4, including GAO’s human capital, IT,

and infrastructure operations. CAO also includes several of the agency’s management functions, such as workforce planning, labor relations, business analytics, internal communications, and insider threat prevention. Some staff in CAO also directly support GAO’s Executive Committee, work with managing directors to shape their staffing plans, and analyze and leverage data to inform agency-wide decision making.

Staff in other offices, such as Strategic Planning and External Liaison (SPEL), Congressional Relations (CR), Office of Opportunity and Inclusiveness (OO&I), Audit Policy and Quality Assurance (APQA), and Office of Public Affairs (OPA), support the efforts of the mission teams. This matrixed structure increases our effectiveness, flexibility, and efficiency in using our expertise and resources to meet congressional needs on complex issues. For example, OO&I helps promote and maintain a work environment that is fair, unbiased, and inclusive.

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 OIG’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.

For more information on our organization and teams, see [About Our Teams](#).

## GAO Workforce and Locations

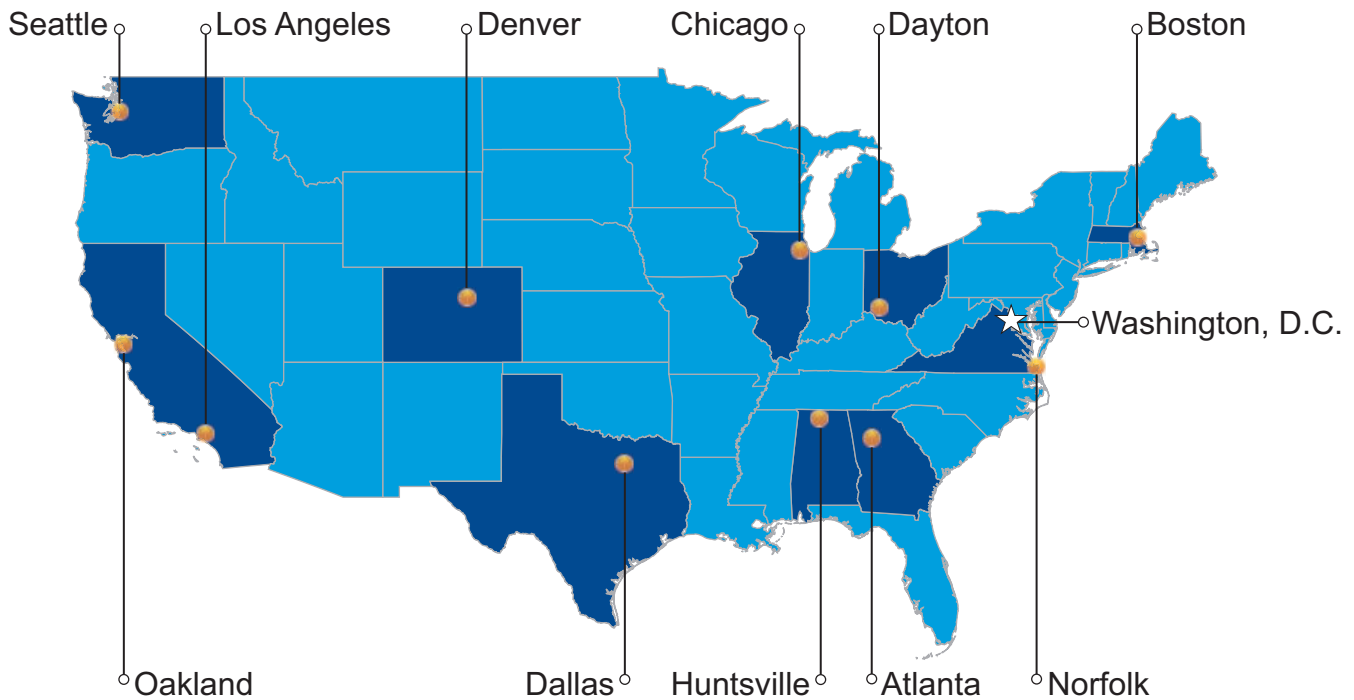
We maintain a workforce with training in many disciplines. These include accounting, law, engineering, public and business administration, economics, social and physical sciences, and data and information technology.

Sixty-nine percent of our 3,370 employees are based at our HQ in Washington, D.C.

The rest are deployed in 11 field offices across the country (see [fig. 9](#)).<sup>2</sup> Staff in these field offices are aligned with our mission teams and perform work in tandem with our HQ staff in support of our three external strategic goals.

<sup>2</sup>The count of employees differs from FTEs in that this includes full and part-time employees at a point-in-time.

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



Source: Map Resources (map). | GAO-23-900398

## Strategic Planning and Foresight

We publish a [strategic plan](#) every 4 years to guide our work as we help lawmakers oversee federal operations and address the most important national issues. In March 2022, we issued our [strategic plan](#) for FYs 2022-2027. It describes our goals and strategies for supporting the Congress and the nation. This plan reflects the full scope of the federal government's operations,

as well as emerging and future trends that may affect government and society.

GAO's [strategic plan](#) consists of three parts:



Goals and Objectives ([GAO-22-1SP](#));

Key Efforts ([GAO-22-2SP](#)); and



## Trends Affecting Government and Society (GAO-22-3SP).

Source: GAO. | GAO-23-900398

Our [strategic plan](#) outlines the areas in which we expect to conduct research, audits, analyses, and evaluations to meet our clients' needs and allocate resources. 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. Our fourth strategic goal is focused on our internal operations.

The key efforts detail our near-term priorities to provide Congress with timely and fact-based analysis of the most important issues facing the nation. We regularly assess priorities in consultation with the Congress and consistent with our [Congressional Protocols](#). This process helps to inform updates to our key efforts, as appropriate.

As part of our strategic planning process, we emphasize foresight, continuous environmental scanning, and trend analysis. These are essential to helping inform our

decision-making and long-term planning. For example, with insights from GAO's Center for Strategic Foresight, we identify major emerging issues and challenges that pose both risks and opportunities for the federal government. We outlined 12 broad trends (see [fig. 10](#)) with likely effects on government and society in the next 5 to 15 years as part of our planning effort.

We developed our [strategic 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. Our continuous scanning of trends helps to ensure GAO remains an agile and responsive organization.

We will periodically update our key efforts and trends, 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.

Figure 10: GAO's Strategic Plan Framework

# STRATEGIC FRAMEWORK

## MISSION

GAO exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

## GAO CORE VALUES

### MISSION VALUES

Accountability  
Integrity  
Reliability

### PEOPLE VALUES

Valued  
Respected  
Treated Fairly

## TRENDS SHAPING THE U.S. AND ITS PLACE IN THE WORLD



## GOALS



### 1 Well-being and Financial Security

Provide timely, quality service to the Congress and the federal government to address current and emerging challenges to the well-being and financial security of the American people.



### 2 National Security and Global Interdependence

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



### 3 National Challenges

Help transform the federal government to address national challenges.



### 4 Maximize GAO Value

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

Source: GAO. | GAO-23-900398

Our [strategic plan](#) is based on a hierarchy of four strategic goals (the highest tier) followed by strategic objectives,

performance goals, and key efforts. The text box below provides an example from our [strategic plan](#).

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

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

Strategic goals (4)

Strategic objectives (22)

Performance goals (105)

Key efforts (300+)

### Example:

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

**Strategic Objective:** Lifelong Learning to Enhance U.S. Competitiveness

**Performance Goal:** Identify opportunities to improve efficiency, effectiveness, equity, access, and accountability in higher education, including programs that provide federal student aid

### Key Efforts:

- Evaluate management and oversight of student aid programs, including federal COVID-19 relief funding
- Evaluate programs and policies designed to promote postsecondary education efficiency, effectiveness, equity, access, and accountability

## Strategies for Achieving Our Goals

The GPRA of 1993, as amended by the GPRAMA of 2010, directs agencies to articulate goals and strategies to achieve them. GAO's [strategic plan](#) emphasizes achieving our goals by: (1) providing information from our work to the Congress and the public, 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, we plan to achieve the level of performance that is needed to meet our performance measures and 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. We do so in a number of ways, including:

- Evaluations of federal policies, programs, and the performance of agencies;
- Oversight of government operations through financial and other management audits to determine whether public 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 FY 2022, we devoted 94 percent of our engagement resources to work requested or mandated by the Congress. We devoted the remaining 6 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 opportunities to reduce fragmentation, overlap, and duplication in the federal government; and ensuring transparency and accountability for emergency spending, such as for the pandemic and other areas. We also provide frequent technical assistance to congressional staff and committees.

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 in 2023. By making recommendations to improve the accountability, operations, and services of government agencies, we contribute to increasing the effectiveness of federal spending and enhancing the taxpayers' trust and confidence in their government.

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

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

Our work is usually presented in products that are made available to the public. Over the past 5 years, we have issued, on average, 677 products annually. In addition, we published more than 530 legal decisions and opinions in FY 2022, the vast majority of which are bid-protest 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, including Science and Technology Spotlights and our new Snapshots, which are very short products tailored for busy readers so we can more easily share fact-based knowledge on important current issues facing Congress and the nation;
- 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.

We also produce special publications, such as our reports on [America's fiscal future](#) and our [decisions on federal bid protests](#).<sup>3</sup> Our publication, [Principles of Federal Appropriations Law](#), is viewed both within and outside of the government as the

<sup>3</sup>GAO, Bid Protest Annual Report to Congress for FY 2021, [GAO-22-900379](#) (Washington, D.C.: Nov. 16, 2021).

primary resource on federal law related to the availability, use, and control of federal funds.<sup>4</sup> In addition, we maintain the government’s repository of [reports on Antideficiency Act violations](#) and make available on our website information extracted from those reports. Such special publications are valuable because they highlight important decisions and management issues facing policymakers.

We also achieve our goals by examining the impact of our past work and using that information to shape 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 establish priority recommendations and also actively monitor the status of open recommendations—those that remain valid but have not yet been fully implemented—and post our findings to our [recommendations database](#).

To attain our fourth strategic goal—an internal goal—and its three related objectives, we engage in activities to address the key efforts of our [strategic plan](#).

<sup>4</sup>Principles of Federal Appropriations Law, also known as the Red Book, is a multi-volume treatise concerning federal fiscal law. [GAO-17-797SP](#) (Washington, D.C.: Sept. 14, 2017), [GAO-16-463SP](#) (Washington, D.C.: Mar. 10, 2016), [GAO-16-464SP](#) (Washington, D.C.: Mar.10, 2016), [GAO-15-303SP](#) (Washington, D.C.: Mar. 12, 2015), [GAO-08-978SP](#) (Washington, D.C.: Sept. 1, 2008), [GAO-06-382SP](#) (Washington, D.C.: Feb. 1, 2006), [GAO-04-261SP](#) (Washington, D.C.: Jan. 1, 2004).

Additionally, 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 SPEL office takes the lead and provides strategic focus overall for the work with external partner organizations. Our mission teams lead the work with most of the issue-specific external organizations as they conduct their work.

## Measuring Our Performance

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

- **Results.** To assess our results, we measure financial benefits, other benefits, the percentage of past recommendations implemented, and the percentage of new products with recommendations.

Financial benefits (generally an estimated cost reduction or increase in revenue) and other benefits (such as better services to the public that cannot be estimated in dollar terms) typically occur when a recommendation is implemented by a congressional or agency action. We report our financial benefits as net benefits, or estimates of benefits less costs associated with taking the action(s). We limit the number of years in which we can claim a financial benefit to 5 fiscal years.

To claim a financial benefit or other benefit, we prepare an accomplishment report. This documents among other things: (1) a cause-and-effect relationship between the benefits reported and our work, and (2) that the action taken by the Congress or agency has been substantially completed. Staff can prepare accomplishment reports within 2 fiscal years of the action(s) being taken by the Congress or agency. As a result of these policies, benefits can be reported years after recommendations are made.

As an example, we made a recommendation to improve an agency's operations in 2018. The agency agreed with the recommendation and took actions to implement the recommendation. In 2022, we obtained documentary evidence to review the steps the agency took and determined that the agency changed a business practice. We also determined that the change was permanent and caused a net reduction in program costs beginning in 2022. As a result, we can claim net financial benefits for up to 5 consecutive years, from FY 2022-2026.

We follow up on recommendations we have made and update the status at least once per year. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we measure the

percentage of recommendations implemented made 4 years prior to a given fiscal year. That is, the FY 2022 rate is based on recommendations made in products that were issued in 2018.

The percentage of new products with recommendations includes reports and correspondences issued within a fiscal year that included at least one recommendation. This measure recognizes that our products do not always include recommendations.

- **Client.** To measure how well we are serving our client, we capture our timeliness in delivering products to the Congress and the number of times that our senior executives were asked to present expert testimony.<sup>5</sup> We use an electronic client feedback form to collect quantitative and qualitative data and information on the services we provide to our congressional clients.
- **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.
- **Internal operations.** GAO's ability to carry out its mission and retain a skilled and talented workforce is supported by our administrative services (e.g., IT, infrastructure operations, human capital, and financial management). Through an internal Customer Satisfaction Survey (CSAT), we gather information on three areas: (1) how well our internal operations help employees get their jobs done, (2) how our internal operations improve employees' quality of work life, and (3) how satisfied employees are with our

<sup>5</sup>For purposes of this measure, we define senior executives as those above the General Schedule-15 or equivalent level.



IT tools. To better time the launch of our two annual agency-wide employee surveys so they are not administered as closely together, we are moving the launch of the CSAT survey from August to October. As a result, we will report

our FY 2022 CSAT survey results in next year's PAR.

For detailed information on all of our measures, see [Setting Performance Targets](#) and [Appendix II](#).

## Setting Performance Targets

To establish targets for all of our measures, we consider our past performance, including recent patterns and 4-year rolling averages. We use 4-year rolling averages to help us examine trends over time because this calculation minimizes the effect of an atypical result in any given year. We also consider other factors, such as known upcoming events and external factors that influence our work (see [Mitigating External Factors](#)). Some external factors are not in our control, such as the pace at which agencies implement our recommendations and the number of hearings at which we are asked to testify (see [Other Measures of Our Results](#) and [Focusing on Our Client](#)).

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

Once approved by the Comptroller General, the targets become final and are presented in our [annual performance plan](#) and [budget](#). We may adjust these targets after they are initially published when our expected future work or level of funding warrants doing so. If we make changes, we include the changed targets in later documents, such as this PAR, and indicate that we have changed them and why this was done.

Regarding specific measures, we set targets agency-wide and some by goal. For financial benefits and other benefits, we first set

targets for the agency as a whole, and then we set targets for each of our external goals (1, 2, and 3). Financial benefits and other benefits for Goals 1 through 3 do not add up to the total agency-wide target as we have left a portion of the targets unassigned. Experience leads us to believe that we can meet the agency-wide target but we cannot always accurately predict under which goals. We expect variation by goal in these measures due to factors such as variation in audited agency, priority issues, and congressional interest.

We use several factors to set our agency-wide testimony 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 this target at the agency-wide level and then assign a portion of these testimonies as a target for each of our external goals (1, 2, and 3) based on that goal's expected contribution to the agency-wide total. Testimony targets for Goals 1 through 3 do not add up to the total agency-wide target as we have left a portion of the testimony target unassigned. Experience leads us to believe that we cannot always accurately predict under which goals testimonies occur.

For these measures (financial benefits, other benefits, and testimonies), 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.

For past recommendations implemented, percentage of products with recommendations, and timeliness, we set targets and report performance for the agency as a whole because we want to maintain consistent performance across goals.

We set agency-wide targets for our people and internal operations measures to promote consistency across the organization.

On the pages that follow, we assess our performance for FY 2022 against our previously established performance targets.



Source: Bill Chizek/stock.adobe.com. | GAO-23-900398

## Overall Performance Toward Our Goals

In FY 2022, the demand for our work was high, with 640 congressional requests and new mandates. The results of our work reflect our strong performance in FY 2022 (see [table 3](#)).

### Results

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We exceeded our target of \$50.0 billion in financial benefits by \$5.6 billion—reaching \$55.6 billion. This represents about a \$74 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 62 benefits, accomplishing 1,262 other benefits. (See [pp. 23-28](#))

We fell short of our target of 80 percent for past recommendations implemented by 3 percentage points, at 77 percent—similar to our performance for the past 4 fiscal years. We believe it is taking agencies longer to implement some our recommendations due to factors involving COVID-19. We will continue to take actions in 2023 to facilitate implementation of our recommendations. (See [p. 29](#))

We exceeded our target of 60 percent for new products with recommendations by 4 percentage points, at 64 percent. (See [pp. 29-30](#))

### Client

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Based on our congressional client survey, we exceeded our target of 90 percent for delivering products and testimonies in a timely manner by 7 percentage points—reaching 97 percent on-time delivery for FY 2022. Our senior executives were asked to testify 72 times, falling 28 testimonies short of our FY 2022 target of 100. This was due, in part, because committees are inviting fewer witnesses to hearings than in the past—a factor not in our control. We were asked to testify before 43 separate committees or subcommittees on topics spanning most federal agencies. (See [pp. 30-34](#))

### People

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We exceeded or met the targets for all of our seven people measures, but one. We fell short of our 80 percent target for

new hire rate, achieving 76 percent. We missed the target by 4 percentage points as several positions needed to be re-posted or applicants were unable to onboard by the end of the fiscal year. For retention rate with retirements, we exceeded our target of 92 percent by 1 percentage point, at 93 percent. We also exceeded our target rate of 96 percent for retention rate without retirements by 1 percentage point at 97 percent.

For staff development, we exceeded our target of 80 percent by 2 percentage points, at 82 percent; exceeded our target of 80 percent for staff utilization by 4 percentage points, at 84 percent; exceeded our target of 82 percent for experience

with supervisors by 8 percentage points, at 90 percent; and exceeded our target of 80 percent for organizational climate by 6 percentage points, at 86 percent. (See [pp. 34-36](#) and [Appendix II](#))

## Internal Operations

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We assess staff satisfaction with our internal operations each year through our internal CSAT survey. To more effectively time the launch of our two annual agency-wide employee surveys—CSAT and Employee Experience Survey (EES)—we are moving the launch of the CSAT survey from August to October. As a result, we will report our FY 2022 CSAT survey results in next year's PAR. (See [p. 36-37](#))

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

Performance measure	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target	2022 actual	Met/ not met	2023 target
<b>Results</b>									
Financial benefits (dollars in billions)	\$73.9	\$75.1	\$214.7 <sup>b</sup>	\$77.6	\$66.2	\$50.0	\$55.6	Met	\$50
Other benefits	1,280	1,294	1,418	1,332	1,239	1,200	1,262	Met	1,200
Past recommendations implemented	76%	77%	77%	77%	76%	80%	77%	Not met	80%
New products with recommendations	63%	64%	64%	64%	58%	60%	64%	Met	60%
<b>Client</b>									
Testimonies	99	98	97	59	67	100	72	Not met	90
Timeliness	96%	97%	95%	93%	97%	90%	97%	Met	90%
<b>People</b>									
New hire rate	83%	85%	89%	76%	80%	80%	76%	Not met	80%
Retention rate									
With retirements	94%	94%	94%	95%	96%	92%	93%	Met	92%
Without retirements	97%	97%	96%	97%	98%	96%	97%	Met	96%
Staff development	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	81%	82%	80%	82%	Met	80%
Staff utilization	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	85%	85%	80%	84%	Met	80%
Experience with supervisors	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	90%	91%	82%	90%	Met	82%
Organizational climate	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	86%	87%	80%	86%	Met	80%
<b>Internal operations</b>									
Help get job done	84%	85%	82%	83%	81%	80%	N/A <sup>c</sup>	N/A <sup>c</sup>	80%
Quality of work life	82%	82%	82%	86%	86%	80%	N/A <sup>c</sup>	N/A <sup>c</sup>	80%
IT tools	74%	73%	56%	69%	56%	80%	N/A <sup>c</sup>	N/A <sup>c</sup>	80%

Source: GAO. | GAO-23-900398

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

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

<sup>b</sup> The \$214.7 billion in financial benefits we achieved in FY 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.

<sup>c</sup> To more effectively time the launch of our two annual agency-wide employee surveys, we are moving the launch of our annual CSAT survey from August to October, and will report our FY 2022 CSAT survey results in next year's PAR.

In addition to our agency-wide annual performance measures, we calculate our Return on Investment (ROI)—the ratio between financial benefits and dollars invested. We have produced financial

benefits that exceed the amount that has been invested in our agency to perform our work, as shown in table 4. For the past 6 years, we have had an average ROI of \$143 to 1.

**Table 4: Return on Investment Data**

	Return on Investment						6-Year Average
	2017	2018	2019	2020	2021	2022	
Financial Benefits (in billions)	\$73.9	\$75.1	\$214.7	\$77.6	\$66.2	\$55.6	\$93.9
Dollars invested (in billions) <sup>a</sup>	\$0.57	\$0.60	\$0.64	\$0.66	\$0.713	\$0.75	\$0.66
Return on Investment (per dollar invested)	<b>\$129</b>	<b>\$124</b>	<b>\$337</b>	<b>\$118</b>	<b>\$93</b>	<b>\$74</b>	<b>\$143</b>

Source: GAO. | GAO-23-900398

Note: In FY 2021, we redefined the invested dollars in the denominator of the ROI calculation to be new obligations incurred instead of budget authority. This was done because we have recently begun receiving multi-year appropriations, which are obligated over several years. The change more accurately reflects funding usage. ROIs previously reported using budget authority resulted in the following ROIs, 2017-2021, respectively: \$128, \$124, \$338, \$114, and \$93.

<sup>a</sup>Dollars invested is defined as total new obligations against GAO’s unexpired accounts for the fiscal year as reported in the Treasury’s GTAS and OMB’s MAX system.

Our FY 2022 targets for our 16 performance measures are the same as the targets we reported in our FY 2023 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 5](#).

**Table 5: Four-Year Rolling Averages for Selected GAO Measures**

Performance measure	2017	2018	2019	2020	2021	2022
<b>Results</b>						
Financial benefits (billions)	\$66.6	\$71.8	\$106.8	110.3	\$108.4	\$103.5
Other benefits	1,272	1,274	1,307	1,331	1,321	1,313
New products with recommendations	65%	65%	65%	64%	62%	62%
<b>Client</b>						
Testimonies	114	106	103	88	80	74

Source: GAO. | GAO-23-900398



Source: iCreative3d/stock.adobe.com. | GAO-23-900398

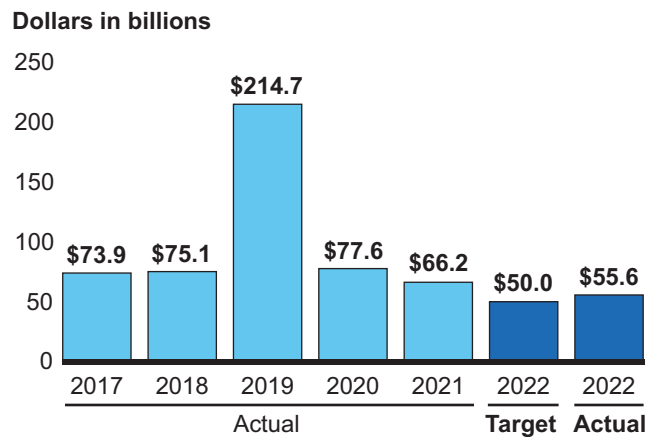
## Financial Benefits

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 FY 2022, our work generated about \$55.6 billion in financial benefits (see [fig. 11](#)). We exceeded our target of \$50 billion by about \$5.6 billion.

In light of our (1) performance in FY 2022, (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 2023, we have set our 2023 target for financial benefits at \$50 billion. For more information on how we set our targets, see [Setting Performance Targets](#).

**Figure 11: Financial Benefits GAO Recorded**



Source: GAO. | GAO-23-900398

To calculate our financial benefits, we rely primarily on estimates from non-GAO sources. These sources are typically the agency that acted on our work, a congressional committee, or the Congressional Budget Office. For more information on financial benefits, see [Measuring Our Performance](#) and [Appendix II](#). Examples of major financial benefits reported in FY 2022 are in table 6.

Table 6: Examples of GAO's Major New Financial Benefits Reported in FY 2022

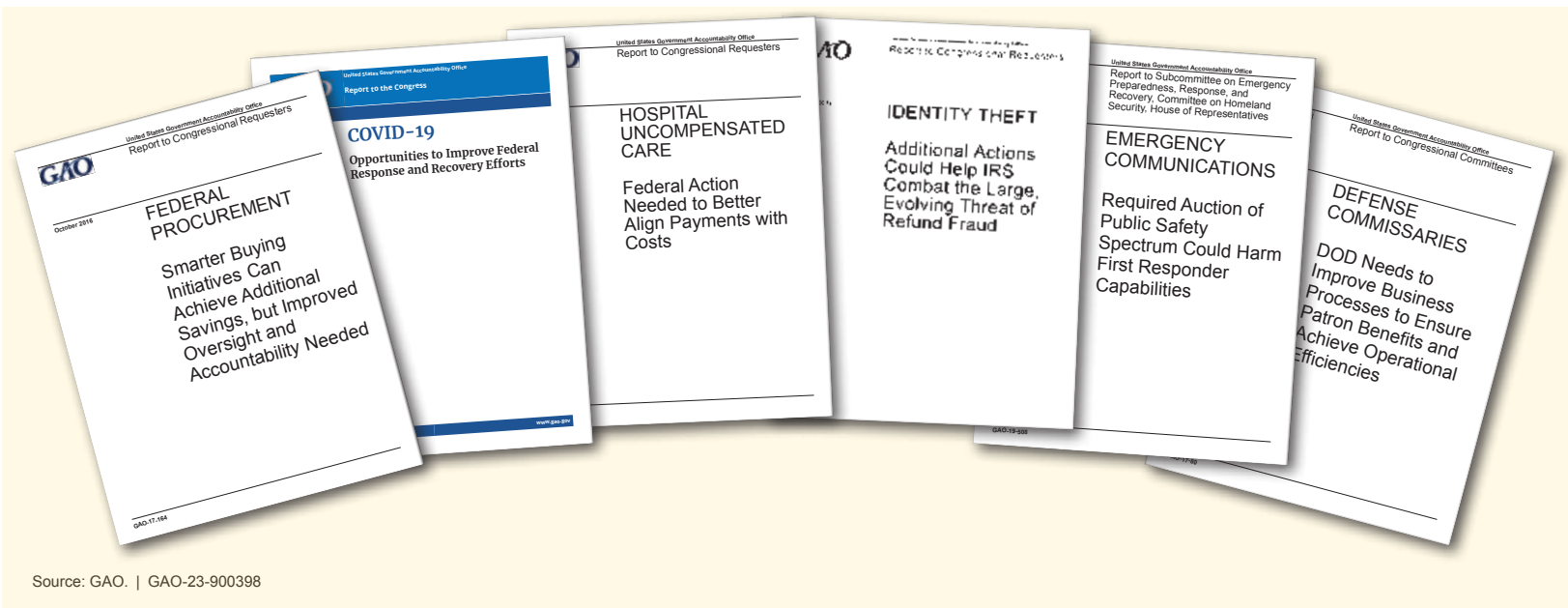
Description of New Financial Benefits	Amount (Dollars in Billions)
<p><b>Reducing Costs by Leveraging Federal Buying Power.</b> OMB's category management initiative is intended to help federal agencies purchase goods and services through fewer, larger contracts to leverage the government's buying power and save taxpayer dollars. However, we found in October 2016 that agencies were at risk of not using these contracts as much as they could. We recommended OMB set agency-specific targets for using these contracts and publicly report on performance. Starting in 2017, OMB took action and agencies began to better leverage category management contracts. In 2022, we determined that our recommendations helped save about \$36 billion between 2017 and 2020. (<a href="#">GAO-17-164</a>, <a href="#">GAO-21-40</a>)</p>	<b>\$35.7</b>
<p><b>Recouping Billions from PPP Loans Due to Enhanced SBA Oversight.</b> SBA implemented the PPP in April 2020 to provide forgivable loans to small businesses adversely affected by COVID-19. However, the program had limited safeguards to prevent improper payments and fraud. In June 2020, we recommended SBA develop and implement plans to ensure program funds are being used properly and address potential fraud. SBA responded by developing a review plan, which it updated in January 2022 to incorporate oversight changes. This enhanced oversight will allow SBA to recoup an estimated \$3.5 billion from PPP loans that were given improperly. (<a href="#">GAO-20-625</a>)</p>	<b>\$3.5</b>
<p><b>Improving How CMS Pays Hospitals for Uncompensated Care.</b> CMS reimburses hospitals for their uncompensated care costs, including the costs of treating uninsured patients. In June 2016, we reported that CMS had not aligned Medicare uncompensated care payments with hospitals' actual uncompensated care costs—and was therefore likely overpaying some hospitals and underpaying others. We recommended that CMS base these payments on hospitals' actual uncompensated care costs. CMS began doing so in FY 2018, which helped redirect \$2.1 billion towards hospitals with higher costs in FY 2022. (<a href="#">GAO-16-568</a>)</p>	<b>\$2.1</b>
<p><b>Helping Prevent IRS from Issuing Invalid Tax Refunds.</b> Identity theft tax refund fraud is a threat to taxpayers and tax administration. In 2014, we found IRS could help address this by matching wage information that employers report on the W-2 tax form to individuals' tax returns before issuing refunds. However, W-2 data were not available until months after IRS issued most refunds. We recommended IRS assess the costs and benefits of accelerating W-2 deadlines and report this to the Congress, which IRS did in 2015. In response, the Congress advanced the deadline for employers to file W-2s (effective in 2017)—which helped IRS save \$2.04 billion in FY 2022 by using W-2 information to prevent invalid refunds. (<a href="#">GAO-14-633</a>)</p>	<b>\$2.0</b>
<p><b>Preserving Public Safety Use of Radio Spectrum.</b> In 11 large metropolitan areas, critical communications for public safety users (such as firefighters) take place in the T-Band part of the radio spectrum. However, T-Band spectrum used for public safety was mandated to be auctioned in 2021, requiring these communications to move to another part of the spectrum. Partly due to potential high costs for such a move, we suggested in 2019 that the Congress allow public safety users continued use of the T-Band. In 2020, the Congress repealed the requirement to auction this spectrum as part of the Consolidated Appropriations Act of 2021—saving the government an estimated \$1.48 billion in FY 2022. (<a href="#">GAO-19-508</a>)</p>	<b>\$1.48</b>



<p><b>Saving Millions by Implementing Changes to DOD’s Commissaries.</b> DOD operates commissaries worldwide to provide groceries and household goods at reduced prices for military personnel. In March 2017, we recommended implementing private labeling (store brands that are cheaper than brand-name items) to expand choices and increase DOD’s profit margins. DOD did so and reported in January 2022 that it had increased its revenue by \$53.4 million during FYs 2017 through 2021. DOD also didn’t consolidate its commissaries with military exchanges (for-profit retail stores) after we reported in April 2020 that it had overestimated the savings (and underestimated the costs) of doing so. This prevented DOD from spending around \$658 million. (<a href="#">GAO-17-80</a>, <a href="#">GAO-17-38</a>, <a href="#">GAO-20-418</a>)</p>	<p><b>\$0.711</b></p>
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Source: GAO. | GAO-23-900398

Note: Click on report covers below to access key reports related to Table 6. Additional examples of FY 2022 financial benefits can be found in [Part II](#) of this report. It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#).



Source: GAO. | GAO-23-900398

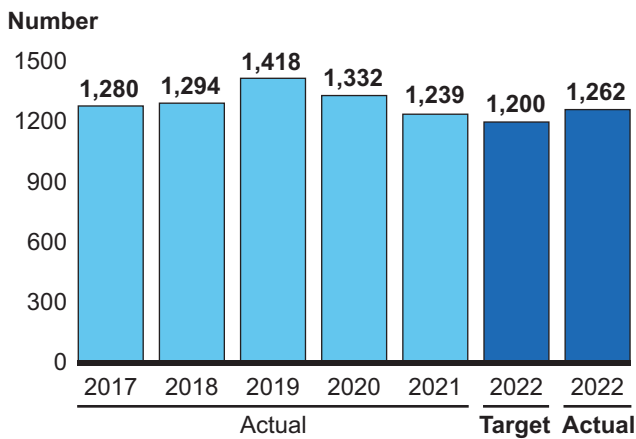
# BENEFITS

Source: putilov\_denis/stock.adobe.com. | GAO-23-900398

## 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 FY 2022, we recorded a total of 1,262 other benefits (see [fig. 12](#)). We exceeded our target by about 5 percentage points. We have set our 2023 target for these other benefits at 1,200 again given our past, ongoing, and expected work.

**Figure 12: Other Benefits**

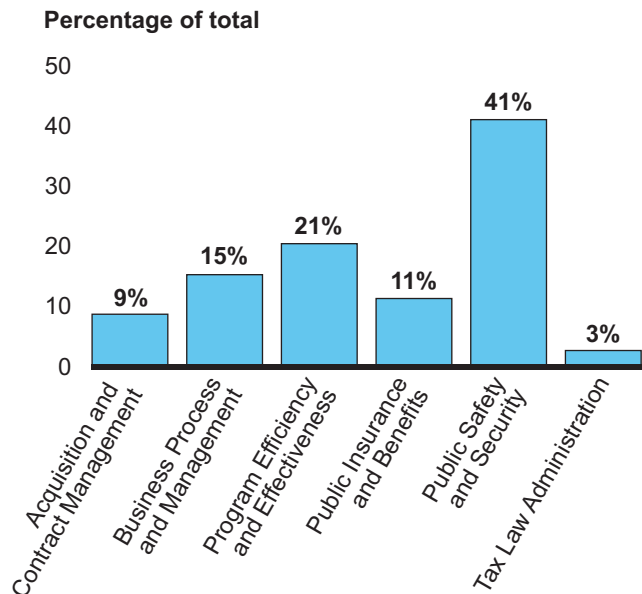


Source: GAO. | GAO-23-900398

We categorize our other benefits into six areas—similar to those on our High-Risk List (see [fig. 13](#)). This year, most of our other benefits were in public safety and security

(41 percent) and program efficiency and effectiveness (21 percent). We claim these benefits generally within 2 fiscal years of the action taken. See [table 7](#) and [Part II](#) of this report for specific examples, and [Appendix II](#) for more information on other benefits.

**Figure 13: Types of FY 2022 Other Benefits**



Source: GAO. | GAO-23-900398

Examples of programs included in the six areas in [figure 13](#) are:

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

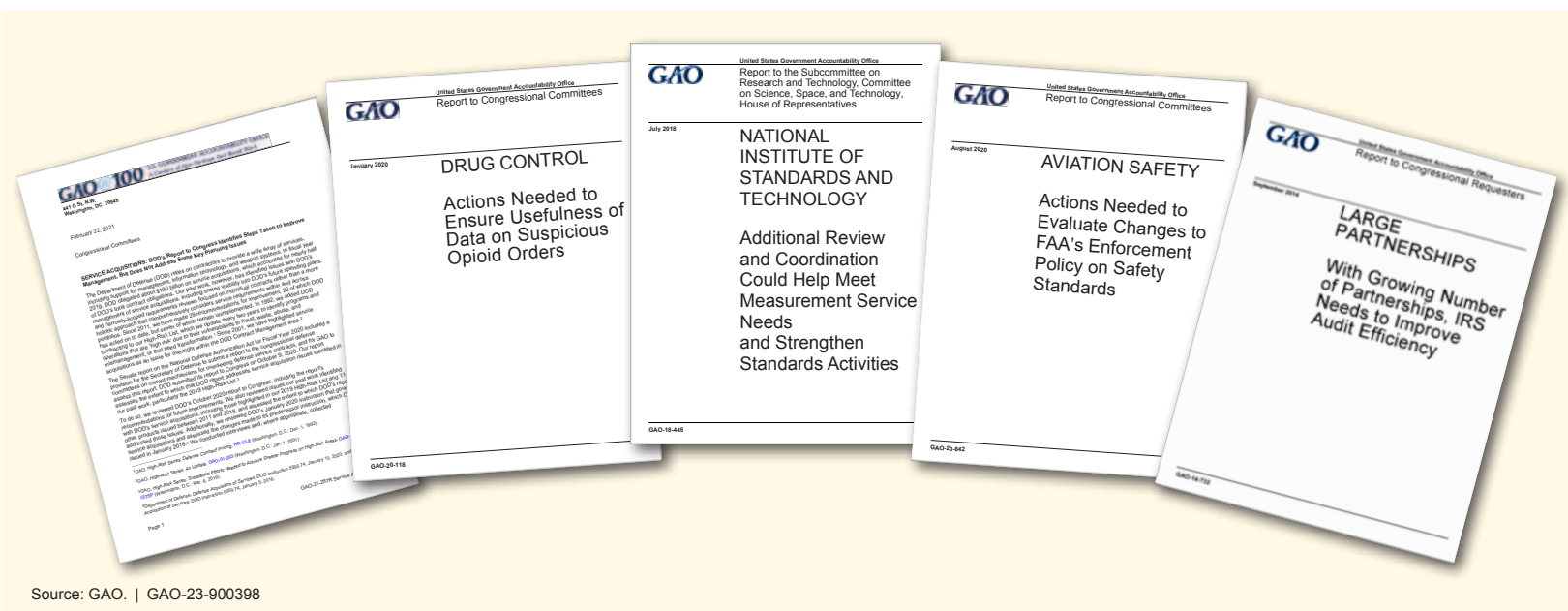
**Table 7: Examples of GAO's Other Benefits Reported in FY 2022**

Category	Description
<b>Acquisition and contract management</b>	<b>Improving Reporting on DOD Spending Plans for Service Acquisition.</b> In 2020, DOD spent over \$200 billion acquiring services for areas such as health care and aircraft maintenance. In 2021, we reported that DOD had not identified steps to improve reporting on service acquisitions in its spending plans, as previously mandated by the Congress. In response, in 2022, the Congress directed DOD to submit a plan to improve reporting on service acquisitions. This direction from the FY 2022 National Defense Authorization Act may help DOD make more informed decisions regarding the services it should acquire. ( <a href="#">GAO-21-267R</a> )
<b>Business Process and Management</b>	<b>Using New Algorithms to Help DEA Analyze Drug Data.</b> The DEA collects industry-reported data on the sale and purchase of controlled substances and prescription drugs, including opioids. This data helps DEA investigate the illegal sale or distribution of drugs. In January 2020, we found that DEA's systems did not provide real-time analysis, but DEA could use computer algorithms to proactively identify patterns and trends in drug distribution. We recommended DEA develop and implement such algorithms. In response, DEA began using a new data system in July 2021 that could help proactively identify suspicious activities that warrant investigation. ( <a href="#">GAO-20-118</a> )

<p><b>Program Efficiency and Effectiveness</b></p>	<p><b>Strengthening Federal Measurement Services and Standards Efforts.</b> NIST provides measurement services and supports standards development for U.S. industry. For example, it provides calibrations for equipment used in high-precision manufacturing and contributes to interoperability standards, such as those for smart grid technologies that may improve energy efficiency. In 2018, we found that NIST had not assessed how well its services were supporting industry needs. We recommended NIST do so. In response, NIST updated its standards and measurement services policies in March 2021 and April 2022, respectively, to include such a review. This will help NIST ensure that it provides services industry needs. (<a href="#">GAO-18-445</a>)</p>
<p><b>Public Safety and Security</b></p>	<p><b>Improving FAA’s Oversight of Aviation Safety.</b> FAA helps ensure that airlines, pilots, and others comply with safety standards. In 2020, we reported that the FAA’s Compliance Program was addressing aviation safety by encouraging training, counseling, and other compliance actions (rather than civil penalties or enforcement actions). However, we found that FAA did not appoint a specific office to oversee this program, and recommended it do so. In response, we confirmed in April 2022 that FAA appointed an executive council to oversee this program across the agency, which will help ensure that it is working as intended. (<a href="#">GAO-20-642</a>)</p>
<p><b>Tax Law Administration</b></p>	<p><b>Improving IRS’s Financial Operations and Information Systems.</b> As part of our audit of IRS’s financial statements, we reported in May 2022 that IRS had implemented corrective actions to address 68 of 120 recommendations from our prior audits. These corrective actions focused on information system controls—such as who has access and ensuring that systems work as intended—and safeguarding assets (including taxpayer receipts, property, and equipment). These actions will help improve IRS’s financial operations and protect taxpayer data from potential loss, theft, and inappropriate disclosure. (<a href="#">GAO-22-105559</a>)</p>

Source: GAO. | GAO-23-900398

Note: Click on report covers below to access key reports related to Table 7. Additional examples of other benefits for FY 2022 can be found in [Part II](#) of this report. It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#).



Source: GAO. | GAO-23-900398

## 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.

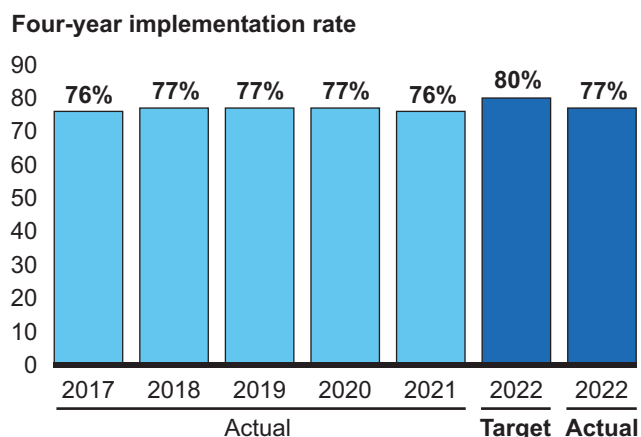
We achieved a 77 percent implementation rate for FY 2022. We fell below our target of 80 percent by 3 percentage points, similar to our performance for the past 4 fiscal years (see [fig. 14](#)). We believe agencies are implementing some of our recommendations more slowly given the extraordinary circumstances posed by COVID-19.

We continued to highlight the status of key recommendations in our annual fragmentation, overlap, and duplication work—including progress made and the benefits of full implementation. We also continued to send letters to the heads of most federal departments—30 in 2022—recognizing their progress in implementing our priority recommendations and calling their attention to those still requiring action.<sup>6</sup>

Despite not making our target for past recommendations implemented for the past several years, it is an important indicator to us and we are retaining our target of 80 percent for FY 2023. We will continue to take appropriate actions to reach this target. (See [Setting Performance Targets](#).)

<sup>6</sup>Of the 30 letters GAO sent, the Comptroller General sent 29 letters in 2022 and another executive sent one letter to IRS.

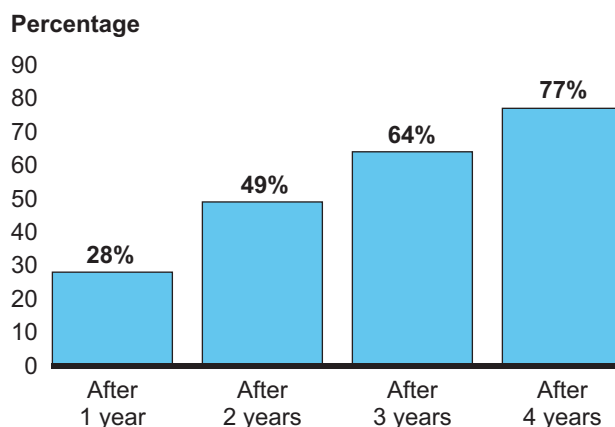
**Figure 14: Percentage of Past Recommendations Implemented**



Source: GAO. | GAO-23-900398

As [figure 15](#) shows, agencies need time to act on our recommendations. Our experience indicates that recommendations remaining open after a 4-year period are less likely to be implemented in subsequent years.

**Figure 15: Cumulative Implementation Rate for Recommendations Made in FY 2018**



Source: GAO. | GAO-23-900398

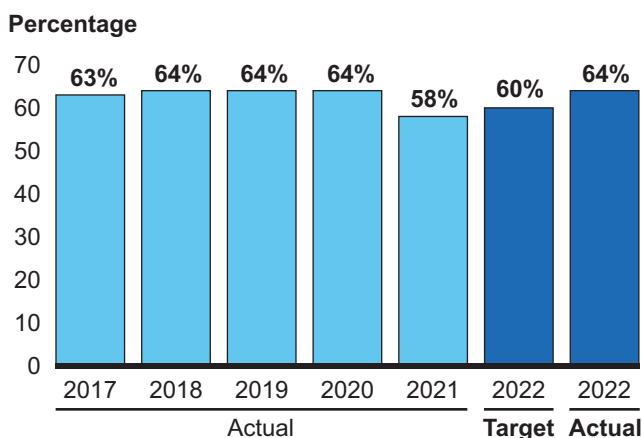
### New Products Containing Recommendations

In FY 2022, about 64 percent of the 454 written products we issued contained recommendations (see [fig. 16](#)). 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 are maintaining the 60 percent target for 2023 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 16: Percentage of New Products with Recommendations**



Source: GAO. | GAO-23-900398

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 FY 2022, we received requests for work from 90 percent of the standing committees of the Congress and 26 percent of the subcommittees. Our 4-year average for these requests is 90 percent and 27 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 659 total products and completed work for 89 committees or subcommittees in FY 2022.

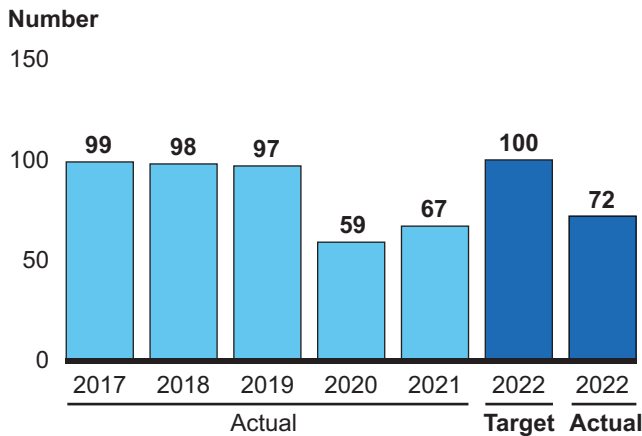
### Testimonies

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 FY 2022, our senior executives were asked to testify 72 times and we fell 28 testimonies

short of our target (see [fig. 17](#)). 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 8](#)).

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 increased from the prior 2 years but remained lower than our target, because, among other things, committees are inviting fewer witnesses to hearings than in the past.

The 72 testimonies that our senior executives delivered in FY 2022 covered the scope of our mission areas. Forty-two percent of the testimonies that our senior executives delivered were related to our high-risk areas and programs, which are listed on [page 38](#) of this report.

**Figure 17: Testimonies**

Source: GAO. | GAO-23-900398

We also delivered 9 member briefings, and were asked to submit (1) three Statements for the Record in lieu of testifying, and (2) responses to 28 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 over 200 hearings beyond those at which we testified.

Our senior executives also participated in five roundtables sponsored by congressional committees, subcommittees, or working groups. The topics covered by the roundtables included artificial intelligence and spotlighting and addressing hurdles for the Asian American and Pacific Islander community in public service.

For FY 2023, we will reduce our testimony target to 90 to better reflect the number of testimonies we have delivered over the past several years. (See [Setting Performance Targets.](#))

**Table 8: Selected Testimony Topics • FY 2022**

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

- Increasing Paycheck Protection Program Loan Access for Smaller and Underserved Businesses
- Increasing Focus on Access to Mental Health Care
- Increasing the Number of Electric Vehicles in the U.S. Postal Service and Federal Government
- Addressing Bureau of Indian Education Management Weaknesses
- Enhancing DOD and VA Suicide Prevention Efforts
- Strengthening Federal Agency Efforts and Addressing Challenges Repatriating Cultural Items for Tribes
- Improving FAA's Efforts to Address Community Concerns on Aircraft Noise
- Addressing Inaction on Coal Operator Self-Insurance that Increases Financial Risk to Trust Fund
- Improving Opportunities for Minority- and Women-Owned Asset Managers
- Improving DOD's Monitoring of Provider Qualifications and Competence
- Monitoring Efforts to Implement COVID-19 Recommendations and First Step Act at Federal Prisons
- Improving Reform Efforts at the National Weather Service
- Leveraging VA Partnerships to Address VA Health Care Facility Needs

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

- Identifying and Addressing Barriers to Receiving Federal Disaster Recovery Assistance
- Facing Uncertainties of DOD's F-35 Sustainment Strategy May Limit Military Services Achieving Missions
- Helping HUD Focus on Data to Ensure Vulnerable Populations Receive Disaster Block Grant Funds
- Addressing Biodefense National Strategy and Programmatic Challenges
- Improving DOD's Acquisition of Space Systems
- Addressing Continued F-35 Joint Strike Fighter Cost Growth and Schedule Delays
- Ongoing Challenges Could Jeopardize Navy's Ability to Improve Public Shipyards
- Implementing FISMA Cybersecurity Requirements among Agencies
- Improving Missile Defense Acquisition Processes
- Addressing Oversight Challenges of the Military Housing Privatization Initiative
- Prioritizing the Nation's Critical Infrastructure

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

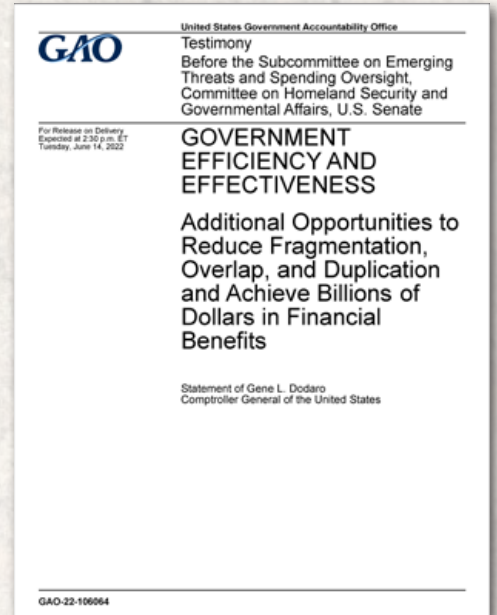
- Addressing Challenges in NASA's Moon Landing Plans
- Monitoring Federal Information Technology through Biannual Scorecards
- Reducing Freedom of Information Act Backlogs at Selected Agencies
- Increasing Confidence in Public Health Research by Addressing Political Interference
- Sharing Lessons Learned to Inform Future Space Telescopes
- Applying Lessons from Ongoing NASA Major Acquisitions to Improve Future Outcomes
- Identifying IRS Audit Trends for Individual Taxpayers
- Understanding the Federal Use and Privacy Implications of Facial Recognition Technology
- Highlighting Need for Continued Scrutiny of Agency Proposals for the Technology Modernization Fund
- Sharing Initial Observations on Effects of States' Expanded Authority on Remote Sales Tax
- Ensuring Transparency of Judicial Decision-making on Patents
- Enhancing Data on Opportunity Zones Investment Activities and IRS Challenges Ensuring Compliance

Source: GAO. | GAO-23-900398

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

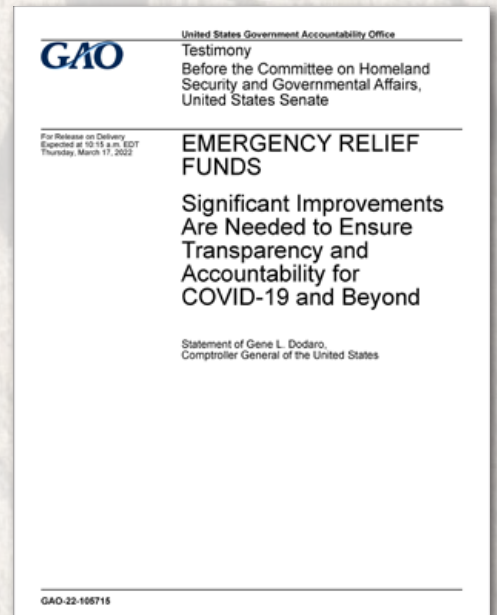


## Comptroller General Testifying before the Congress



June 14, 2022

The Comptroller General testified before the Subcommittee on Emerging Threats and Spending Oversight, Committee on Homeland Security and Governmental Affairs, U.S. Senate on reducing duplication and achieving cost savings in the federal government. ([GAO-22-106064](#))



March 17, 2022

The Comptroller General testified before the Committee on Homeland Security and Governmental Affairs, U.S. Senate on the need for significant improvements to emergency relief funding to ensure transparency and accountability for COVID-19 and beyond. ([GAO-22-105715](#))

Source: GAO (two photos above, screenshots from GAO website, and covers of GAO reports). | GAO-23-900398

## Timeliness

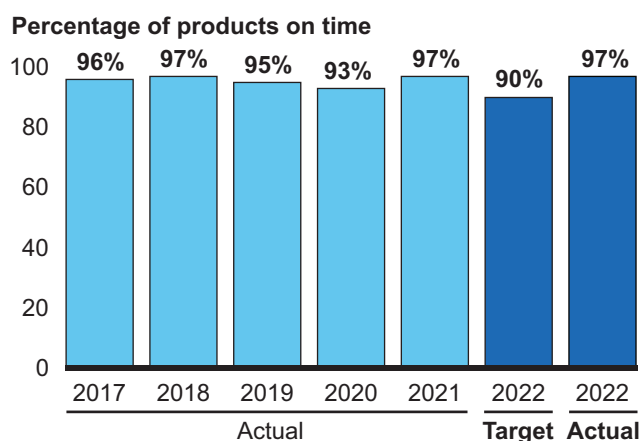
To be useful to the Congress, our products must be available when our clients need them. In FY 2022, we exceeded our timeliness target of 90 percent by 7 percentage points (see [fig. 18](#)). We reach out directly to our clients through several means, including an electronic feedback form. We use the 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). These products represented about 35 percent of the congressionally requested written products we issued in FY 2022.

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 FY 2022, of the congressional staff that responded to the question on timeliness, 97 percent said our products were on time. Overall, the response rate to our entire form was about 18 percent.

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 FY 2023 target at 90 percent because we believe that this is realistic given current staffing levels and workload demands.

**Figure 18: Timeliness**



Source: GAO. | GAO-23-900398

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

## Focusing on Our People

Our highly diverse, professional, and multidisciplinary staff were critical to our FY 2022 performance. Our ability to hire, develop, retain, and lead staff is key to fulfilling our mission of serving the Congress and the American people. Over the last 13 fiscal years, we have refined our processes for measuring how well we manage our human capital. In FY 2022, we exceeded or met 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 [Appendix II, People Measures](#) 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 9 shows that in FY 2022, we did not meet our new hire rate of 80 percent, falling short by 4 percentage points as

several positions needed to be re-posted or applicants were unable to onboard by the end of the fiscal year. However, we have a robust hiring plan in place and were able to boost our staffing levels over FY 2021 levels.

**Table 9: Actual Performance and Targets Related to Our New Hire Rate Measure**

Performance measure	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target	2022 actual	2023 target
<b>People</b>								
New hire rate	83%	85%	89%	76%	80%	80%	76%	80%

Source: GAO. | GAO-23-900398

### 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 10 shows that in FY 2022, we exceeded our target rate of 92 percent for retention with retirements by 1 percentage point at 93 percent. We also exceeded our target rate of 96 percent for retention rate without retirements by 1 percentage point at 97 percent.

**Table 10: Actual Performance and Targets Related to Our Retention Rate Measures, Including and Excluding Retirements**

Performance measures	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target	2022 actual	2023 target
<b>People</b>								
<b>Retention rate</b>								
With retirements	94%	94%	94%	95%	96%	92%	93%	92%
Without retirements	97%	97%	96%	97%	98%	96%	97%	96%

Source: GAO. | GAO-23-900398

### Staff Development and Utilization, Experience with Supervisors, and Organizational Climate

One way that we measure how well we are supporting our staff and providing an environment for professional growth is through our annual EES. This anonymous,

web-based survey is administered to all of our employees once a year. Through the survey, we encourage our staff to indicate what they think about our overall operations, work environment, and organizational culture, and how they rate their experience with immediate supervisors. (See Part V of this

report on [Appendix II, People Measures](#) for additional information about this survey.)

This fiscal year, 74 percent of our employees completed the survey, and we exceeded all four targets (see [table 11](#)). Our performance on staff development exceeded our target of 80 percent by 2 percentage points, at 82 percent. For staff utilization, we exceeded our target of 80 percent by 4 percentage

points, at 84 percent. For experience with supervisors, we exceeded our target of 82 percent by 8 percentage points, at 90 percent. For organizational climate, we exceeded our target of 80 percent by 6 percentage points, at 86 percent. Given our performance on these measures in recent years and high engagement and retention rates, we have decided to retain the same targets related to our four people measures.

**Table 11: Actual Performance and Targets Related to Our Measures of Employee Satisfaction with Staff Development, Staff Utilization, Supervisors, and Organizational Climate**

Performance measures <sup>a</sup>	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target	2022 actual	2023 target
<b>People</b>								
Staff development <sup>b</sup>	N/A	N/A	N/A	81%	82%	80%	82%	80%
Staff utilization <sup>b</sup>	N/A	N/A	N/A	85%	85%	80%	84%	80%
Supervisors (experience with) <sup>b,c</sup>	N/A	N/A	N/A	90%	91%	82%	90%	82%
Organizational <sup>b</sup> climate	N/A	N/A	N/A	86%	87%	80%	86%	80%

Source: GAO. | GAO-23-900398

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

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

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

## Managing Our Internal Operations

Our mission and people are supported by our administrative services, including information management, infrastructure operations, human capital, and financial management. We use information from our annual CSAT survey to assess our performance and set targets related to how well our administrative services help employees get their jobs done and improve the quality of their work life, and employee satisfaction with IT tools (see [table 12](#)).

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.

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 12 shows our internal operations through FY 2021. To better time the launch of our two annual agency-wide employee

surveys—EES and CSAT—so they are not administered as closely together, we are moving the launch of the CSAT survey from August to October. As a result, we will report our FY 2022 CSAT survey results in next year’s PAR. (See Appendix II, Internal Operations Measures.)

**Table 12: Actual Performance and Targets Related to Our Internal Operations Measures**

Performance measures	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target	2022 actual	2023 target
<b>Internal operations</b>								
Help get job done	84%	85%	82%	83%	81%	80%	N/A <sup>a</sup>	80%
Quality of work life	82%	82%	82%	86%	86%	80%	N/A <sup>a</sup>	80%
IT tools	74%	73%	56%	69%	56%	80%	N/A <sup>a</sup>	80%

Source: GAO. | GAO-23-900398

Notes: Information explaining the measures included in this table appears in the Appendix II.

<sup>a</sup>To more effectively time the launch of our two annual agency-wide employee surveys, we are moving the launch of our annual CSAT survey from August to October, and will report our FY 2022 CSAT survey results in next year’s PAR.

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

### GAO’s High-Risk List

In 2022, we added two new issues to our High-Risk List: (1) HHS Leadership and Coordination of Public Health Emergencies, and (2) the Unemployment Insurance system. The High-Risk List focuses attention on government operations that are vulnerable to fraud, waste, abuse, and mismanagement or need transformation—offering solutions to 38 high-risk problems.

A complete list of these areas is shown on the next page (table 13) and details can be found on our website. Our next update will be issued in 2023.

In March 2022, we reported on key practices to successfully address high-risk areas and remove them from the List. Our experience for more than 30 years has shown that congressional attention, OMB engagement,

and federal agencies’ sustained leadership, planning, and execution are key practices for successfully addressing high-risk areas.

Financial benefits to the federal government due to progress in addressing high-risk areas over the past 17 years (FYs 2006-2022) totaled about nearly \$675 billion—averaging almost \$40 billion per year. This year, our high-risk work yielded 169 reports, 30 testimonies, \$48 billion in financial benefits, and 510 other benefits.

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

In 2022, we issued our 12th annual report to the Congress on federal programs, agencies, offices, and initiatives that have

Table 13: GAO's High-Risk List as of September 30, 2022

High-risk area	Year designated
<b>Strengthening the Foundation for Efficiency and Effectiveness</b>	
▪ Emergency Loans for Small Businesses	2021
▪ Improving Federal Management of Programs that Serve Tribes and Their Members <sup>a</sup>	2017
▪ 2020 Decennial Census <sup>a</sup>	2017
▪ U.S. Government's Environmental Liabilities <sup>a</sup>	2017
▪ Improving the Management of IT Acquisitions and Operations	2015
▪ Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks <sup>a</sup>	2013
▪ Management of Federal Oil and Gas Resources	2011
▪ Modernizing the U.S. Financial Regulatory System <sup>a</sup>	2009
▪ Resolving the Federal Role in Housing Finance <sup>a</sup>	2009
▪ USPS Financial Viability <sup>a</sup>	2009
▪ Funding the Nation's Surface Transportation System <sup>a</sup>	2007
▪ Managing Federal Real Property	2003
▪ Strategic Human Capital Management	2001
<b>Transforming DOD Program Management</b>	
▪ DOD Approach to Business Transformation	2005
▪ DOD Business Systems Modernization	1995
▪ DOD Financial Management	1995
▪ DOD Weapon Systems Acquisition	1990
<b>Ensuring Public Safety and Security</b>	
▪ HHS Leadership and Coordination of Public Health Emergencies <sup>a</sup>	2022
▪ National Efforts to Prevent, Respond to, and Recover from Drug Misuse	2021
▪ Government-wide Personnel Security Clearance Process <sup>a</sup>	2018
▪ Protecting Public Health through Enhanced Oversight of Medical Products	2009
▪ Transforming EPA's Processes for Assessing and Controlling Toxic Chemicals <sup>a</sup>	2009
▪ Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests <sup>a</sup>	2007
▪ Improving Federal Oversight of Food Safety <sup>a</sup>	2007
▪ Strengthening DHS Management Functions	2003
▪ Ensuring the Cybersecurity of the Nation <sup>a</sup>	1997
<b>Managing Federal Contracting More Effectively</b>	
▪ VA Acquisition Management	2019
▪ DOD Contract Management	1992
▪ DOE's Contract Management for the National Nuclear Security Administration and Office of Environmental Management <sup>a</sup>	1990
▪ NASA Acquisition Management <sup>a</sup>	1990
<b>Assessing the Efficiency and Effectiveness of Tax Law Administration</b>	
▪ Enforcement of Tax Laws <sup>a</sup>	1990
<b>Modernizing and Safeguarding Insurance and Benefit Programs</b>	
▪ Unemployment Insurance system <sup>a</sup>	2022
▪ Managing Risks and Improving VA Health Care <sup>a</sup>	2015
▪ National Flood Insurance Program <sup>a</sup>	2006
▪ Improving and Modernizing Federal Disability Programs	2003
▪ Pension Benefit Guaranty Corporation Insurance Programs <sup>a</sup>	2003
▪ Strengthening Medicaid Program Integrity <sup>a</sup>	2003
▪ Medicare Program and Improper Payments <sup>a</sup>	1990

Source: GAO. | GAO-23-900398

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

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 94 new actions in 21 new areas (and nine existing areas) that could reduce fragmentation, overlap, and duplication, or provide other cost savings and revenue enhancement opportunities across the federal government.

Significant progress has been made in addressing many of the 1,299 actions that we identified from 2011-2022 to reduce costs, increase revenues, and improve agency operations. As of March 2022, the Congress and executive branch agencies had fully or partially addressed about 74 percent of all actions (964 of 1,299)—56 percent (724) fully addressed and 18 percent (240) partially addressed. This yielded about \$552 billion in financial benefits from 2010 through 2021, with \$21 billion more projected in the future.

This work has also led to key other (non-financial) benefits. For example, DHS issued a strategy and implementation plan to help integrate and coordinate its chemical defense programs and activities, which will help it address fragmentation and coordination issues. In addition, the Office of Science and Technology Policy improved interagency leadership and coordination efforts to leverage federal resources to address maritime infrastructure and achieve government-wide priorities in the complex and changing U.S. Arctic.

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](#). It is located on our website under the "Duplication and Cost Savings" collection.

## 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 FY 2022. The following exemplify some of our key contributions.

OGC handled approximately 1,600 bid protests during the course of FY 2022.<sup>7</sup> The bid protest process was authorized by the Congress, as part of the Competition in Contracting Act of 1984, to provide companies with an administrative forum to challenge the award, or solicitation for the award, of a federal contract. The statute requires that GAO resolve protest disputes in no more than 100 calendar days, and, in most cases, requires agencies to stop-work on a contract until the protest is resolved. The Congress adopted this stop-work approach to preserve the possibility for meaningful relief upon completion of the protest.

In FY 2022, we issued more than 450 decisions on the merits, which are accessible on [GAO's Bid Protest Decisions](#) web page. These decisions addressed a wide range of issues involving compliance with, and the interpretation of, procurement statutes and regulations. Certain of these protests involved highly visible government programs and received extensive media coverage. For example, on March 3, 2022, GAO denied protests filed by Connected Global Solutions and American Roll-on Roll-off Carrier Group for the award of a \$17.9 billion contract to HomeSafe Alliance (by the U.S. Transportation Command) for complete, global household goods relocation services for DOD service members and civilians.

Many of our FY 2022 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

<sup>7</sup>The precise number of filings each fiscal year is included in GAO's bid protest annual report, which is required to be filed with the Congress not later than January 31 of the next calendar year. The requirement for the annual report is in the Competition in Contracting Act of 1984, 31 U.S.C. § 3554(e)(2). The number of filings in the last 3 years are as follows: 1,897 filings in FY 2021; 2,149 filings in FY 2020; and 2,198 filings in FY 2019.

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.

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

During FY 2022, the GAO Contract Appeals Board opened six new appeals and closed four appeals. At the end of FY 2022, the board had five pending appeals on its docket, two more than the three pending at the end of FY 2021. The current number of appeals is lower than the average for the past 5 years, but also indicative of the fact that, unlike GAO bid protests, the jurisdiction of the GAO Contract Appeals Board is limited to contract disputes involving legislative branch agencies.

In FY 2022, we published 14 appropriations law decisions. These decisions address a variety of appropriations law issues arising from a broad scope of activities across the federal government. They are available on our [Appropriations Law Decisions](#) web page.

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

- the application of the miscellaneous receipts statute to agency receipt of funds from contractors where the

agency was authorized to retain the funds;<sup>8</sup>

- the application of the recording statute to a service contract involving the transfer of nuclear material;<sup>9</sup>
- the application of the Antideficiency Act to an agency's failure to comply with a statutory deadline for the expenditure of grant funds;<sup>10</sup> and
- the availability of appropriations to purchase COVID-19 self-test kits.<sup>11</sup>

In 2021 testimony before the House Committee on the Budget, GAO's then Deputy General Counsel, recommended legislative proposals that would reinforce the primacy of the Congress's constitutional appropriations power, and aid GAO as we assist the Congress in the discharge of its constitutional power of the purse.<sup>12</sup> In response, the Congress adopted GAO's recommendation to require OMB to publicly post all apportionments of executive branch appropriations.<sup>13</sup>

GAO is sometimes asked to provide decisions related to whether actions taken by agencies constitute rules under the Congressional Review Act that must meet certain notification requirements. We issued three Congressional Review Act decisions in FY 2022. We also continued to report under the Congressional Review Act on major rules proposed by federal agencies to the standing committees of jurisdiction of both Houses of the Congress. We issued 81 reports for rules received in FY 2022.

As required by the Federal Vacancies Reform Act, we also track vacancies in executive positions that require

<sup>8</sup>B-329575, Apr. 6, 2022.

<sup>9</sup>B-329605, June 2, 2022.

<sup>10</sup>B-332428, Feb. 7, 2022; B-333281, Oct. 19, 2021.

<sup>11</sup>B-333691, Feb. 8, 2022.

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

<sup>13</sup>Pub. L. No. 117-103, div. E, § 204, 136 Stat. 49, 256 (Mar. 15, 2022).



presidential appointment with Senate confirmation, and report to the President, Congress, and Office of Personnel Management where officials act in excess of the time period prescribed by the Federal Vacancies Reform Act. In addition, we issue decisions regarding agency compliance with the Federal Vacancies Reform Act pursuant to requests from the Congress and Offices of Inspectors General. We issued two Federal Vacancies Review Act decisions and one time-violation letter in FY 2022.

### Other Legal Work

We 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.

GAO continued to provide appropriations law guidance to the entire federal community. [GAO's Principles of Federal Appropriations Law](#), commonly known as the Red Book, continued to be the primary resource for appropriations law guidance in the federal community.<sup>14</sup>

Appropriations law attorneys continued to provide training on appropriations law, including a full-day course on appropriations law and shorter appropriations law seminars. We held 17 classes across 14 agencies, including classes and custom-designed seminars for congressional staff. We also provided briefings for the staff of the appropriations and budget committees of both the Senate and the House of Representatives.

<sup>14</sup>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 enhance communication within the appropriations law community across all agencies and within the three branches of government, we hosted our 18th annual Appropriations Law Forum in 2022, which was attended by 282 people from 152 agencies.

For FY 2022, we received 10 Antideficiency Act reports and also made selected information from reports received in FY 2021 available on our [website](#). We maintain an official repository of Antideficiency Act reports and, from FYs 2005-2022, we have received 297 reports.

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 2022. This year, OGC attorneys continued to advise agency management on a number of employment issues resulting from COVID-19, including various initiatives related to planning for a work environment with both in person and telework options to meet GAO's mission. In addition, attorneys represented GAO and its officials in various ongoing litigation pending before the federal courts and administrative boards. Attorneys continued to provide training for managers on employment and other human capital responsibilities. OGC was also an active stakeholder in ensuring that GAO's acquisition practices and procedures comply with all legal requirements and best practices.

OGC's Ethics team worked to promote GAO's ethical culture and to maintain GAO's reputation for nonpartisanship and independence. In addition to day-to-day advice on avoiding conflicts of interest and addressing potential threats to independence, we designed and delivered training on GAO's ethics rules and ethical culture and nonpartisanship. We also provided advice addressing systems pressures on auditing, and counsel on social

media use and copyright. We administered GAO's Financial Disclosure program, through which most GAO employees file a disclosure report to assist GAO in avoiding conflicts of interest and other threats to

independence. We also vetted candidates for appointment to various commissions to which GAO is statutorily required to make appointments.

## Strategic Partnerships

### Networks, Collaborations, and Partnerships

GAO prioritizes strong partnerships with federal inspectors general, state, and local audit organizations, as well as audit offices in other countries—known as supreme audit institutions (SAI). These networks enhance our ability to perform audits, shape professional audit standards, and serve as a leader within the accountability community.

#### *Domestic Partnerships*

We work closely with federal inspectors general, and state and local auditors to strengthen expertise around emerging issues and to help us address the unique challenges of overseeing federal spending that flows to the state and local level.

In FY 2022, GAO made significant contributions to the domestic accountability community through its management of the national and regional intergovernmental audit forum networks and various Comptroller General advisory groups. The National Intergovernmental Audit Forum and 10 Regional Intergovernmental Audit Forums were established in 1973 and 1974, respectively, to improve cooperation and communication among federal, state, and local government auditors and improve the efficiency and usefulness of governmental audits.

In FY 2022, GAO planned and held virtual events that reached over 4,600 practitioners to help auditors across the nation better understand and enhance strategies on various topics. Audit Forum topics included: Informing the Public on the Fiscal Health of

Local Governments; Working in a COVID-19 Environment; Diversity, Equity, Inclusion, and Accessibility (DEIA) in Audits; Renewing and Strengthening Government; Pandemic Funding Oversight; Demonstration of GAO's Antifraud Resource; Auditor Integrity and Avoiding Conflicts of Interest; Infrastructure Oversight Coordination; Data Science Best Practices; Government Auditors' Great Re-Engagement; and Future of Office Culture.

Through Comptroller General advisory groups and partnerships, such as the Educator's Advisory Panel, GAO convened discussions and conducted outreach on a wide range of subjects with leaders in the government auditor and academic communities. The September 2022 Educator's Advisory Panel virtual meeting brought together representatives from academic institutions and GAO leadership and provided GAO a platform to explore several high-priority areas. These included Access to Higher Education for Students with Disabilities, and Workforce Skills for Future-Science, Cybersecurity, and Managing Remote Work.

GAO convened COVID-19 & Infrastructure Funding Accountability workgroup meetings. The national working group consisted of federal inspectors general, state and local government auditors, and representatives from OMB, Treasury, and the American Institute of Certified Public Accountants. These high-level meetings addressed pandemic and infrastructure financing issues and informed attendees of ongoing work across all levels of government.

## *International Partnerships*

GAO made substantial contributions to the international accountability community through its leadership role in [INTOSAI](#), including leadership roles and participation in INTOSAI working groups, the INTOSAI Journal of Government Auditing ([the INTOSAI Journal](#)), and as a member of its Governing Board. INTOSAI is an umbrella organization for the international government auditing community to share knowledge and improve government auditing around the world.

In FY 2022, GAO led development of the INTOSAI Strategic Plan for the period 2023-2028, expanded the reach of the INTOSAI Donor Cooperation to assist SAIs with capacity development, and launched the first-ever virtual International Auditor Fellowship Program. We also mapped GAO's work to the United Nations Sustainable Development Goals and initiated a redesign of the International Journal of Government Auditing's website to focus on more timely and relevant information for GAO's international counterparts.

Capacity-building efforts help promote good governance abroad, including where federal funds for assistance and other programs are spent. When developing countries build the professional capacities and independence of their audit agencies, they are better prepared to provide oversight of public expenditures and government programs.

In addition to the virtual fellowship program, GAO continues to advance capacity-building efforts for SAIs, including the INTOSAI-Donor Cooperation 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.

## *Center for Audit Excellence*

In 2014, the Congress authorized GAO to establish the [Center for Audit Excellence](#) (CAE) to provide training and technical assistance to domestic and international accountability organizations. The CAE offers a wide range of services at locations throughout the world. This makes it unique in its ability to tackle complex training and capacity-building. The CAE is authorized to charge fees for its services to recover its costs.

In FY 2022, the CAE successfully adapted to meet the evolving needs of its U.S. federal, state, and local accountability organization clients. To enhance the accessibility of its course offerings, the CAE moved its virtual courses to a more user-friendly platform, started offering its courses once again for in-person delivery, and expanded the use of its open-enrollment training portal.

As part of continually assuring the quality and relevance of its courses, the CAE revised training content as appropriate in response to client feedback and initiated efforts to develop new courses. The CAE delivered its courses—in areas such as federal internal control standards, data reliability, techniques for successful audit planning, data analytics, performance audit methodologies, and developing impactful report messages—over 120 times to almost 2,400 participants. Through this training, the CAE enhanced the auditing skills and capacity of about 80 U.S. federal, state, and local accountability organizations, including federal inspectors general, state and local audit offices, and private sector firms.

The CAE also expanded its technical assistance services for organizations such as the U.S. Agency for International Development (USAID) Office of Inspector General and DHS's Office of the Immigration Detention Ombudsman. Through on-demand guidance, feedback and mentoring, the CAE helped audit teams from these organizations improve their auditing capacity and skills.

During FY 2022, the CAE continued support to international audit organizations and enhanced the capacity of six national audit organizations in Europe, the Caribbean, Africa, and Asia by strengthening their ability to conduct high-quality financial and performance audits and comply with international audit standards and best practices. Using primarily virtual methods supplemented by in-person visits that resumed in July 2022, the CAE provided training, mentoring, and institutional development services to SAIs in Ethiopia, Georgia, Armenia, the Dominican Republic, and the Philippines under its Memorandum of Understanding with USAID. The CAE also provided training courses to Jamaica's SAI.

In total, the CAE provided training to over 700 participants from SAIs and overseas non-government organizations in FY 2022, more than double the number of participants in FY 2021. Training courses covered a wide range of topics including performance auditing, data analytics, data reliability, and internal controls. The CAE also mentored auditors in the Philippines and Georgia in applying performance audit methodologies and provided technical assistance to Armenia's SAI in developing a code of ethics and related training and developing a risk-based audit methodology.

The CAE also continued to strengthen its partnerships with donor organizations and other federal agencies. In November 2021, the CAE and USAID signed a 5-year extension of a Participating Agency Services Agreement, which establishes a framework for the CAE to provide services, funded by USAID, to SAIs. In March 2022, the Center and the World Bank signed a new Memorandum of Understanding with a term of 5 years to collaborate in enhancing the capacity of international accountability organizations. The CAE also signed a project agreement with the World Bank to help a European SAI develop a performance audit manual, conduct pilot audits, and deliver performance audit training to its staff.

Under an agreement with the State Department, the CAE also conducted work on a needs assessment of an internal audit organization in Suriname and developed a proposal for helping an SAI in the Caribbean to make needed improvements in the quality and timeliness of its audits.

### *Strategic Planning and Foresight*

In FY 2022, we developed and published [GAO's 2022-2027 Strategic Plan](#). The plan provides a roadmap for GAO to embark on its second century of work supporting the Congress by helping to improve the performance and ensure the accountability of the federal government for the benefit of the American people. GAO's 2022-2027 [strategic plan](#) won the Goodman Award for Excellence in Strategy from the Association for Strategic Planning.

Through the Center for Strategic Foresight, we continued to strengthen the components of GAO's foresight ecosystem through several initiatives, including the publishing of 12 trend papers in support of GAO's strategic foundations for the development of the 2022-2027 [strategic plan](#). GAO's Center for Strategic Foresight helped highlight emerging issues through engagement with subject matter experts, covering areas such as science and technology, innovation in financial services, national security, cybersecurity, and infrastructure.

In addition, the Center for Strategic Foresight (1) continued efforts with GAO's Innovation Lab to build a data analytics and visualization platform to enhance environmental scanning; (2) co-led with the STAA team GAO's centennial event closing celebration on the Next Century of Accountability; (3) continued to provide technical assistance and support to GAO teams to help strengthen and increase the use of foresight tools and methodologies in GAO's work; and (4) continues to develop products to advance the identification of emerging issues and trends of national importance.

## Managing Our Resources

### Resources Used to Achieve Our FY 2022 Performance Goals

Our financial statements for the fiscal year ending September 30, 2022, 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 91](#) in this report.

[Table 14](#) summarizes key data.

**Table 14: GAO's Financial Summary (Dollars in Millions)**

	FY 2022	FY 2021
Total Assets	\$361.5	\$301.6
Total Liabilities	\$122.7	\$113.4
Total Net Position	\$238.8	\$188.2
<b>Net Cost of Operations by Goal</b>		
Goal 1: Well-being / Financial Security of American People	\$267.2	\$257.8
Goal 2: Changing Security Threats / Challenges of Global Interdependence	181.3	156.6
Goal 3: Help Transform the Federal Government to Address National Challenges	206.7	198.5
Goal 4: Maximize the Value of GAO	14.4	14.6
Other Costs in Support of the Congress	69.7	66.5
Reimbursable services not attributable to above cost categories	(17.3)	(17.5)
<b>Total Net Cost of Operations</b>	<b>\$722.0</b>	<b>\$676.5</b>
Actual FTE	3,354	3,209

Source: GAO. | GAO-23-900398

Compared with the financial statements of large and complex departments in the executive branch, our statements present a relatively simple picture of a small yet very important agency in the legislative branch. We focus most of our financial activity on the execution of our congressionally

approved budget, with most of our resources devoted to the people needed for our mission.

In FY 2022, our appropriations of \$744.2 million is comprised of \$719.2 million in new direct appropriation and \$25.0 million

from the Inflation Reduction Act of 2022 (P.L. 117-169) to support the oversight of the act. Total budgetary resources include \$34.9 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 FY 2022 were \$958.8 million.

Total assets at the end of FY 2022 were \$361.5 million, consisting mostly of Fund balance with Treasury and property and equipment (including the GAO HQ building, land and improvements, and computer equipment and software). This represents a \$59.9 million increase from the total assets at the end of FY 2021 of \$301.6 million, primarily represented as an increase in our year-end Fund balance with Treasury of \$51.0 million. Total liabilities were \$122.7 million and primarily consist of amounts earned and unpaid for employees' salaries and benefits, as well as amounts owed to other government agencies and nongovernmental entities for products and services rendered to GAO. Total liabilities at the end of FY 2021 were \$113.4 million.

Our net cost of operations in FY 2022 is \$722.0 million, compared to \$676.5 million in FY 2021 (an overall increase of \$45.5 million). The largest goal increase, \$24.7 million, was in Goal 2 - Changing Security Threats and Challenges of Global Interdependence. GAO Mission Teams with the largest increase in efforts (FTEs) this fiscal year contributing the most to the Goal 2 increase are: Contracting and National Security Acquisition, Information Technology and Cybersecurity, Defense Capabilities and Management, and International Affairs and Trade.

During FYs 2022 and 2021, GAO used resources to prepare for, and respond to, COVID-19. Enacted on March 27, 2020, the CARES Act included mandates for GAO to carry out oversight of the federal government's response to COVID-19

and in FY 2021, the "Legislative Branch Appropriations Act of 2021" provided \$10 million for this purpose. The separately enacted "American Rescue Plan Act of 2021" (Public Law No: 117-2) appropriated \$77 million to remain available until September 30, 2025 "to prevent, prepare for, and respond to Coronavirus and to support oversight of the Coronavirus response and of funds provided in this Act or any other Act pertaining to the Coronavirus pandemic."

Other audits that touched on COVID-19 related issues but did not fall under one of the laws listed in the preceding paragraph were completed using GAO's annual appropriations. Furthermore, the resources used to support our maximum telework stance and sanitation-related enhancements are considered COVID-19 related. These costs were funded by GAO's annual appropriation. Section 19009 of the CARES Act also provides for salary reimbursements of employees of the Tiny Findings Child Care Center in the GAO building. Tiny Findings is a non-profit organization providing childcare services to GAO HQ employees and other interested parents. The Legislative Branch Appropriations Act of 2021 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.

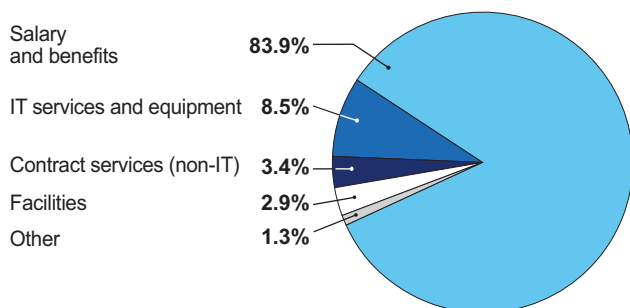
The budgetary resources used and obligations incurred under the American Rescue Plan Act appropriation during FY 2022, was \$23.1 million, with \$32.9 million remaining available after September 30, 2022. Other COVID-19 related resources used and obligations incurred using the GAO annual appropriation totaled \$7.0 million as of September 30, 2022. 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 19 shows how our FY 2022 costs break down by category.

**Figure 19: Use of FY 2022 Funds by Category**

Percentage of total costs



Source: GAO. | GAO-23-900398

## Limitation on Financial Statements

Responsibility for the integrity and objectivity of the financial information presented in the financial statements in this report rests with management. The financial statements were prepared to report our financial position and results of operations, consistent with the requirements of the Chief Financial Officers Act, as amended (31 U.S.C. 3515(b)). The statements were prepared from our financial records in accordance with Federal Generally Accepted Accounting Principles (GAAP). These financial statements differ from the financial reports used to monitor and control our budgetary resources. However, both were prepared from the same financial records.

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

## Summary of Financial Systems Strategies and Framework

GAO utilizes the Legislative Branch Financial Management System (LBFMS) through an interagency agreement with the Library of Congress. The Library of Congress is the system owner and the system is hosted by CGI Federal, Inc. The LBFMS operates CGI Federal, Inc.'s Momentum Enterprise Suite as the integrated Financial Management System and hosts the transaction processing system in a Federal Risk and Authorization Management Program compliant and secure facility. LBFMS utilizes Treasury's Invoice Processing Platform, which allows non-federal customers to submit electronic invoices that, when approved by GAO, are loaded into the accounting system and paid. This improves internal controls over invoice processing, reduces data entry errors, and increases efficiency and timeliness of payments.

In FY 2022 GAO established and configured its agency's Treasury Government Invoicing (G-Invoicing) account in order to negotiate interagency agreements in G-Invoicing with federal trading partners starting in FY 2023. G-Invoicing is the long-term sustainable solution to improve the quality of Intragovernmental Transactions 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 Intergovernmental Transactions buy/sell activity, implementing a federal Intergovernmental Transactions buy/sell data standard, and providing transparent access to a common data repository of brokered transactions. In FY 2023, GAO will continue to work on LBFMS improvements to provide full integration capability with Treasury's G-Invoicing platform. GAO will also continue work to enhance agency-specific management reporting that will 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, 2022, was operating effectively and that no material weaknesses were found in the design or operation of internal control. Further, our independent auditor found that we maintained effective internal control over financial reporting and compliance with laws and regulations. The external auditor

also found no material weaknesses or significant deficiencies.

In addition, we met the objectives of FFMA and believe we have implemented and maintained financial systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Standard General Ledger at the transaction level as of September 30, 2022. We made this assessment based on criteria established under FFMA and guidance issued by OMB.

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

Our Audit Advisory Committee assists the Comptroller General in overseeing the effectiveness of our financial reporting and audit processes, internal control over financial reporting, and processes that ensure compliance with laws and regulations relevant to our financial operations. The committee is composed of individuals who are independent of GAO and have outstanding reputations in public service or business with financial or legal expertise. For FY 2022, the members of the committee were:

- Robert H. Attmore (Chair), Certified Public Accountant (CPA), Certified Government Financial Manager-Retired, previously served as the Chairman of the Governmental Accounting Standards Board, New York Deputy State Comptroller, President of the National State Auditors Association, and a



Trustee of the Academy for Government Accountability.

- Honorable Leslye M. Fraser, former Environmental Appeals Judge - EPA; previously served as Director of Regulations, Policy and Social Sciences at one of the FDA's Centers; life member and on the executive committee of the governing body of the Massachusetts Institute of Technology; past President of the African American Federal Executive Association.
- Robert Mednick, serves on the Board of the National Bureau of Economic Research and the Governing Council of the American Institute of CPAs. He was the former worldwide Managing Partner of Professional and Regulatory Matters of Arthur Andersen, past Chairman of the American Institute of CPAs, and serves on a number of civic and charitable organization Boards.
- Kathleen S. Tighe, former Inspector General of Education, also served as counsel to the inspector general at the U.S. General Services Administration (GSA) and as the Deputy Inspector General of the USDA. She has also served on the Digital Accountability and Transparency Act of 2014 Interagency Advisory Committee and chaired the Recovery Accountability and Transparency Board.

The [committee's report](#) appears in [Part III](#) of this report on [page 90](#).

## Planned Resources to Achieve Our FY 2023 Performance Goals

For FY 2023, GAO requested an appropriation of \$810.3 million, an increase of \$91.1 million or 12.7 percent over the FY 2022 appropriation of \$719.2 million. Currently, GAO is operating under a Continuing Resolution and expects final congressional decisions on our FY 2023 appropriation will occur late in calendar year 2022. As of this writing, neither the House nor Senate has passed an appropriations bill for FY 2023. The current House and Senate proposed funding levels for FY 2023 would allow GAO to continue ongoing hiring efforts toward 3,500 FTEs and address planned IT and building infrastructure initiatives.

Our FY 2023 budget request allows GAO to build on our resiliency to adapt to the changing work requirements of today, and will allow us to proceed with transforming our operations to maintain the high quality of GAO's nonpartisan, fact-based reporting. The requested funds will enable GAO to continue supporting congressional oversight across the wide array of government programs and operations and respond expeditiously to requests from the standing Committees of Congress. Internally, the funding requested will make possible priority IT investments that include the ability to execute transformative plans to protect data and systems. This request will also help tackle GAO's building infrastructure and security requirements, including long deferred maintenance.

## 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. In FY 2022, as we entered the third year of the pandemic and continued to manage a largely remote workforce, we actively planned and prepared for our work beyond the pandemic and IT capabilities to meet future workforce needs. Simultaneously, we continued to focus on improving the efficiency of our engagements.

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

#### ***CHALLENGE: Continuing to Thrive in the Pandemic***

As we approach the 3-year anniversary of the start of the global COVID-19 pandemic, we continue to adhere to the two overarching principles we established in March 2020: to fulfill our mission and to protect the health and safety of our employees. From March 2020-early August 2021, we operated under a maximum telework policy. The majority of our employees worked from home and we provided them the IT tools necessary to get their jobs done. For those whose jobs could only be done in the office, we addressed safety through our mask policy, heightened cleaning and disinfecting, and additional air purifying measures.

As the pandemic evolved, we maintained a flexible approach to managing our

operations. We shifted from maximum telework to voluntary re-entry in August 2021, whereby employees had the option to work from home, in the office, or any combination of the two, as they voluntarily chose. We remain in this voluntary re-entry posture.

While much remains uncertain in terms of the pandemic's evolution, our ability to meet our mission remains uncompromised. We are maintaining our existing work and supporting additional mandated work. The practices we implemented in 2020 to maintain operations virtually continue to serve us today. We continued to hire and onboard new employees to maintain a resilient workforce; provide virtual training and coaching to enhance employee growth and development; and sponsor virtual events that support a culture of diversity, equity, and inclusion. We have been unwavering in our effort to maintain a workplace where people are valued, respected, and treated fairly. As we anticipate the new fiscal year, we look forward to optimizing opportunities to bring our employees together in person again, to further strengthen relationships and to build new connections.

#### ***CHALLENGE: Envisioning the Future of Work***

Throughout the pandemic to present, we have been considering the future of our telework policy and options for further supporting a hybrid workplace. Leveraging the lessons we have learned about our workforce's ability to carry out their work remotely, as well as those related to how we have maintained our operations, is vital to ensuring we remain prepared to meet future challenges, sustain our talent pipeline to ensure succession planning at every level, and retain our status as a best place to work in the federal government. The agency has

drafted a management proposal for future of work, and we are currently negotiating its terms with our union partners.

To support the building and maintenance of our hiring and succession pipeline now and in the future, we hired a senior advisor to develop hiring strategies that meet the unique staffing requirements needed to sustain our investments in science and emerging technologies. Among our operations workforce planning, we instituted a position-based hiring strategy to ensure we have the flexibility to replace critical staff quickly. Finally, we continue to manage our senior executive pipeline and succession planning through our Executive Candidate Assessment and Development Program; 13 candidates comprise our current classes.

### ***CHALLENGE: Establishing IT Systems for the Future of Work***

IT modernization is a challenge across the federal government as agencies work to create collaborative online environments that focus on the use of cloud-based services. Our 5-year IT modernization plan, adopted in FY 2022, began with migrating selected Data Center services and applications to the cloud. This plan will result in improvements in IT efficiency, agility, innovation, and sustainability. Additionally, the cloud environment will improve our ability to quickly deliver IT technologies to staff while maintaining the required level of security and reliability.

This year also showed great progress toward replacing our aging document management system, an effort that we began in FY 2021 when we created a comprehensive [strategic plan](#) and roadmap to guide the implementation of a modern, integrated, and secure enterprise content management system. This year, we awarded a contract to begin implementing the 4-year enterprise content management system roadmap, beginning with configuring the new online-based solution and migrating legacy content into it.

Lastly, in FY 2022, we addressed the ongoing challenge of aging laptops and monitors by performing a complete refresh of these devices.

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

GAO continues to invest resources in continuous improvement of our mission, and supporting operations as identified in the engagement efficiency management challenge first identified here in 2011. We strive to meet the needs of our congressional clients by delivering products and services not only with quality, but also with efficiency and effectiveness.

We continued to improve the efficiency of engagements by deploying GAO experts in the disciplines of agile project management, continuous process improvement, and managing change across the agency. For example, GAO experts in process improvement are directly supporting our mission teams by helping streamline components of the GAO product review and publication processes.

We are also deploying expertise in managing organizational change in support of agency-wide improvement efforts to help ensure that the efficiency of GAO's engagements is not adversely impacted by changes in technology and the work environment. We have also implemented training to help project leads and managers master behavioral change management competencies.

We are taking steps to increase our organizational efficiency and reliability via programmatic standardization, adoption, and implementation of iterative project management, mission-supporting IT portfolio management and delivery, and support of digital-first solutions. For example, in the past year we developed a comprehensive digital strategy and a governance process for developing new, streamlined product lines. By developing leaner products, standardizing project and

expectation management, emphasizing scope adherence and customer priorities, and targeting incremental deliverables, we expect to enhance our ability to continue meeting client expectations for timely, quality products that address our nation's most pressing challenges.

### Office of the Inspector General

GAO's OIG independently conducts audits and investigations of GAO programs and operations. During FY 2022, the OIG issued two audit reports. In audit report [OIG-22-1](#), the OIG assessed the extent to which GAO has established effective internal control to collect debts owed to the agency by current and former employees in a timely manner, consistent with federal requirements and GAO policy. In [OIG-22-2](#), the OIG assessed GAO's information systems against selected FY 2021 Inspector General FISMA reporting metrics. These and other OIG publications are available on GAO OIG's [website](#) or at [www.oversight.gov](http://www.oversight.gov).

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

Separate from FraudNet, which supports accountability across the federal government, complainants access the [OIG hotline online](#) or by telephone at 1-866-680-7963. Complaints are converted to OIG investigations when the complaint contains credible allegations involving GAO operations or its employees and the

possible violation of law, regulation, order, or policy. Investigations can substantiate an allegation, find the allegation to be unsubstantiated, or conclude that insufficient evidence exists for criminal, civil, or administrative action. In FY 2022, the OIG initiated 29 investigations and closed 12 investigations.

The OIG has self-initiated certain inquiries focusing on potential areas of vulnerability. Using data analysis, the investigations unit identifies outliers or areas of concern that require targeted investigative methods. In FY 2022, the OIG opened two self-initiated inquiries, which are included in the above number of investigations.

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

### OIG Recommendations

The OIG made three recommendations for more timely collection of GAO employee debt and two recommendations to improve incident response and training in GAO's privacy program. GAO is taking steps to address OIG findings. See [Table 15](#) for additional information on these open recommendations.

For further information, see [OIG-23-1SP](#) and [OIG-22-2SP](#), available on GAO's [website](#) or at [www.oversight.gov](http://www.oversight.gov). For the IG's comments regarding GAO's management challenges assessment, see [Part IV](#) of this report.

Table 15: GAO OIG Recommendations

OIG report	Recommendation	GAO's summary of actions planned or taken in response to the recommendation
Employee Debt: Opportunities Exist to Improve Timely Collection, <a href="#">OIG-22-1</a> (March 1, 2022)	Update the Human Capital Office's (HCO) debt collection standard operating procedure to specify when and how to use internal offset to collect debts owed to the agency in a more timely manner from separating employees.	HCO is collaborating with other GAO stakeholders to support its update of the debt collection standard operating procedure with implementation expected by December 2022.
	Establish a process and document procedures to carry out GAO's debt collection policy with respect to voluntary repayment agreements, to include requests for and documentation to verify the employee's ability to pay.	HCO is taking steps to establish a process and document procedures to carry out GAO's debt collection policy with respect to voluntary repayment agreements, with implementation expected by December 2022.
	Establish written procedures to ensure delinquent debts are promptly referred to Treasury for collection proceedings.	HCO is working with other GAO stakeholders to establish written procedures to ensure delinquent debts are promptly referred to the Treasury for collection proceedings, with implementation expected by December 2022.
Information Security: Privacy Program Improvements Could Enhance GAO Efforts to Protect Data and Systems, <a href="#">OIG-22-2</a> (March 31, 2022)	Define and implement policies and procedures for incident response that align with NIST guidance for assessing privacy incident impacts.	GAO is updating its procedures for incident response and working to create an advisory group to assist with privacy-related issues and training, with expected implementation in the first quarter of FY 2023.
	Define and implement policies and procedures for role-based privacy training which (a) identify who must regularly take the training, and (b) ensure annual compliance with such training.	GAO is in the process of developing and offering role-based training in FY 2022 for individuals who access personally identifiable information in their work.

Source: GAO, based on GAO OIG reports. | GAO-23-900398

## Mitigating External Factors

For FY 2022, 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 the following five external factors, some of which will likely remain relevant.

## Amount and Complexity of the Work Requested of Us

The amount of work we receive from the Congress has required us to think about new ways to get information to congressional clients when they need it. As evidenced by the over 290 mandates and 280 requests GAO received in FY 2022, demand for our work remains high. The issues that we are asked to examine are often complex and nuanced, and involve multiple agencies (if not the

whole of government). Ensuring our work is objective and our findings are unassailable requires complex methodologies, extensive interactions with agencies, and quality reviews.

The volume and complexity of the work, combined with the time it can take to complete an objective, balanced, and rigorous analysis means that it can, in some cases, take months before we begin work on new requests.

To address these challenges, GAO continues to engage our clients to understand their priorities and sequence work to meet those priorities; scope work to ensure quality while being timely; provide information to clients as it becomes available through regular updates; and offer just-in-time technical assistance to our clients. We also use different ways to communicate information, including the use of 2-page quick read products. We are also working to shift resources to areas where timing is of the utmost importance.

### ***Shifts in How the Congress Asks Us to Do Work and Its Priorities***

The need to engage the Congress on its priorities is compounded by a shift in how the Congress requests work from GAO. In initiating work, GAO gives the highest priority to work for GAO that the Congress includes in laws, congressional resolutions, conference reports, and committee reports (collectively called mandates). It gives the second-highest priority to work requested by leadership of committees of jurisdiction. In FYs 2021 and 2022, more of GAO's work was a result of mandates than committee requests. Mandates are beneficial because they result in work that is bicameral and bipartisan.

Mandates can also introduce challenges in comparison to requests because, in the short term, the specificity of due dates potentially limits our ability to shift priorities in response to any congressional need for real-time information. In addition, in some cases, these reporting requirements can

span multiple years or be silent on when the reporting requirement ends. The absence of sunset provisions specifying when a reporting requirement ends can further complicate the task of meeting shifting congressional priorities.

To ensure that our work supports the highest legislative and oversight priorities, GAO continues to engage the Congress. The Comptroller General and other senior officials maintained frequent communication with our congressional clients. We also continue to communicate with the Congress to identify instances where mandates are no longer meeting their intended purpose. These include instances where a mandate may make GAO duplicate work done by others, where there is evidence that the problem is remedied, or where the Congress's priorities have changed. However, it has been 6 years since the Congress last passed a bill that bundled reporting requirements across multiple committees of jurisdiction and amended or repealed them.<sup>15</sup>

Part of the challenge is that mandates often belong to multiple committees of jurisdiction. Because the outreach necessary to amend or repeal a reporting requirement can span months or even years, obtaining, sustaining, and documenting agreement across the staff of multiple committees, especially given staff turnover, can be challenging. Despite this, GAO continues to engage committee staff on whether reporting requirements already codified in law align with their legislative priorities.

### ***Changes in How Potential and Current Hires Prefer to Work***

To attract and maintain the talented and diverse workforce we need to meet the level of work the Congress requests from us, GAO will have to adapt to the changing nature of work. GAO has consistently ranked among the top agencies in the Best Places to Work in Government since 2005, and

<sup>15</sup><https://www.govtrack.us/congress/bills/114/hr5687>

we were ranked first among all mid-size agencies in 2020 and 2021. Our staff surveys show very high levels of staff morale. Our attrition rate is 6 percent. Our being among the best places to work stems from an important mission and interesting work; an institutional emphasis on valuing people; our commitment to diversity, equity and inclusion; and our ability to provide both in-person and telework options without sacrificing the quality of our work.

The latter has enhanced our ability to serve the Congress by increasing our ability to retain and recruit a more diverse and talented workforce than we might otherwise have. For example, we recruited about 350 interns from across the country in both FYs 2020 and 2021, and we hired about 420 full-time employees during the same time period. We will continue to examine our workplace flexibilities to ensure that we continue to attract the highly-skilled workforce needed to meet the demands of the Congress.

### ***Demand for Work Related to Science, Technology, and Cybersecurity***

As science and technology continue to shape the future of U.S. competitiveness, health, welfare, and security, the Congress will have a greater need for foresight-oriented technology assessments, oversight-focused science and technology audits, and insight-oriented best practices. As part of our overall hiring strategy, GAO will continue to hire additional engineers, scientists, and staff with scientific and technology policy analysis and data science experience to broaden our scientific and technical expertise. We have almost tripled the size of our STAA team from 49 at its inception in 2019 to 136 as of September 2022, with plans to grow to about 160 by the end of FY 2023.

Our efforts to ensure a pipeline of science and technology hires include creating an entry-level pathway to hire data science students through undergraduate and graduate internships, and pursuing the

appointment of GAO Science and Technology Fellows and Intergovernmental Personnel Act detailees starting in FY 2023.

Similarly, we plan to continue to add staff to our Information Technology and Cybersecurity team to expand its expertise and ability to assess the cybersecurity challenges facing the nation. Since 2018, GAO has hired about 80 specialists for this team. GAO's deep cyber expertise includes its Center for Enhanced Cybersecurity, a dedicated group of cyber professionals that dig deep into the technical details of agency systems and networks to get to the bottom of persistent cybersecurity weaknesses.

### ***Access to Agency Information***

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.

When access issues arise, we try to resolve them at the lowest organizational levels of GAO and the audited agency. We recently updated internal guidance on this process, including timeframes for bringing access issues to the attention of GAO's senior leadership. Our policy is to elevate persistent issues to progressively higher levels within GAO and externally with the audited agency. GAO staff at all levels work with their agency counterparts toward solutions to access issues that reflect GAO's institutional rights and obligations.

During FY 2022, GAO's General Counsel met with the General Counsels and Solicitors at over 25 departments and agencies to establish and build upon relationships and to discuss GAO's work and access authorities and requests. With the support and leadership of the Deputy General

Counsel and other OGC management, these meetings served to discuss the importance of thorough and timely responses to GAO's requests for information. This outreach provides a solid foundation for elevating protracted access issues to senior legal officials within the executive branch when it is necessary to do so. We also continued to consider legislative options to facilitate our ability to meet the Congress's need for sophisticated analyses, including those requiring data maintained by agencies in digital form, quickly and efficiently. We have engaged with key congressional committees about the merits of various options in response to their interest in this area.

GAO recognizes there are unique sensitivities within the Intelligence Community and we remain committed to working with them to account for these sensitivities while obtaining the information needed to complete our work on behalf of the Congress and consistent with our audit standards. GAO has historically held periodic coordination meetings with the Office of the Director of National Intelligence (ODNI) leadership, to include discussions of access issues and mutually acceptable accommodations. These meetings have been helpful in facilitating positive interaction between ODNI and GAO staff. This year, we have also used these coordination meetings to discuss the related issue of delays in Intelligence Community elements, particularly ODNI, providing comments on draft GAO reports. Formal comments are one of the audited agency's most important

opportunities to provide feedback on our draft reports. They help ensure the accuracy of the report and the feasibility of implementing GAO's recommendations, thereby facilitating effective government oversight and improved efficiency in government programs and activities. We will continue to work with the Intelligence Community to ensure the timely receipt of formal comments on draft GAO reports.

The CARES Act, enacted in March 2020, gives us broad access authorities to facilitate our extensive monitoring and oversight responsibilities under the act. 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).

Consistent with these provisions, agencies have generally provided us with timely access to information needed for our COVID-19-related work, including data maintained in IT systems. Indeed, these access provisions remain a critical tool, as GAO continues to oversee and monitor the response to the COVID-19 pandemic. More broadly, they clearly reflect the importance of timely and complete information to robust oversight.





Source: xtock/stock.adobe.com. | GAO-23-900398

## Future Challenges and Priorities

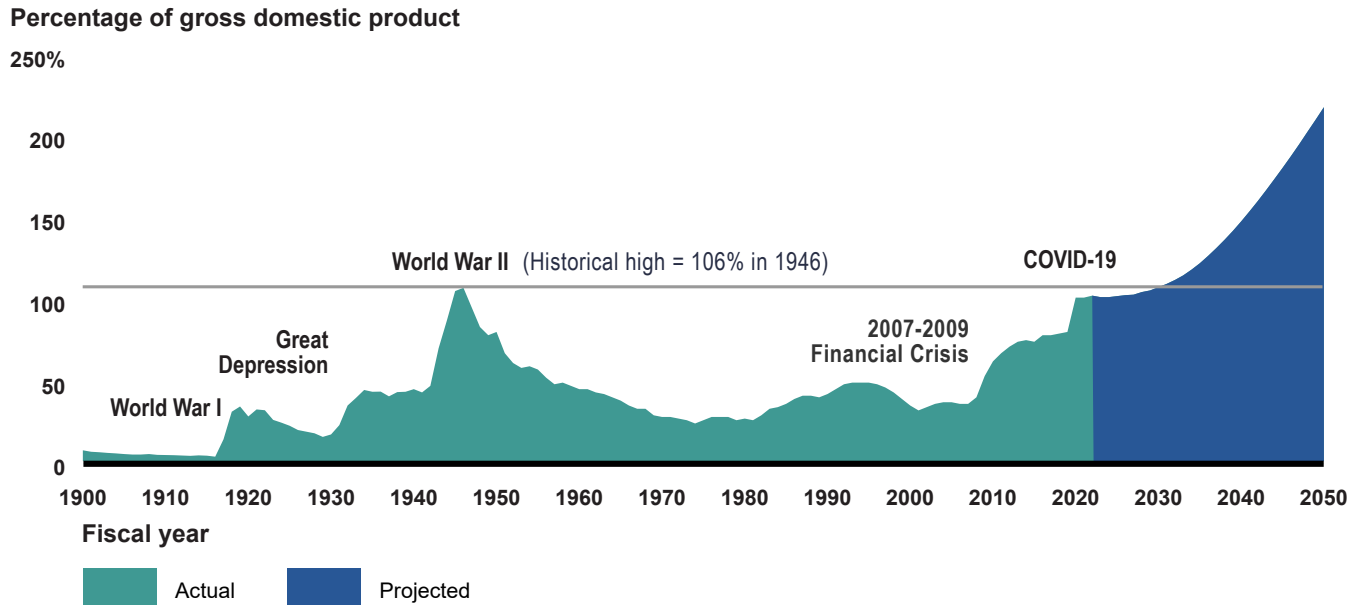
For decades GAO has engaged in strategic foresight to help identify issues of greatest national importance for the Congress and guide our work. In 2018, GAO established the Center for Strategic Foresight to identify major emerging issues, challenges, and opportunities in making government more efficient, effective, and responsive. With support from GAO's Center for Strategic Foresight, we identified [12 broad trends](#) affecting government and society in our most recent strategic plan, including uncertainties and implications associated with those trends. These trends highlight the need for forward-looking information and attention to emerging issues in numerous domains. The federal government faces multiple current and future challenges, several of which we highlight below.

The federal government faces an unsustainable fiscal future. At the end of FY 2021, debt held by the public was about 100 percent of gross domestic product, a 33 percent increase from FY 2019. Projections from OMB, Treasury, the Congressional Budget Office, and GAO all show that current fiscal policy is unsustainable over the long term (see [fig. 20](#)).

The underlying conditions driving the unsustainable fiscal outlook existed well before the COVID-19 pandemic and continue to pose serious economic, security, and social challenges if not addressed. The federal government's extensive fiscal response to the COVID-19 pandemic accelerated the growth in federal debt.

To change this unsustainable fiscal outlook, the Congress should develop a plan to place the government on a sustainable long-term fiscal path. The Congress and the administration will need to pivot and make difficult budgetary and policy decisions to address the key drivers of the debt and change the government's fiscal path. See our [America's Fiscal Future](#) website for more information.

In the interim, we will continue to monitor the nation's fiscal health and provide near-term options for improving the nation's fiscal condition. We will also undertake work in several key areas based on congressional interest, and we will continue to focus on internal operations.

**Figure 20: Debt Held by the Public Projected to Grow Faster Than GDP**

Source: GAO analysis of Congressional Budget Office historical data and GAO simulation. | GAO-23-900398

## Impacts of Evolving Science and Technology

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

Since its establishment in 2019, our STAA team has taken its place as a key resource for the Congress in monitoring and addressing such challenges. Its growing portfolio of ongoing and future work includes (1) technology assessments on regenerative medicine, fusion energy, and forensic attribution of chemical weapons; and (2) performance audits on federal research

and development funding, agencies' science and technology workforce, and research security.

GAO's Innovation Lab continues to transform and modernize GAO's advanced analytics capabilities through emerging technologies. The Lab focuses on applying machine learning, cloud services, blockchain, and other solutions to help solve GAO's oversight. Additionally, STAA will continue to offer science and technology policy-related information to congressional staff, grounded in GAO's findings and agency recommendations.

Moreover, our goals are to increase the number of technology assessments that we conduct each year and increase the number of short-to-medium turnaround products. We also are working to improve access to and absorption of our work through a variety of digital publishing tools and expand technical consulting services assistance to committees and individual member offices. Finally, we plan to continue to pilot and deploy multiple advanced analytics prototypes to enhance congressional oversight and support capabilities.

## Cybersecurity of Systems, Critical Infrastructure, and Sensitive Data

Escalating threats, including new and more destructive attacks from around the globe, highlight the critical and persistent need for effective cybersecurity. Our work will continue to assess (1) the development and execution of a comprehensive national cybersecurity strategy and the establishment of leadership needed to perform effective oversight; (2) the security of federal information systems, such as the ability of key agencies to detect, prevent, address, and respond to security incidents (key agencies include DOD, NASA, and the State Department); (3) the cybersecurity of critical infrastructure, such as K-12 school systems and the energy sectors; and (4) efforts being taken by the federal government to protect privacy and sensitive data, including personally identifiable information.

## Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks

Climate change poses risks to many environmental and economic systems and creates a significant fiscal risk to the federal government. For example, between FYs 2015 and 2021, selected appropriations for disaster assistance totaled \$315 billion. Disaster costs are projected to increase as certain extreme weather events like drought or extreme rainfall become more frequent and intense due to climate change, according to the U.S. Global Change Research Program and the National Academies of Sciences, Engineering, and Medicine.

Our related work will assist the Congress by:

(1) Evaluating government-wide action to reduce fiscal exposure to climate change in the five areas identified in our High-Risk List, including the federal government's roles as insurer of property and crops, provider of disaster aid, and owner or

operator of infrastructure. For example, we have planned work on how to strategically prioritize climate resilience investments using economic information on the risks and costs to the federal government.

(2) Enhancing the climate resilience of federal programs and critical infrastructure. Federal fiscal exposure to climate change can be limited by enhancing climate resilience—that is, taking actions to reduce potential future losses by planning and preparing for potential climate hazards. We will continue to assist the Congress in identifying and pursuing opportunities to enhance the climate resilience of federal programs and activities by applying the three guiding principles of GAO's Disaster Resilience Framework—information, integration, and incentives or other relevant criteria. For example, we have ongoing work related to building climate resilience into U.S. Army Corps of Engineers (USACE) flood risk management infrastructure.

(3) Providing oversight of the transportation, water, wastewater, and electric-grid infrastructure resilience programs created by the Infrastructure Investment and Jobs Act. In doing so, we will review discretionary grant programs that consider resilience and related factors as part of the award process.

(4) Conducting oversight of the tens of billions of dollars in funding and tax credits for greenhouse gas emissions reduction efforts and electric vehicle adoption provided by the budget reconciliation act, commonly known as the Inflation Reduction Act of 2022.

## Assisting the Congress in Overseeing DOD and Health Care Challenges

We will also continue to assist the Congress with:

(1) Examining quality of life issues for servicemembers and their families, including how DOD meets key needs, such

as housing, health care, and nutrition. We will also evaluate the management and oversight of U.S. Special Operations Forces' global activities, as well as safety risks to U.S. military personnel operating vehicles, aircraft, and other equipment. In addition, we will evaluate DOD and the Intelligence Community's capabilities and capacity to counter increasing global security threats from China, Russia, and other potential adversaries. This includes evaluating threats and conducting operations in such emerging national security areas as space, cyberspace, information operations, activities below the threshold of armed conflict, and strategic nuclear matters.

(2) Examining the sustainability and integrity of the Medicare and Medicaid programs, and overseeing VA, DOD, and Indian Health Service health care services. Health care spending now accounts for nearly 25 percent of the federal budget and is one of the fastest growing federal expenditures. The growth will be driven, in part, by the aging of the population and increasing health care spending per person. The ongoing effects of the COVID-19 pandemic—including increases in mental health conditions and the ongoing need for vaccines and therapeutics—are likely to result in additional health care spending growth.

## Managing Agency Operations

To help ensure that GAO achieves its goals and objectives and is responsive to congressional priorities, GAO has established risk-based protocols and practices to govern its engagements, human capital, and operational processes. GAO maintains a risk-aware culture and follows a risk-based approach in managing agency operations. Enterprise Risk Management (ERM), internal control, and fraud risk management are components of GAO's overall governance framework and provide risk management support to the agency in different but complementary ways.

Annually, GAO assesses its operating environment, internal and external factors, and opportunities and threats to identify potential risks that could significantly impair its ability to achieve planned strategic and operational goals and objectives. The results are documented in an ERM Risk Profile that describes the (1) nature of the potential risk, (2) existing and planned mitigating actions or key internal controls to manage or respond to the risk, and (3) likelihood and impact of the risk both before and after GAO's response. Some potential risks that could negatively impact GAO include a lack of:

- comprehensive guidelines and protocols that could result in products that are not objective and accurate;
- effective strategic and tactical planning, leadership, or implementation practices that could result in products that are not timely or responsive to congressional priorities;
- available high-performing staff to accomplish the work and deliver innovative and effective products to the Congress and the American people; and
- a robust technological infrastructure to meet workforce and operational needs and ensure the agency's systems and data are secure from threats.

The ERM Risk Profile is reviewed by GAO's Executive Committee and Risk Management Council, and approved by the Chief Operating Officer and Chief Administrative Officer/Chief Financial Officer, who serve as co-Chief Risk Officers. The Chief Risk Officers provide ongoing oversight and monitor the risks, risk responses, and related activities to ensure that the status of potentially significant risks remain within acceptable levels.

## Engagements

GAO actively manages its operations to mitigate potential risks to help ensure that (1) GAO work is professional, independent, objective, and accurate; (2) GAO products are timely, respond to congressional priorities, and are presented in accessible and useful formats; (3) the Congress and agencies are willing and able to make improvements needed to implement GAO's recommendations; and (4) GAO is able to access agency information needed to conduct its work.

To mitigate potential risks, GAO's Quality Assurance Framework provides policies, procedures, and guidance on professional standards and core values, independence, strategic planning, portfolio and risk management, human capital, engagement performance, and monitoring/policy review. GAO also conducts planning activities focused on understanding current and future congressional interests and developing responsive engagements; and maintains frequent communication with congressional clients to keep informed of their interests.

GAO's product review process encourages teams to make practical recommendations that agencies can act upon to correct identified deficiencies, and follow-ups with agencies on the status and closure of recommendations. GAO managers discuss access issues as they arise and actively engage in discussions with the executive branch to enhance access to information.

## Human Capital

As a knowledge-based organization, GAO's workforce is the agency's greatest asset. To avoid the potential risk of not having staff with the skills needed to accomplish its work, GAO annually conducts comprehensive strategic workforce planning to assess the agency's workforce requirements. GAO also focuses on attracting, retaining, motivating, and rewarding a results-oriented workforce


and offers a range of both monetary and nonmonetary employee benefits that help attract and retain high-quality staff.

In addition, GAO provides career transition services for individuals nearing retirement or seeking other career opportunities within or outside of GAO; provides professional education and development opportunities to employees at all stages of their careers; and assesses employee performance against appropriate competencies to ensure staff perform at an acceptable level.

## Operations

To mitigate potential risks to its operations, GAO exercises prudent stewardship over its financial resources and maintains effective processes and systems through strong internal controls, quality assurance, and fraud risk management controls. GAO also monitors compliance with relevant laws and regulations, assesses the effectiveness of internal control over financial reporting, and is responsive to independent audits and investigations of GAO programs and operations.

To minimize security risks and achieve our objectives, GAO maintains controls to prevent unauthorized access and intrusion to its systems and data from internal and external threats; continuously updates security monitoring, forensics, and compliance tools and configurations; and annually conducts risk assessments to identify and remediate security risks and review the effectiveness of security practices. GAO actively manages risks that could potentially disrupt its core business operations and could impair its ability to achieve mission-critical objectives and activities.



SERVING CONGRESS AND THE NATION

# PART II

## Performance Information

# Part II

## Performance Information



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### Performance Information by Strategic Goal

In the following sections, we discuss how each of our four strategic goals contributed to our FY 2022 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 mission teams 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.

We issued a new [strategic plan](#) in FY 2022, and added three new objectives pertaining to the federal government’s responsibilities to Tribes, cybersecurity, and science and technology. There were no changes in how we measured our financial, other benefits, and testimony measures during FY 2022.



Source: Funtap/stock.adobe.com. | GAO-23-900398

## Strategic Goal 1

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

Our first strategic goal upholds our mission to support the Congress in carrying out its constitutional responsibilities by focusing on work that helps address the current and emerging challenges affecting the well-being and financial security of the American people. Our multi-year (FYs 2022-2027) strategic objectives under this goal are to provide information that will help address:

- Health care needs;
- Lifelong learning;
- Benefits and protections for workers, families, and children;
- 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 physical infrastructure; and
- The federal government's responsibilities to Tribes, their members, and individual descendants.

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



## Example of Work under Goal 1

**Improving OSHA’s Ability to Protect Workers during Crises:** In May 2022, we testified that the Occupational Safety and Health Administration (OSHA) issued two emergency standards during COVID-19—one to protect health-care workers and another for vaccinations and testing at large employers. However, OSHA faced challenges implementing both standards and withdrew most of their provisions. We also testified about potentially widespread noncompliance with certain employers reporting required injury and illness data—data needed to target OSHA inspections. We noted prior recommendations for OSHA to assess COVID-19 challenges and evaluate procedures to ensure employer reporting. ([GAO-22-105711](#))



Source: U.S. House of Representatives Committee on Education and Labor. | GAO-23-900398

Thomas Costa, Director, testified virtually about OSHA’s ability to protect workers from COVID-19 and its preparedness for a new crisis.

To accomplish our work under these strategic objectives in FY 2022, we conducted engagements, audits, analyses, and evaluations of programs at major federal agencies. As shown in [table 16](#), we exceeded the performance targets set for financial and other benefits for Goal 1, but did not meet the target for testimonies.

**Table 16: Strategic Goal 1’s Annual Performance Results and Targets**

Performance measure	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target	2022 actual	Met/not met	2023 <sup>a</sup> target
Financial benefits (dollars in billions)	\$22.4	\$52.5 <sup>a</sup>	\$60.6 <sup>a</sup>	\$66.8 <sup>a</sup>	\$48.0 <sup>a</sup>	\$8.3	\$10.3	Met	\$8.0
Other benefits	263	262	245	296	320	263	307	Met	263
Testimonies	48	42	43	22	33	40	30	Not met	41

Source: GAO. | GAO-23-900398

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2022 as we have left a portion of the financial benefits target unassigned. Experience leads us to believe that we can meet the agency-wide target but we cannot always accurately predict under which goals.

<sup>a</sup>In FYs 2018, 2019, 2020, and 2021, we achieved some unexpectedly large financial benefits; however, we do not expect this level of results in FY 2023 and kept the target about the same as our 2022 target.

We consider many factors, as described in Part I, to set our targets. To help us examine trends for these measures over time, one factor we consider is their 4-year average, which minimizes the effect of an unusual level of performance in any single year. These averages are shown below in [table 17](#).

**Table 17: Four-Year Rolling Averages for Strategic Goal 1**

Performance measure	2017	2018	2019	2020	2021	2022
Financial benefits (dollars in billions)	\$27.2	\$36.5	\$38.8	\$50.6	\$57.0	\$46.4
Other benefits	261	266	264	267	281	292
Testimonies	50	46	43	39	35	32

Source: GAO. | GAO-23-900398

The following sections describe our performance under Goal 1 for each of our quantitative performance measures and the targets for FY 2023.

## Financial Benefits

The financial benefits reported for this goal in FY 2022 totaled \$10.3 billion, exceeding our \$8.3 billion target by \$2.0 billion, or about 24 percent. Financial benefits contributing to this total included program savings associated with SBA enhancing oversight of the PPP's loans repayments (\$3.5 billion) and CMS basing Medicare uncompensated care payments on hospital's actual costs (\$2.1 billion). We set our FY 2023 target at \$8.0 billion based on recent performance and discussions with the Goal 1 teams on what they believe can be achieved based on past, ongoing, and expected work.

### Example of Goal 1's Financial Benefits

**Establishing Site-Neutral Payments under Medicare:** In 2015, we found that the increased consolidation of hospitals and physician offices was likely leading Medicare to pay more than necessary for certain services. Once consolidated, physician offices could receive Medicare payments for certain office visits at a higher hospital outpatient department rate. We recommended that the Congress consider directing HHS to equalize payment rates between physician offices and outpatient departments for these visits. In 2018, Medicare did so for certain services, saving \$1.5 billion from FY 2019-2021. ([GAO-16-189](#))

## Other Benefits

Other benefits reported for Goal 1 in FY 2022 totaled 307, exceeding our target of 263 by 44 benefits or about 17 percent. Goal 1's other benefits were primarily in the areas of public safety and security, public insurance and benefits, and program efficiency and effectiveness. We set our FY 2023 target at 263, based on recent performance and discussions with the Goal 1 teams on what they believe can be achieved based on past, ongoing, and expected work.

## Example of Goal 1's Other Benefits

**Protecting Land Management Agency Officials and Facilities from Threats and Assaults:** Land management agency officials and facilities in remote areas have been subject to a range of threats and assaults. In 2019, we reported that the National Park Service (NPS) had not completed its required facility security assessments—and didn't have a plan to do so. We recommended that NPS develop such a plan. In response, NPS issued a new security policy and developed a plan in March 2022 to collect data on the status of security assessments and complete these assessments. As a result, NPS is better positioned to protect its employees and facilities. ([GAO-19-643](#))

## Testimonies

Our senior executives testified 30 times on our Goal 1 work, which fell short of the FY 2022 target of 40 by 10 testimonies or about 25 percent. For instance, we testified on the need to (1) increase access to mental health care, (2) strengthen federal efforts to address challenges repatriating cultural items for Tribes, and (3) improve Department of Labor's (DOL) enforcement of service worker wage protections. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2023 target for testimonies for Goal 1 at 41 based on experience in recent years.

## Example of Goal 1's Testimonies

**Improving Federal Climate Resilience Efforts:** Natural disasters in the U.S. have caused an average of \$150 billion in damages per year over the past 5 years. In March 2022, we testified that applying the three principles in our Disaster Resilience Framework—information, integration, and incentives—can help promote climate resilience. For instance, a national climate information system could help provide authoritative information for federal decision-making. Since 2003, we have made 84 recommendations to agencies and seven matters for Congress related to enhancing climate resilience and limiting the federal government's fiscal exposure. As of August 2022, 30 recommendations remain open. ([GAO-22-105688](#))



Source: U.S. House of Representatives Committee on Science, Space, and Technology. | [GAO-23-900398](#)

J. Alfredo Gomez, Director, testified virtually on opportunities to improve federal planning and implementation to promote climate resilience.

Table 18 contains examples of Goal 1 accomplishments and contributions, which includes both financial and other benefits.

**Table 18: Goal 1 Examples of Accomplishments and Contributions**

<b>Financial Security and the Health Needs of an Aging and Diverse Population</b>	
<b>Using Data to Better Understand and Support Maternal Health</b>	The Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA) fund programs to reduce maternal morbidity and mortality. In 2021, we found that they collected data on maternal health—such as the portion of women receiving postpartum visits—but did not always separate and analyze this data by rural and underserved areas (where it can be more difficult to obtain health care). We recommended that CDC and HRSA analyze maternal health data by rural and underserved areas. They began doing so later in 2021, helping ensure that program funding addresses those in most need. ( <a href="#">GAO-21-283</a> )
<b>Life-Long Learning to Enhance U.S. Competitiveness</b>	
<b>Ensuring Eligible Federal Student Loans Receive Forgiveness</b>	Student loan borrowers in income-driven repayment plans are eligible for loan forgiveness after 20 or 25 years of qualifying payments. In 2022, we found that potential payment tracking errors by the Department of Education could cause delays in loan forgiveness for thousands of borrowers. We recommended that Education address these errors. In response, Education announced plans in April 2022 to resolve past errors and improve future tracking. The agency estimates that these changes could lead to loan forgiveness for several thousand borrowers, and at least 3 years of additional credit toward forgiveness for over 3.6 million borrowers. ( <a href="#">GAO-22-103720</a> )
<b>A Responsive, Fair, and Effective System of Justice</b>	
<b>Developing a Policy for Facial Recognition Technology</b>	We have issued a number of reports between 2016 and 2021 on facial recognition technology and its privacy and accuracy-related issues. In February 2022, the Department of Justice (DOJ) formed a working group to determine a policy for using facial recognition technology. DOJ officials said the working group was formed partly because of our reports on the potential risks and benefits of this technology. This working group will better position DOJ to identify and address risks associated with using facial recognition technology. ( <a href="#">GAO-21-518</a> , <a href="#">GAO-19-579T</a> , <a href="#">GAO-16-267</a> )
<b>Housing Finance and Viable Communities</b>	
<b>Helping Ginnie Mae Assess Its Capacity to Absorb Mortgage Losses</b>	Ginnie Mae encourages investors to provide capital for mortgage loans with a guarantee that they will receive payments even if the borrowers default. However, we found in 2019 that Ginnie Mae had not assessed whether it had sufficient capital reserves to withstand potential losses from such defaults. We recommended Ginnie Mae conduct an actuarial or similar analysis to stress test its reserves. In response, Ginnie Mae did so in 2021 and 2022, and determined that its reserves were adequate. It also plans to continue such analyses in the future, which will help ensure that Ginnie Mae understands its ability to absorb potential losses. ( <a href="#">GAO-19-191</a> )

## Responsible Stewardship of Natural Resources and the Environment

### Building Alternative Low-Activity Waste Pretreatment System Saved DOE Millions

DOE has millions of gallons of radioactive liquid waste in aging underground storage tanks at DOE's Hanford Site in Washington State. DOE proposed building a facility to pretreat the site's low-activity waste. However, in May 2015, we found that the proposed facility's cost estimate was unreliable and recommended DOE revise the estimate. In response, in October 2017, DOE revised its estimate and found that this facility would be significantly more expensive than initially suggested. DOE built an alternative system in FY 2022 to pretreat this waste—which cost \$80 million less than the original proposed facility. ([GAO-15-354](#))

### Enhancing Federal Efforts to Address Food-Borne Illness

Antibiotic use in food animals (cattle, poultry, swine) contribute to antibiotic-resistant bacteria, which can cause food-borne illnesses. In 2017, we reported that USDA had not conducted on-farm investigations during such food-borne illness outbreaks, and there was no consensus about when such investigations are needed. We recommended that USDA develop a framework for deciding when these investigations are warranted. In response, USDA formed a multi-stakeholder working group that met from September 2018 to June 2022 to discuss actions and best practices, which will help address foodborne illness outbreaks. ([GAO-17-192](#))

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

### Improving WMATA's Investment Decisions

The Washington Metropolitan Area Transit Authority (WMATA) provides transit services in the Washington, D.C. area. In 2019, we reported that WMATA used \$3.2 billion in federal funds from 2011 through 2017 for capital investments (such as improving its bus and rail fleet). However, we found that WMATA lacked documented policies and procedures to help it prioritize projects, and we recommended that it establish them. In response, WMATA instituted policies and procedures in 2022—such as how to prioritize and select projects—to ensure that it is making sound funding decisions. ([GAO-19-202](#))

Source: GAO. | GAO-23-900398

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

Source: kentoh/stock.adobe.com. | GAO-23-900398

## Strategic Goal 2

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

The U.S. faces increasingly complex threats and challenges to securing the homeland. Given the importance of these issues, our second strategic goal focuses on helping the Congress and the federal government in their responses to changing security threats and the challenges of global interdependence. Our multi-year (FYs 2022-2027) strategic objectives under this goal support congressional and agency efforts related to:

- Homeland threats and disasters;
- Military capabilities and readiness;
- Foreign policy and international economic interests;
- The Intelligence Community's management and integration; and

### ■ Cybersecurity of the nation.

Cybersecurity of the nation is a new strategic objective with the issuance of our new FY 2022 [strategic plan](#). These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

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

### Example of Work under Goal 2

**Enhancing DOD Suicide Prevention and Response at Remote Installations:** In April 2022, we testified that DOD's suicide prevention and response efforts have faced challenges, including assessing suicide risk at remote installations, implementing key prevention activities, integrating prevention in primary care, and providing response guidance and training for key personnel. We recommended in related work that DOD establish a process to assess suicide risk at remote installations, establish oversight of installations, develop a strategy for hiring key behavioral health personnel, and improve guidance and training for commanders, among other things. ([GAO-22-105888](#))



Source: U.S. Senate Committee on Armed Services. | GAO-23-900398

Brenda S. Farrell, Director, testified on actions needed to enhance prevention and response of military suicide at certain remote installations.

To accomplish our work in FY 2022 under these strategic objectives, we conducted engagements that involved work related to international and domestic programs. As shown in [Table 19](#), we exceeded our target for other benefits and testimonies and fell short of our target for financial benefits for Goal 2.

**Table 19: Strategic Goal 2's Annual Performance Results and Targets**

Performance measure	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target	2022 actual	Met/not met	2023 target
Financial benefits (dollars in billions)	\$46.5 <sup>a</sup>	\$10.5	\$147.4 <sup>a</sup>	\$5.9	\$11.9	\$19.9	\$3.2	Not met	\$6.9
Other benefits	500	517	682	646	442	372	497	Met	372
Testimonies	21	26	29	17	16	17	20	Met	18

Source: GAO. | GAO-23-900398

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2022 as we have left a portion of the financial benefits target unassigned. Experience leads us to believe that we can meet the agency-wide target but we cannot always accurately predict under which goals.

<sup>a</sup>In FYs 2017 and 2019, we achieved one unexpectedly large financial benefit; however, we do not expect this level of results in 2023.

We consider many factors, as described in Part I, to set our targets. To help us examine trends for these measures over time, one factor we consider is their 4-year averages, which minimizes the effect of an unusual level of performance in any single year. These averages are shown below in [table 20](#).

**Table 20: Four-Year Rolling Averages for Strategic Goal 2**

Performance measure	2017	2018	2019	2020	2021	2022
Financial benefits (dollars in billions)	\$24.6	\$20.8	\$54.4	\$52.6	\$43.9	\$42.1
Other benefits	511	506	550	586	572	567
Testimonies	32	28	30	23	22	21

Source: GAO. | GAO-23-900398

The following sections describe our performance under Goal 2 for each of our quantitative performance measures and the targets for FY 2023.

## Financial Benefits

The financial benefits reported for this goal in FY 2022 totaled \$3.2 billion, which was \$16.7 billion or about 84 percent below our \$19.9 billion target. Anticipated financial benefits did not materialize. Financial benefits contributing to this total include reducing DOD's appropriation for operations and maintenance (\$757 million). We reduced our FY 2023 target to \$6.9 billion based on our recent performance and discussions with the Goal 2 teams on what they believe can be achieved based on past, ongoing, and expected work.

### Example of Goal 2 Financial Benefits

**Reducing Unused Funds in the Diplomatic Programs Account:** The State Department manages the Diplomatic Programs account, which funds the people, infrastructure, security, and programs that facilitate U.S. relations with foreign governments and international organizations. We estimated that this account had an estimated unobligated balance of \$2.8 billion in FY 2020. We recommended that the Congress consider unobligated balances when determining new funding levels. We determined in August 2022 that the Congress reduced appropriations for the Diplomatic Programs account by \$220 million in FY 2021 in response.

## Other Benefits

Other benefits reported for Goal 2 in FY 2022 totaled 497, exceeding our target of 372 by 125 benefits or about 34 percent. Many of Goal 2's other benefits were in the areas of public safety and security, business process and management, and acquisition and contract management. We set our FY 2023 target at 372, based on recent performance and discussions with the Goal 2 teams on what they believe can be achieved based on past, ongoing, and expected work.

### Example of Goal 2's Other Benefits

**Better Protecting the Public and TSA Workers from COVID-19:** To better protect its workforce and the public from COVID-19, TSA officials amended safety measures and adjusted screening procedures at commercial airports. However, we found that TSA conducted limited monitoring of these measures and had no plans to analyze data to identify common implementation problems (such as incorrectly wearing face shields). In June 2021, we recommended they do so. In response to our recommendations, TSA began monitoring its COVID-19 measures more thoroughly in September 2021. It also analyzed the COVID data and reported on successes and opportunities for improvement in March 2022. ([GAO-21-364](#))



## Testimonies

Our senior executives testified 20 times on our Goal 2 work, which exceeded the FY 2022 target of 17 by 3 testimonies or about 18 percent. Goal 2 testimony topics included the need to (1) identify and address barriers to receiving federal disaster recovery assistance, (2) improve DOD's acquisition of space systems, and (3) continue to address F-35 Joint Strike Fighter cost growth and schedule delays. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2023 target for testimonies for Goal 2 at 18 based on experience in recent years.

### Example of Goal 2's Testimonies

**Improving Cybersecurity Protections for Critical Infrastructure:** In December 2021, we testified on the need for the federal government to develop and execute a comprehensive national cyber strategy, and to strengthen the role that it plays in protecting the cybersecurity of the nation's critical infrastructure. Since 2010, GAO has made about 3,800 recommendations to agencies aimed at addressing cybersecurity shortcomings. As of June 2022, more than 820 were not yet implemented. We designated information security as a government-wide high-risk area in 1997 and expanded it to include protecting cyber-critical infrastructure in 2003. ([GAO-22-105530](#))



Source: U.S. House of Representatives Committee on Transportation and Infrastructure. | GAO-23-900398

Nick Marinos, Director, testified virtually on improving cybersecurity for the U.S.'s critical infrastructure.

Table 21 contains examples of Goal 2 accomplishments and contributions, which includes both financial and other benefits.

Table 21: Goal 2 Examples of Accomplishments and Contributions

Protect and Secure the Homeland from Threats and Disasters	
Enhancing Congressional Oversight of Cybersecurity Incident Response	Cybersecurity threats pose a major risk to federal agencies. (Information security has been on GAO’s High Risk List since 1997.) In 2022, we issued a report detailing the federal government’s response to the SolarWinds and Microsoft Exchange cybersecurity incidents. We found that agencies and the private sector worked effectively to respond, yet challenges exist with information sharing, evidence collection, and data preservation. By describing the comprehensive federal response to the incidents and identifying lessons learned, our report enhanced Congress’s ability to effectively oversee federal cybersecurity incident response. (GAO-22-104746)
Effectively and Efficiently Utilize Resources for Military Capabilities and Readiness	
Protecting Whistleblower Confidentiality	Whistleblowers play an important role in safeguarding the federal government, but also risk reprisal. DOD’s Inspector General has established several processes to help ensure the independence and thoroughness of the whistleblower reprisal cases it handles, including a staff recusal process. However, in September 2017 we found that it did not maintain a process for documenting and assessing employee recusals and conflicts of interest, and recommended it implement such a process. In response, DOD’s Inspector General established a process in October 2021 to document and review staff recusals annually to help ensure that its investigations are independent. (GAO-17-506)
Improving Navy Crewing and Retention to Ensure Ship Safety	Crew shortages and sailor overwork contributed to two deadly Navy ship collisions in 2017. The Navy has taken steps to address these issues. However, in 2021 we identified shortfalls in the process that the Navy uses to crew its ships, as well as significant retention issues for the Navy officers responsible for the safe operation of ships at sea. We recommended the Navy address these issues. In response, the Navy issued new guidance on ship crewing in March 2022, and made changes to its career path to increase retention of such Navy officers. These steps will help improve safety on Navy ships. (GAO-21-366; GAO-21-168)
Reducing DOD’s Operation and Maintenance Appropriations	DOD’s Operation and Maintenance appropriations fund a wide range of activities—including sustaining and equipping the military services, fuel, and spare parts. DOD requested \$290.5 billion for this fund in FY 2022. However, we reported in April 2021 that DOD did not use all of the funds provided for some sub-accounts. Based in part on our analysis, the Congress reduced DOD’s Operation and Maintenance appropriations in FY 2022 by about \$757 million. These reductions allowed the Congress to fund other higher priority activities.
Advance and Protect U.S. Foreign Policy and International Economic Interests	
Improving Monitoring of State and USAID Rule of Law Assistance	Improving the rule of law in countries overseas helps to protect fundamental rights and combat crime and extremism. The State Department and USAID have allocated \$2.7 billion for rule of law assistance between 2014 and 2018. However, in November 2020, we found that they didn’t always monitor this aid effectively—and recommended they do so. In response, USAID provided documentation in 2022 that site visits reports are being filed in a timely manner, and State is requiring that its program officers analyze data in a timely fashion. This should help State and USAID ensure their projects achieve the intended results. (GAO-21-14)

### Reducing Unused Funds in the International Disaster Account

The State Department manages the International Disaster Assistance account, which funds efforts to respond to emergencies overseas through food assistance, disaster relief, rehabilitation, and reconstruction assistance. We estimated that this account had an unobligated balance of \$939 million in FY 2020. We recommended that the Congress consider unobligated balances when determining new funding levels. We determined in August 2022 that the Congress reduced appropriations for the International Disaster account by \$300 million in FY 2021 in response.

### Addressing Diversity Issues in the State Department's Workforce

The State Department is trying to build a diverse workforce. However, we found in 2020 that some minorities are underrepresented, particularly in the senior ranks. For example, minorities were up to 29 percent less likely to be promoted than their white coworkers with similar qualifications. In 2020, we recommended State identify barriers to equal opportunity in its workforce. In response, State launched 4 working groups and created a task force in 2021 to update its Diversity and Inclusion Strategic Plan. In FY 2022, we determined that this will help State investigate, identify, and remove barriers to a diverse workforce. ([GAO-20-237](#))

Source: GAO. | GAO-23-900398

Note: It can take several years for our recommendations to result in an accomplishment. We generally claim an accomplishment within 2 fiscal years of the action taken. For financial benefits, we can claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#). The two accomplishments that do not have report numbers linked to them are budget justification reviews, which we do not publish externally.



Source: alexklich/stock.adobe.com. | GAO-23-900398

## Strategic Goal 3

# Help Transform the Federal Government to Address National Challenges

Our third strategic goal focuses on the collaborative and integrated elements needed for the federal government to achieve results. The work under this goal highlights the intergovernmental relationships that are necessary to address national challenges. Our multi-year (FYs 2022-2027) strategic objectives under this goal are:

- The government’s fiscal condition and opportunities to strengthen management of federal finances;
- Fraud, waste, and abuse and needed improvements in internal controls;
- Crosscutting issues, major management challenges, and program risks; and

- Science and technology issues.

Science and technology issues is a new strategic objective with the issuance of our new FY 2022 [strategic plan](#). These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#).

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

### Example of Work under Goal 3

**Addressing Persistent Tax Filing Challenges:** In February 2022, we testified that IRS had experienced challenges in managing recent filing seasons, including difficulties hiring workers to process returns and implementing tax law changes such as the CARES Act. These challenges, expected to continue into the 2022 filing season, contributed to a backlog of returns to process and taxpayers having difficulty reaching the IRS. For example, IRS expected to answer only 35 percent of incoming calls in the 2022 filing season. To help manage call volumes, IRS urged taxpayers to use its “Where’s My Refund” online tool, but that tool provided limited information. ([GAO-22-105802](#)) In our related report from April 2022, we made six recommendations to IRS to improve processing and customer service ([GAO-22-104938](#)).



Source: U.S. Senate Committee on Finance. | GAO-23-900398

Jessica Lucas Judy, Director, testified on preliminary observations on IRS's efforts to address persistent tax filing challenges.

To accomplish our work in FY 2022 under these strategic objectives, we conducted 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 22](#), we met the Goal 3 performance target set for financial benefits and other benefits. However, we did not meet our testimony target for FY 2022.

**Table 22: Strategic Goal 3's Annual Performance Results and Targets**

Performance measure	2017 actual	2018 actual	2019 actual	2020 actual	2021 actual	2022 target <sup>a</sup>	2022 actual	Met/not met	2023 target
Financial benefits (dollars in billions)	\$5.0	\$12.1	\$6.7	\$5.0	\$6.4	\$3.3	\$42.1	Met	\$17.3
Other benefits	517	515	491	390	477	370	458	Met	365
Testimonies	29	28	23	18	15	23	22	Not met	22

Source: GAO. | GAO-23-900398

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2022, as we have left a portion of the financial benefits target unassigned. Experience leads us to believe that we can meet the agency-wide target but we cannot always accurately predict under which goals.

<sup>a</sup>In 2022, we reached \$42.1 billion in financial benefits due primarily to one large financial benefit of \$35.7 billion for agencies' increased use of category management.

We consider many factors, as described in Part I, to set our targets. To help us examine trends for these measures over time, one factor we consider is their 4-year averages, which minimizes the effect of an unusual level of performance in any single year and are shown below in [table 23](#).

**Table 23: Four-Year Rolling Averages for Strategic Goal 3**

Performance measure	2017	2018	2019	2020	2021	2022
Financial benefits (dollars in billions)	\$14.8	\$14.5	\$13.6	\$7.2	\$7.5	\$15.1
Other benefits	501	502	493	478	468	454
Testimonies	31	30	29	25	21	20

Source: GAO. | GAO-23-900398

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

## Financial Benefits

The financial benefits reported for this goal in FY 2022 totaled \$42.1 billion, which was \$38.8 billion above our \$3.3 billion target. Our work on this area contributed to agencies' increased use of category management (\$35.7 billion). Other financial benefits contributing to this total include the Congress passing a law revising partnership audit rules by allowing the IRS to make adjustments at the partnership level (\$1.4 billion), and another law for ensuring agencies can more fully adjust civil penalties for inflation (\$160 million). We set our FY 2023 target at \$17.3 billion based on discussions with the Goal 3 teams on what they believe can be achieved based on past, ongoing, and expected work.

### Example of Goal 3 Financial Benefits

**Saving Money by Migrating IT Systems to the Cloud:** In 2019, we reported that USDA and DHS had not yet completed required assessments of all their IT investments to determine whether they were candidates for migrating to cloud computing services. We recommended both departments complete these assessments. In response, USDA and DHS completed all assessments and had migrated multiple IT systems to the cloud by May 2022. As a result, USDA and DHS reported they will save approximately \$115 million over 5 years—primarily from not having to operate and maintain older systems. ([GAO-19-58](#))

## Other Benefits

Other benefits reported for Goal 3 in FY 2022 totaled 458, exceeding our target of 370 by 88 benefits or about 24 percent. Goal 3's benefits were primarily in the areas of program efficiency and effectiveness, business process and management, acquisition and contract management, and tax law administration. We set our FY 2023 target again at 365, based on recent performance and discussions with the Goal 3 teams on what they believe can be achieved based on past, ongoing, and expected work.

### Example of Goal 3's Other Benefits

**Assessing Fraud Risk in Medicare and Medicaid:** We consider Medicare and Medicaid as high-risk areas, partly due to their vulnerability to fraud, waste, and abuse. While these programs have taken some steps to identify fraud risks in recent years—such as by designating specific provider types as at high risk of fraud—we found in 2017 that they had not conducted comprehensive fraud risk assessments. We recommended Medicare and Medicaid do so. In response, we received documentation in 2021 and 2022 of their plans to conduct these assessments. Regularly assessing fraud risk will help Medicare and Medicaid ensure that program funds are being used appropriately. ([GAO-18-88](#))

## Testimonies

Our senior executives testified 22 times on our Goal 3 work, which fell short of the FY 2022 target of 23 by 1 testimony or about 5 percent. Among the Goal 3 testimony topics covered were the need to (1) address fundamental acquisition management challenges to VA's supply chain modernization efforts, (2) monitor federal information through biannual scorecards, and (3) address challenges in NASA's moon landing plans. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2023 target for testimonies for Goal 3 at 22 based on experience in recent years.

### Example of Goal 3's Testimonies

**Improving Conflict of Interest Procedures in Federal Research:** To protect scientific research from undue foreign influence, federal agencies can use conflict of interest policies and require researchers to disclose foreign interests. In October 2021, we testified that the National Science Foundation (NSF) has an agency-wide financial conflict of interest policy, but it does not define non-financial conflicts (e.g., for researchers with multiple professional appointments). We recommended NSF and 4 other agencies define non-financial conflicts in agency policies. ([GAO-22-105434](#))



Source: U.S. House of Representatives Committee on Science, Space, and Technology. | GAO-23-900398

Candice Wright, Director, testified virtually on safeguarding U.S. research from foreign influence.

Table 24 contains examples of Goal 3 accomplishments and contributions, which includes both financial and other benefits.

**Table 24: Goal 3 Examples of Accomplishments and Contributions**

<b>Government's Fiscal Condition and Management of Federal Finances</b>	
<b>Enhancing Tax Revenue by Helping Revise Partnership Audit Rules</b>	In 2014, we found that the IRS had difficulty auditing large partnerships—those with at least 100 partners and \$100 million in assets. IRS would audit a partnership and, if additional taxes were owed, reach out to the individual partners to collect. This process was labor intensive and limited the number of large partnerships that the IRS could audit. We recommended that 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 government revenue by about \$1.383 billion in 2022. ( <a href="#">GAO-14-732</a> )
<b>Improving IRS's Financial Operations and Information Systems</b>	As part of our audit of IRS's financial statements, we reported in May 2022 that IRS had implemented corrective actions to address 68 of 120 recommendations from our prior audits. These corrective actions focused on information system controls—such as who has access and ensuring that systems work as intended—and safeguarding assets (including taxpayer receipts, property, and equipment). These actions will help improve IRS's financial operations and protect taxpayer data from potential loss, theft, and inappropriate disclosure. ( <a href="#">GAO-22-105559</a> )
<b>Identifying Fraud, Waste, and Abuse, and Needed Improvements in Internal Controls</b>	
<b>Combating Fraudulent Aircraft Registrations</b>	Accurate aircraft registry information can help investigators combat illegal activities (such as drug trafficking). However, we found in 2020 that FAA generally relies on self-certification and does not verify applicant identity or aircraft ownership. We recommended FAA conduct fraud risk assessments to better understand and mitigate the potential for fraudulent aircraft registrations. In response, FAA provided us its strategy to assess and manage such risks in March 2022. This will help FAA ensure that aircraft registry information is accurate. ( <a href="#">GAO-20-164</a> )
<b>Improving Oversight of COVID-19 Emergency Rental Assistance Programs</b>	Treasury was provided \$46.6 billion to give grants under the Emergency Rental Assistance programs for households unable to pay rent or utilities due to COVID-19. To help ensure that these funds are used in accordance with program rules, certain grantees must undergo compliance audits. However, we found that OMB did not provide specific guidance on how to conduct such audits for these programs. We recommended OMB issue specific guidance. In response, OMB issued guidance in May 2022, which will help auditors identify and report issues with how these funds are used and Treasury better oversee this program. ( <a href="#">GAO-22-105291</a> )
<b>Improving Information on Psychotropic Drugs Prescribed to Children in Foster Care</b>	We previously reported that some foster children were prescribed psychotropic medications at rates higher than nonfoster children. In 2014, we reported that states could improve oversight of psychotropic drugs prescribed to children in foster care who receive health care through managed care organizations. We recommended that HHS issue guidance to state Medicaid, child-welfare, and other officials to improve monitoring of these prescriptions. In March 2022, we confirmed that HHS took these steps. Doing so will help ensure children in foster care receive the appropriate health care for their conditions. ( <a href="#">GAO-14-362</a> )



## Support Congressional Oversight of Crosscutting Issues, Major Management Challenges, and Program Risks

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

Civil monetary penalties are an important element of regulatory enforcement. Suitably severe penalties allow federal agencies to punish willful and egregious violators appropriately and deter future violations. However, we found that agencies were unable to fully adjust their civil penalties for inflation under current law. In response, Congress enacted statutory amendments that allow agencies to more fully adjust civil penalties for inflation. The Congressional Budget Office estimated that this would lead to increases in government revenue of \$160 million in FY 2022. ([GAO-03-409](#))

### Increasing Transparency Over the Use of COVID-19 Funds

Congress provided \$500 billion to the Treasury to distribute to state and local governments for COVID-19 relief starting in March 2020. However, we found that Treasury did not fully consider reporting and oversight transparency of these funds. For example, Treasury did not always require that recipients identify how they used these funds. We recommended Treasury do so. In June 2021, Treasury released updated guidance, which can help ensure that COVID-19 funds are being used appropriately. ([GAO-21-551](#))

### Strengthening Cybersecurity at the Census Bureau

During the decennial census, the Census Bureau collected personal data on over 100 million households. In 2019, we found that it did not always complete cybersecurity corrective actions in a timely manner, increasing the risk that sensitive data could be improperly accessed. We recommended it do so. In response, the Bureau created a dashboard to track progress towards implementing cybersecurity corrective actions, established a new process for addressing them, and had zero delayed corrective actions as of December 2021. This has helped the Bureau better protect the data of millions of Americans. ([GAO-19-431T](#), [GAO-21-478](#), and [GAO-22-104357](#))

## Science and Technology Issues

### Implementing Technology Assessment Practices to Help Combat Biological Attacks

DHS started its BioWatch program in response to the 2001 anthrax attack to provide early warning of similar terrorist attacks. DHS is working to upgrade the BioWatch system with new technologies, including machine learning. However, in 2021, we found that DHS's plans to assess the readiness of this new technology did not fully adhere to GAO's best practices. We recommended that DHS fully incorporate our best practices for technology readiness assessments. In response, DHS updated its guidance in May 2022 to address each of the practices, which will help ensure that it is purchasing effective technology. ([GAO-21-292](#))

Source: GAO. | GAO-23-900398

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



Source: THANANIT/stock.adobe.com. | GAO-23-900398

## Strategic Goal 4

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

Our fourth strategic goal embraces the spirit of continuous and focused improvement in order to sustain high-quality, timely service to the Congress, while also implementing leading practices in our internal operations. Activities carried out under this goal also address our internal management challenges. The multi-year (FYs 2022-2027) strategic objectives under this goal are to:

- Empower GAO's diverse workforce to continue to excel in mission delivery through strategic talent management;
- Refine GAO's processes to deliver high-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 flexible environment.

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

The work supporting these objectives is performed under the direction of the CAO through the following offices: the Controller, 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 the Applied Research and Methods (ARM), STAA, and Financial Management and Assurance (FMA) mission teams; and the APQA, CR, Continuous Process Improvement, OGC, OO&I, OPA, and SPEL staff offices.

To accomplish our work under these three objectives, we performed internal studies and completed projects that further the strategic goal.

### Examples of Work under Goal 4

In FY 2022, as we entered the third year of the pandemic and continued to manage a largely remote workforce, we actively planned and prepared for our work beyond the pandemic. In addition, we continued to implement new ways of serving our congressional clients and providing our products to the public, and to collaborate with the domestic and international auditing community. Examples of this effort are included in this section, and are also discussed in [Part I \(Internal Management Challenges\)](#).

[Table 25](#) provides examples of Goal 4 accomplishments and contributions.

**Table 25: Goal 4 Accomplishments and Contributions**

<b>Empower GAO's Workforce to Excel in Mission Delivery through Strategic Talent Management</b>	
<b>Attract, hire, and retain a diverse, multi-disciplinary workforce</b>	<ul style="list-style-type: none"> <li>■ Enhanced the diversity of our applicant pipeline and expanded the network of colleges and universities our interns hailed from by participating in over 125 virtual recruiting events; sponsored virtual information sessions highlighting GAO's commitment to DEIA; and facilitated training with our campus managers and executives that laid out specific guidance and expectations for actively supporting efforts to reach diverse student populations.</li> <li>■ Hired 285 employees, 127 of whom comprised our entry-level Professional Development Program; in addition, we augmented critical hiring to provide expertise in key mission areas such as science and technology, health care, and data analytics.</li> <li>■ Successfully managed a year-round program for 213 analyst and operations interns and 93 entry-level staff, providing GAO with a continuous pipeline of vetted, well-trained staff to meet agency needs.</li> <li>■ Increased staff allocations in our field office locations, enabling more than 57 employees to transfer to locations of their preference.</li> </ul>
<b>Provide training and development programs to enhance employee skills</b>	<ul style="list-style-type: none"> <li>■ Continued to offer a variety of learning opportunities to staff on client relations; and updated courses to include the most recent Voice of the Client Survey findings.</li> <li>■ Launched a series of topical just-in-time courses that leveraged the insights of staff with expertise in client relations.</li> <li>■ Created and introduced a new course on GAO's writing style to help ensure consistency in our written products.</li> <li>■ Developed new courses on managing change, psychological safety, and congressional relations, and completed a learning needs assessment to identify critical leadership competencies.</li> <li>■ Used industry standard project management practices to manage work for all GAO engagements beginning January 2022, but for limited outliers.</li> </ul>

### Enhance and sustain a culture of diversity, equity, inclusion and accessibility

- Expanded our diversity, equity, and inclusion pillars by adding a fourth pillar—accessibility; these four pillars, measured by a new baseline set of questions in our annual employee experience survey, will allow GAO to better assess how it is meeting its people values in these focus areas.
- Developed and added a DEIA work area tag to our engagement management system to identify GAO products related to DEIA issues, thus facilitating collaboration within GAO and communication with our congressional clients and the public on these matters.
- Hosted virtual agency-wide connectedness day events in early FY 2022 featuring GAO’s robust historical collection of photos, documents, and other media to foster a greater sense of connectedness amongst GAO’s diverse workforce.
- 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:
  - Continued collaboration with all employee organizations on issues related to the pandemic and future of work, and implemented revised agreements, as needed, to address the pandemic’s evolution, e.g., masks, travel procedures, and voluntary re-entry.
  - Rolled out multiple technology solutions, including agency-wide distribution of laptops.
  - Finalized a 4-year pay agreement—Performance Based Compensation and Annual Adjustment (2023-2026) Memorandum of Agreement.

### Refine GAO’s Processes to Deliver Quality Results and Products and Promote Knowledge Sharing

#### Continue to enhance outreach to the Congress and audited entities

- Developed and launched a new “Snapshot” short-form report format ideal for smartphone access to provide overviews of broad topics based on previously issued work; examples include direct payments to individuals during the COVID-19 pandemic and healthy eating.
- Piloted a new client satisfaction survey that is shorter and smartphone-friendly to elicit more feedback from congressional staff.
- Developed a Client Relations Dashboard prototype that visually displays real-time information for a specific Senator, Representative, or Committee.
- Collaborated with the Congressional Staff Academy to offer courses to congressional staff on GAO products, our areas of expertise, and our services.
- Deployed a new GAO Antifraud web resource to help federal officials and the public better understand and combat fraud that affects the federal government.
- Deployed an interactive federal government contracting dashboard that details how the federal government spends contracting dollars, including which agencies obligated the most funds on contracts, what they bought, and whether the contracts were competed.
- Deployed an interactive Identification Verification Controls Simulator that allows managers of federal benefit program offices to explore methods to enhance identity verification through the use of hypothetical scenarios and synthetic data.

<b>Enhance GAO's foresight and strategic planning capacity</b>	<ul style="list-style-type: none"> <li>■ Published 12 trend papers covering areas such as science and technology, innovations in financial services, national security, cybersecurity, and infrastructure.</li> <li>■ Enhanced the availability and accessibility of the CAE's domestic course offerings to help enhance the auditing skills of over 2,400 participants from about 90 federal, state, local, and private sector organizations.</li> <li>■ Renewed agreements with international donors to continue and expand the CAE's ability to improve audit capacity of Supreme Audit Institutions in low- and middle-income countries.</li> </ul>
<b>Develop and continually improve government auditing standards</b>	<ul style="list-style-type: none"> <li>■ Updated the Financial Audit Manual that presents a methodology for financial statement audits of federal entities in accordance with professional standards, provided technical assistance on government auditing standards and the use of Standards for Internal Control in the federal government, and coordinated with OMB and the audit community on improving audit guidance for overseeing federal grant spending.</li> </ul>
<b>Enhance information sharing for the domestic and international accountability community</b>	<ul style="list-style-type: none"> <li>■ Launched our first-ever virtual International Auditor Fellowship Program for Supreme Audit Institutions in Latin America and the Caribbean.</li> <li>■ Chaired the Task Force that developed the Strategic Plan for the International Organization of Supreme Audit Institutions, covering the period 2023-2028.</li> <li>■ Led GAO's efforts to map its work to the United Nations Sustainable Development Goals and developed a related page on GAO's website showing that 68 percent of GAO's reports issued in 2021 related to at least one of the goals.</li> <li>■ Established partnerships with academic institutions, foundations, and organizations to expand the breadth and depth of learning opportunities through the Intergovernmental Audit Forums that address issues of accountability in their work.</li> </ul>
<b>Enhance GAO's communications, processes, and programs</b>	<ul style="list-style-type: none"> <li>■ Launched a new agency-wide learning management system; this system replaces several legacy systems, enabling staff to handle all of their learning activities in one platform.</li> <li>■ Continued to increase the integration between our Enterprise Risk Management, internal control, and fraud risk assessment programs, including documenting potential program risks and risk mitigation strategies, and conducting risk assessments to ensure the effectiveness of key controls.</li> <li>■ Deployed digital versions of the Yellow Book and GAO's Cost Estimating and Assessment and Schedule Assessment guides, which offer mobile-friendly access, the ability to bookmark sections, and enhanced search capabilities.</li> <li>■ Launched or expanded multiple new video series to broaden the reach and impact of our work; videos include director summaries of reports, motion-graphic-based promotional videos for reports, clips to help promote new podcasts, and employee testimonials to support recruiting efforts.</li> <li>■ Completed our pilot to produce streamlined, message-focused Highlights pages with plain language text and effective visuals to ensure our products meet busy users' needs; this project was awarded the ClearMark award by the Center for Plain Language in the Blogs and Summaries category.</li> </ul>

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

**Ensure a secure, cost-effective physical and technological infrastructure**

- Signed a 10-year lease renewal for a tenant in our HQ building, allowing us to increase revenue.
- Relocated our Chicago field office to a federally owned space.

**Empower staff with collaborative, integrated tools**

- Implemented a new secure network in HQ to provide additional capabilities for conducting work at the Top Secret/Secure Compartmented Information level.
- Implemented a new personnel security case management system and a continuous evaluation program to further enhance the administration, tracking, and review of security clearances.
- Developed and implemented a new automated scheduling system to achieve greater efficiencies in scheduling and conducting entry-level interviews.
- Enhanced video conferencing capabilities in meetings rooms to better support collaboration.


**Enhance tools that integrate crosscutting enterprise data to facilitate decision-making**

- Added new functionality to the system we use to track GAO's recommendations and accomplishments, allowing us to: provide more useful information to Congress on the status of open recommendations, give credit to agencies for interim efforts, track potential financial benefits, and more.
- Facilitated implementation of a new workspace reservation system to better accommodate a hybrid workforce and ensure the efficient management of physical space across all locations.
- Created and implemented a vaccine attestation system to capture and report historical and current COVID-19 employee vaccination status.

**Enable a dependable, mobile environment**

- Procured, configured, and distributed more than 3,000 new laptops to employees.
- Deployed the Microsoft Teams application agency-wide, including converting all telephone numbers and existing Skype meetings into Teams.

Source: GAO. | GAO-23-900398



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# PART III

## Financial Information

# Part III

## Financial Information



Source: kalafoto/stock.adobe.com. | GAO-23-900398

### From the Chief Financial Officer

November 15, 2022

This FY, as we all moved into the third year of the pandemic, GAO’s focus remains on our mission of accountability, transparency, and oversight. One measure of GAO’s success with these goals is that we continued to set the standard for excellence in government financial management. Once again, GAO’s financial statements, which are an integral part of our PAR, received an unmodified “clean” opinion. Our independent auditors found that GAO maintained, in all material aspects, effective internal control over financial reporting, there were no instances of non-compliance with the applicable laws and regulations, and our financial management systems substantially complied with the applicable requirements of 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 am proud to report that our FY 2021 PAR received the CEAR award from the Association of Government Accountants, our 21st consecutive award since we first applied in FY 2001.

The funding enacted for FY 2022 allowed GAO to continue hiring throughout the year and achieve 3,354 FTE positions, an increase of 145 FTEs over the prior year, strengthening GAO’s science and technology, government-wide cybersecurity, and healthcare auditing resources. These resources also ensured the continuance of our appropriations law capacity, which is a much-relied-upon resource for Members and Committees. Additionally, the enacted funding supported significant investments in accelerating IT modernization and cloud data management and storage solutions, replacement of aging laptops and monitors, as well as building security requirements and long-deferred infrastructure maintenance needs. GAO’s funding resources in FY 2022 continued to be bolstered by the \$77 million



received as part of the American Rescue Plan Act of 2021, which will remain available through FY 2025, to support oversight of the COVID-19 response and of funds provided in this act or any other act pertaining to the pandemic.

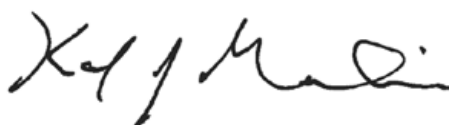
GAO utilizes a maturity model approach to incorporate Enterprise Risk Management and fraud risk assessment activities into our existing governance structure. Under the direction of the Chief Risk Officers, we (1) collaborated with stakeholders to update the enterprise risk profile for 2022 consistent with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*; (2) assessed the internal control over operations, reporting, and compliance; and (3) collaborated with internal stakeholders to conduct several fraud risk assessments of high-risk program areas, consistent with GAO's *A Framework for Managing Fraud Risks in Federal Programs*.

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 FMFIA and OMB Circular No. A-123 and its appendices.

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

The assessment found GAO was in compliance with the five components and 17 principles of the *Standards for Internal Control in the Federal Government* (Green Book) and provided reasonable assurance that internal control over reporting, operations, and compliance were operating effectively and efficiently for FY 2022. No material weaknesses or significant deficiencies were found in the design or implementation of the internal control system.

As we move forward managing a largely remote workforce, we keep our focus on our mission of accountability, transparency, and oversight. We believe that GAO will be in a strong position to address our upcoming challenges: continuing to thrive in the pandemic; envisioning the future of work; and establishing IT systems for the future of work. Our IT modernization accomplishments during FY 2022 created the infrastructure necessary to sustain a hybrid environment. Our strong internal control environment and risk assessment activities further support our ability to thrive in the pandemic by establishing structures that support strong financial practices, whether our staff are working inside or outside of the office. Efforts addressing these challenges will ensure GAO is successful in meeting our responsibilities to Congress and the American people.



Karl J. Maschino  
Chief Administrative Officer/  
Chief Financial Officer

# Audit Advisory Committee's Report

November 14, 2022

The Audit Advisory Committee assists the Comptroller General in overseeing the U.S. GAO's financial operations. As part of that responsibility, the Committee meets with agency management, its Inspector General, and its external auditors to review and discuss GAO's external financial audit coverage, the effectiveness of GAO's internal control over its financial reporting, and its compliance with certain laws and regulations that could materially impact GAO's financial statements. GAO's external auditors are responsible for expressing an opinion on the conformity of GAO's audited financial statements with accounting principles generally accepted in the United States of America. The Committee reviews the findings of the Inspector General and external auditors, and GAO's responses to those findings, to assure itself that GAO's plan for corrective action includes appropriate and timely follow-up measures. In addition, the Committee reviews the draft Performance and Accountability Report, including its financial statements, and provides comments to management who have responsibility for the Performance and Accountability Report. The Committee met three times with respect to its responsibilities as described above. During these sessions, the Committee met with the Inspector General and external auditors without GAO management being present and discussed with the external auditors the matters that are required to be discussed by generally accepted auditing standards. Based on procedures performed as outlined above, the Committee recommends that GAO's audited statements and footnotes be included in the 2022 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 2022 and 2021 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, 2022, and 2021, 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, 2022;
- GAO's financial management systems substantially complied with the applicable requirements of the Federal Financial Management Improvement Act (FFMIA) as of September 30, 2022; and
- No reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements we tested for fiscal year 2022 and no other matters.

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

### Report on the Audit of the Financial Statements, Internal Control over Financial Reporting and Systems' Compliance with FFMIA Requirements

#### Opinion on the Financial Statements

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. 22-01, *Audit Requirements for Federal Financial Statements* (OMB Bulletin 22-01). GAO's financial statements comprise the balance sheets as of September 30, 2022, and 2021, 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. 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, 2022, and 2021, 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.

<sup>1</sup> The RSI consists of the section titled "Management's Discussion and Analysis" on pages 1 to 61 of GAO's Performance and Accountability Report (PAR) and subsections titled "Deferred Maintenance and Repairs for Fiscal Year 2022" and "Land for Fiscal Year 2022" on pages 115 to 116, which are included with the financial statements.

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

## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion on Internal Control over Financial Reporting

We have audited GAO's internal control over financial reporting as of September 30, 2022, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act (FMFIA). In our opinion, the Government Accountability Office maintained, in all material respects, effective internal control over financial reporting as of September 30, 2022, based on criteria established under FMFIA.

However, we identified certain deficiencies in GAO's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies<sup>3</sup>. Nonetheless, these deficiencies warrant GAO management's attention. We have communicated these matters to GAO management and, where appropriate, will report on them separately.

### Opinion on Systems' Compliance with FFMIA

We have also audited GAO's financial management systems' compliance with certain requirements as prescribed in the FFMIA as of September 30, 2022. 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, 2022, based on criteria established under FFMIA for federal financial management systems. Our audit does not provide a legal determination of GAO's compliance.

### Basis for Opinions

We conducted our audits in accordance with U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements, Internal Control over Financial Reporting and Systems' Compliance with FFMIA section of our report. We are required to be independent of GAO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements, Internal Control over Financial Reporting, and Systems' Compliance with FFMIA

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) designing, implementing and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (5) assessing the effectiveness of internal control over financial reporting based on the criteria established under FMFIA; (6) its assessment about the effectiveness of internal control over financial reporting as of September 30, 2022, included in the accompanying management's Assurance Statements on Internal Control over Operations, Reporting, and Compliance in the

<sup>3</sup> 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. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A 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)

Introduction section of GAO's Performance and Accountability Report (PAR); and (7) implementing and maintaining financial management systems that are in substantial compliance with FFMIA requirements.

#### Auditors' Responsibilities for the Audits of the Financial Statements, Internal Control over Financial Reporting, and Systems' Compliance with FFMIA

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, about whether effective internal control over financial reporting was maintained in all material respects, about whether the financial management systems substantially complied with the three requirements in Section 803(a) of the FFMIA, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of financial statements or an audit of internal control over financial reporting conducted in accordance with *Government Auditing Standards* will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit of financial statements, audit of internal control over financial reporting and audit of systems' compliance with FFMIA in accordance with *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances.
- Obtain an understanding of internal control relevant to our audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate 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 reporting based on criteria established under FFMIA. We did not evaluate all internal controls relevant to operating objectives as broadly established under FFMIA, 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.

### INDEPENDENT AUDITORS' REPORT (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Examine, on a test basis, evidence about the entity's compliance 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.
- Perform other procedures we consider necessary in the circumstances

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

#### 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.

#### 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. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with *Government Auditing Standards*, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit 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. Management is responsible for the other information included in GAO's PAR. The other information comprises the information

### INDEPENDENT AUDITORS' REPORT (Continued)

included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **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.

#### 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 2022 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.

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

We performed our tests of compliance in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for Tests of Compliance section below.

#### Responsibilities of Management for Compliance with Laws, Regulations, Contracts, Grant Agreements, and Other Matters

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

#### Auditors' Responsibilities for Test of Compliance with Laws, Regulations, Contracts, Grant Agreements, and Other Matters

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. We caution that noncompliance may occur and not be detected by these tests.

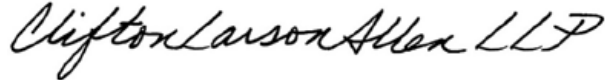
#### Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

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

**INDEPENDENT AUDITORS' REPORT (Continued)**

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**

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

Greenbelt, Maryland  
November 14, 2022



# 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 FYs displayed.
- Statements of budgetary resources, which present how budgetary resources were made available to us during the FY and the status of those resources at the end of the FY.

**Financial Statements**  
**U.S. Government Accountability Office**  
**Balance Sheets**

As of September 30, 2022 and 2021

(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
<b>Intragovernmental (Note 2)</b>		
Fund balance with Treasury	\$332,752	\$281,721
Accounts receivable	3,910	3,937
Advances and prepayments	4,744	-
<b>Total Intragovernmental</b>	<u>341,406</u>	<u>285,658</u>
<b>With the Public</b>		
Property and equipment, net (Note 3)	19,684	15,684
Other assets	400	275
<b>Total Assets</b>	<u>\$361,490</u>	<u>\$301,617</u>
<b>Liabilities (Note 4)</b>		
<b>Intragovernmental</b>		
Employer contributions and payroll taxes payable (Note 5)	\$8,098	\$6,890
FECA liability (Note 6)	1,802	1,814
Other liabilities (Note 7)	2,371	1,707
<b>Total Intragovernmental</b>	<u>12,271</u>	<u>10,411</u>
<b>With the Public</b>		
Accounts payable	14,337	11,360
Federal employee benefits payable (Note 6)	57,893	59,558
Other liabilities (Note 7)	38,151	32,098
<b>Total Liabilities</b>	<u>\$122,652</u>	<u>\$113,427</u>
<b>Net Position</b>		
Unexpended appropriations	\$152,415	\$141,470
Cumulative results of operations	86,423	46,720
<b>Total Net Position (Note 13)</b>	<u>\$238,838</u>	<u>\$188,190</u>
<b>Total Liabilities and Net Position</b>	<u>\$361,490</u>	<u>\$301,617</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 FYs Ended September 30, 2022 and 2021  
(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
<b>Net Costs by Goal</b>		
<b>Goal 1: Well-being / Financial Security of American People</b>		
Gross Costs	\$267,707	\$258,314
Less: reimbursable services	(460)	(517)
Net goal costs	<u>267,247</u>	<u>257,797</u>
<b>Goal 2: Changing Security Threats / Challenges of Global Interdependence</b>		
Gross Costs	181,282	156,581
Less: reimbursable services	-	-
Net goal costs	<u>181,282</u>	<u>156,581</u>
<b>Goal 3: Transforming the Federal Government's Role</b>		
Gross Costs	222,106	213,692
Less: reimbursable services	(15,382)	(15,150)
Net goal costs	<u>206,724</u>	<u>198,542</u>
<b>Goal 4: Maximize the Value of GAO</b>		
Gross Costs	14,395	14,615
Less: reimbursable services	-	-
Net goal costs	<u>14,395</u>	<u>14,615</u>
<b>Other Costs in Support of the Congress</b>		
Gross Costs	71,519	68,220
Less: reimbursable services	(1,834)	(1,731)
Net costs	<u>69,685</u>	<u>66,489</u>
Less: Reimbursable services not attributable to above cost categories (Note 8)	<u>(17,318)</u>	<u>(17,538)</u>
<b>Net Cost of Operations (Note 10)</b>	<u><u>\$722,015</u></u>	<u><u>\$676,486</u></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 FYs Ended September 30, 2022 and 2021**  
(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
<b>Unexpended Appropriations:</b>		
<b>Unexpended Appropriations, beginning of FY</b>	\$141,470	\$69,319
Appropriations received	744,230	748,139
Other adjustments	-	(231)
Appropriations used	<u>(733,285)</u>	<u>(675,757)</u>
<b>Net Change in Unexpended Appropriations</b>	10,945	72,151
<b>Unexpended Appropriations, end of FY</b>	<u>\$152,415</u>	<u>\$141,470</u>
<b>Cumulative Results of Operations:</b>		
<b>Cumulative Results of Operations, beginning of FY</b>	\$46,720	\$20,583
Appropriations used	733,285	675,757
Imputed financing - cost imputed to GAO relating to retirement benefits ( <a href="#">Note 5</a> )	28,426	26,852
Transfers In/Out and Other	7	14
Net Cost of Operations	<u>(722,015)</u>	<u>(676,486)</u>
<b>Net Change in Cumulative Results of Operations</b>	<u>39,703</u>	<u>26,137</u>
<b>Cumulative Results of Operations, end of FY</b>	<u>\$86,423</u>	<u>\$46,720</u>
<b>Net Position</b>	<u><u>\$238,838</u></u>	<u><u>\$188,190</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 FYs Ended September 30, 2022 and 2021**  
(Dollars in thousands)

	<u>2022</u>	<u>2021</u>
<b>Budgetary Resources (Note 11)</b>		
Unobligated balance from prior year budget authority, net	\$179,654	\$104,848
Appropriations	744,230	748,139
Spending authority from offsetting collections	<u>34,872</u>	<u>34,540</u>
<b>Total Budgetary Resources</b>	<u>\$958,756</u>	<u>\$887,527</u>
<b>Status of Budgetary Resources</b>		
New obligations and upward adjustments	\$760,352	\$722,221
Unobligated balance, end of year:		
Apportioned, unexpired account	207	293
Unapportioned, unexpired accounts	<u>193,748</u>	<u>161,418</u>
Unexpired unobligated balance, end of year	193,955	161,711
Expired unobligated balance, end of year	<u>4,449</u>	<u>3,595</u>
Total unobligated balance, end of year	<u>198,404</u>	<u>165,306</u>
<b>Total budgetary resources</b>	<u>\$958,756</u>	<u>\$887,527</u>
<b>Outlays, Net</b>		
Outlays, net	\$693,198	\$631,850
Distributed offsetting receipts	<u>(79)</u>	<u>(200)</u>
<b>Agency outlays, net</b>	<u>\$693,119</u>	<u>\$631,650</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 GAAP for the federal government. Accordingly, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. These principles differ from budgetary reporting principles used to prepare the statements of budgetary resources. The differences relate primarily to the capitalization and depreciation of property and equipment, as well as the recognition of other long-term assets and liabilities.

### *Intragovernmental Assets*

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

### *Fund Balance with Treasury*

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

## ***Accounts Receivable***

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

## ***Property and Equipment, Net***

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

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

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

## ***Liabilities***

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

## ***Accounts Payable***

Accounts payable consists of amounts owed to federal entities and commercial vendors for goods and services received.

## ***Federal Employee Benefits***

GAO recognizes its share of the cost of providing future pension benefits to eligible employees over the period 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 government-wide Civil Service Retirement and Disability Fund administered by OPM. This amount is considered imputed financing to GAO (see [Note 5](#)).

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

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

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

### ***Annual, Sick, and Other Leave***

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

### ***Contingencies***

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

### ***Estimates***

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

### ***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. Intragovernmental Assets**

### ***Fund Balance with Treasury***

GAO's Fund Balance with Treasury consists of only appropriated funds. The status of these funds as of September 30, 2022 and September 30, 2021, is as follows:



**Dollars in thousands**

	2022	2021
Fund Balance with Treasury	<u>\$332,752</u>	<u>\$281,721</u>
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	\$178,090	\$145,745
Unavailable	4,449	3,596
Obligated balance not yet disbursed	<u>150,213</u>	<u>132,380</u>
Total status of Fund Balance with Treasury	<u>\$332,752</u>	<u>\$281,721</u>

**Accounts Receivable**

The majority of the balance of intragovernmental accounts receivable is comprised of billings for certain program and financial audits of federal entities performed by GAO as well as for training and technical assistance services provided by the Center for Audit Excellence.

**Advances and Prepayments**

GAO's Advances and Prepayments consists of a prepaid interagency agreement (period from July 2022 through FY 2026) with the National Institutes of Health for the development of software.

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

The composition of property and equipment as of September 30, 2022, 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	132,455	\$124,404	8,051
Computer and other equipment and software	59,403	50,178	9,225
Leasehold improvements	<u>3,880</u>	<u>2,663</u>	<u>1,217</u>
Total property and equipment	<u>\$196,929</u>	<u>\$177,245</u>	<u>\$19,684</u>

Depreciation expense for property and equipment for FY 2022 is \$4,902,000.

The composition of property and equipment as of September 30, 2021 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	129,663	\$122,836	6,827
Computer and other equipment and software	59,746	52,738	7,008
Leasehold improvements	<u>3,013</u>	<u>2,355</u>	<u>658</u>
Total property and equipment	<u>\$193,613</u>	<u>\$177,929</u>	<u>\$15,684</u>

Depreciation expense for property and equipment for FY 2021 is \$5,695,000.

Information concerning deferred maintenance and repairs and estimated land acreage is discussed in the unaudited required supplementary information.

## 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, 2022 and September 30, 2021 is as follows:

### Dollars in thousands

	2022	2021
Intragovernmental liabilities—FECA liability**	\$1,802	\$1,814
With the Public—Federal employee benefits payable		
Comptrollers' General retirement plan*	2,343	2,670
Accrued leave	43,675	44,707
Actuarial FECA liability**	10,668	11,123
Liabilities not covered by budgetary resources	58,488	60,314
Liabilities not requiring budgetary resources	87	90
Liabilities covered by budgetary resources	64,077	53,023
Total liabilities	<u>\$122,652</u>	<u>\$113,427</u>

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

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

## Note 5. Federal Employee Benefits

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

In addition, all permanent employees are eligible to participate in the contributory Federal Employees' Health Benefits Program (FEHBP) and the Federal Employees' Group Life Insurance (FEGLI) Program and may continue to participate after retirement. GAO makes contributions through OPM to FEHBP and FEGLI for active employees to pay for their current benefits. GAO's contributions for active employees are recognized as operating expenses. Using the cost factors supplied by OPM, GAO has also recognized an expense in its financial statements for the estimated future cost of post-employment health benefits and life insurance for its employees. These costs are financed by OPM and imputed to GAO.

Amounts owed to OPM and Treasury as of September 30, 2022, and September 30, 2021, are \$8,098,000 and \$6,890,000, respectively, for FEHBP, FEGLI, FICA, FERS, and CSRS contributions and are shown on the balance sheets as Intragovernmental employer contributions and payroll taxes payable. Unfunded annual leave as of September 30, 2022 and September 30, 2021 is \$43,213,000 and \$44,207,000 respectively.

Details of the major components of GAO's federal employee benefit costs for the FYs ended September 30, 2022 and September 30, 2021 are as follows:

**Dollars in thousands**

<b>Federal employee benefits costs</b>	<b>2022</b>	<b>2021</b>
Imputed financing – cost imputed to GAO relating to retirement benefits:		
Estimated future pension costs (CSRS/FERS)	\$3,851	\$3,928
Estimated future post-employment health and life insurance (FEHBP/FEGLI)	24,575	22,924
Total	<u>\$28,426</u>	<u>\$26,852</u>
Pension expenses (CSRS/FERS) not including imputed benefit costs	\$77,126	\$68,296
Health and life insurance expenses (FEHBP/FEGLI) not including imputed benefit costs	\$29,996	\$28,559
FICA and Medicare payments made by GAO	\$31,236	\$28,966
Thrift Savings Plan – matching contribution by GAO	\$20,438	\$19,039

Comptrollers General and their surviving beneficiaries who qualify and elect to participate are paid retirement benefits by GAO under a separate retirement plan. These benefits are paid from current year appropriations. Because GAO is responsible for future payments under this plan, the estimated present value of accumulated plan benefits of \$2,343,000 as of September 30, 2022, and \$2,670,000 as of September 30, 2021, is included as a component of salary and benefit liabilities on GAO's balance sheets. The following table summarizes the changes in the actuarial liability for the current plan year:

**Dollars in thousands**

Actuarial liability as of September 30, 2021	\$2,670
Expense:	
Normal cost	153
Interest on the liability balance	67
Actuarial (gain)/loss:	
From experience	(520)
From assumption changes	147
Total expense	(153)
Less benefits paid	(174)
Actuarial liability as of September 30, 2022	<u>\$2,343</u>

## Note 6. FECA Liabilities

GAO recorded a liability for amounts paid to claimants by DOL as of September 30, 2022, and September 30, 2021, of \$1,802,000 and \$1,814,000, 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, 2022, and September 30, 2021, which is expected to be paid in future periods. This estimated liability of \$10,668,000 and \$11,123,000 as of September 30, 2022 and September 30, 2021, respectively, is reported on GAO's balance sheets as a component of federal employee benefits payable.

## Note 7. Other Liabilities

The components of Other Liabilities as of September 30, 2022 and September 30, 2021 are as follows:

### Dollars in thousands

	2022	2021
Intragovernmental		
Other liabilities with related budgetary obligations*	\$2,278	\$1,605
Liability to the General Fund of the US Government for custodial and other non-entity assets	87	90
Other post-employment benefits due and payable	<u>6</u>	<u>12</u>
Total Intragovernmental	2,371	1,707
With the Public		
Accrued funded payroll and leave	29,266	25,852
Accrued liabilities with related budgetary obligations*	8,873	6,234
Other deferred revenue	<u>12</u>	<u>12</u>
Total with the Public	38,151	32,098
Total Other Liabilities	<u>\$40,522</u>	<u>\$33,805</u>

\*Other liabilities with related budgetary obligations present accrued liability estimated against budgetary obligations based on historical payment data, performance periods, and relevant financial information that are expected to be paid in the following FY.

## Note 8. Building Lease Revenue

In FY 2021, GAO entered into a lease agreement with the USACE to continue leasing the entire third floor, and part of the sixth floor, of the GAO HQ building with annual options to renew through FY 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 October 2022, USACE provided a notice of relinquishment of part of their third floor space effective February 28, 2023. This will reduce the future lease rental payments from USACE by approximately \$2,000,000 in FY 2023 and an average of approximately \$4,000,000 every year after through 2030. GAO is actively seeking new tenants for this space.

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

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

Rental revenue from space leased at the GAO HQ building for FY 2022 was \$15,634,000 (\$15,518,000 federal and \$116,000 non-federal) and FY 2021 \$15,814,000 (\$15,686,000 federal and \$128,000 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.” The other significant component was fees collected for services provided by the Center for Audit Excellence in FY 2022 of \$1,619,000 and FY 2021 of \$1,704,000. Total projected rental revenue for the future periods is as follows:

**Dollars in thousands**

<b>FY ending September 30</b>	<b>Federal**</b>	<b>Non-federal</b>	<b>Total projected rental revenue*</b>
2023	\$16,383	\$155	\$16,538
2024	16,812	109	16,921
2025	17,253	112	17,365
2026	17,401	115	17,516
2027	17,855	59	17,914
2028 and thereafter	<u>60,331</u>	<u>863</u>	<u>61,194</u>
Total	<u>\$146,035</u>	<u>\$1,413</u>	<u>\$147,448</u>

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

\*\*The projected federal rental revenue does not reflect the effect of the USACE lease space relinquishment discussed above, which occurred after the end of FY 2022.

## Note 9. Leases

### Operating Leases

GAO leases office space, predominately for field offices, from GSA and has entered into various other operating leases for office communication and computer equipment. Leases in buildings owned by the federal government are cancelable annually. Lease costs for office space for FYs 2022 and 2021 amounted to approximately \$6,366,000 and \$5,819,000, 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 9 years. Estimated future minimum lease payments are presented in the table below.

**Dollars in thousands**

<b>FY ending September 30</b>	<b>Total</b>
2023	\$6,296
2024	5,768
2025	4,849
2026	3,809
2027	3,553
2028 and thereafter	<u>8,427</u>
Total estimated future lease payments	<u>\$32,702</u>

## Note 10. Net Cost of Operations

GAO's total gross cost of operations for FY 2022 and 2021 amounted to \$757,009,000 and \$711,422,000, respectively. The statements of net cost show revenues from reimbursable services of \$34,994,000 in FY 2022 and \$34,936,000 in FY 2021 as an offset against the total cost by goal to arrive at net costs of \$722,015,000 and \$676,486,000 for FYs 2022 and 2021, respectively. Earned revenues that cannot be associated with a major goal or other cost category are shown in total as "Reimbursable services not attributable to above cost categories," the largest component of which is rental revenue from the lease of space in the GAO HQ building.

The largest cost item for GAO is salary and benefits expense. This expense includes post-employment benefit costs paid by OPM and imputed to GAO. The salary and benefits expense funding breakout for FYs ending September 30, 2022 and 2021 is as follows:

### Dollars in thousands

Salary and benefits expense funding	2022	% of total costs of operations	2021	% of total costs of operations
GAO paid salary and benefits	\$606,771	80.1%	\$579,843	81.5%
Benefits paid by OPM	28,426	3.8%	26,852	3.8%
Total salary and benefits expense	<u>\$635,197</u>	<b>83.9%</b>	<u>\$606,695</u>	85.3%

"Other costs in support of the Congress" represents cost 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 11. Budgetary Resources

Budgetary resources available to GAO during FYs 2022 and 2021 include current year appropriations, appropriation from the Inflation Reduction Act of 2022 (P.L. 117-169) to support the oversight of the act, supplemental appropriations for COVID-19 activities (see [Note 14](#)), prior years' unobligated balances, reimbursements earned by GAO from providing goods and services to other federal entities for a price (reimbursable services), and cost-sharing arrangements with other federal entities.

Reimbursements earned consist primarily of rent collected from USACE and DOJ for lease of space and related services in the GAO HQ building, fees collected for training and technical assistance services provided by the Center for Audit Excellence, as well as certain program and financial audits of federal entities, including components of 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 HQ building. Reimbursements from program and financial audits are available without limitations on their use and may be subject to annual

obligation ceilings. GAO's pricing policy for reimbursable services is to seek reimbursement for actual costs incurred, including overhead costs where allowed by law.

A comparison of GAO's FY 2021 statement of budgetary resources with the corresponding information presented in the 2023 President's Budget, is as follows:

**Dollars in thousands**

	Budgetary resources	Obligations incurred	Net Outlays
<b>FY 2021 Statement of Budgetary Resources</b>	<b>\$887,527</b>	<b>\$722,221</b>	<b>\$631,850</b>
Obligation adjustments, expired accounts	-	(9,125)	-
Unobligated balances, beginning of year (funds activity, expired accounts)	(2,662)	-	-
Recovery of prior year unpaid obligations	(3,690)	-	-
Permanently not available (funds activity, expired accounts)	231		
Recoveries of prior year paid obligations (expired accounts)	(6,640)	-	-
Other – rounding in President's Budget	(766)	(96)	150
<b>2023 President's Budget – FY 2021, actual</b>	<b>\$874,000</b>	<b>\$713,000</b>	<b>\$632,000</b>

As the FY 2024 President's Budget will not be published until February 2023, a comparison between the FY 2022 data reflected on the statement of budgetary resources and FY 2022 data in the President's Budget cannot be performed; however, we expect similar differences will exist. The FY 2024 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 FY 2022 and FY 2021 totaled \$90,894,000 and \$79,371,000, respectively. For FY 2022, undelivered orders were comprised of \$7,803,000 unpaid and \$4,744,000 paid with federal trading partners and \$78,347,000 unpaid with the public. For FY 2021, undelivered orders were all unpaid and is composed of \$7,405,000 with federal trading partners and \$71,966,000 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**

	2022	2021
Unobligated balance from prior year budget authority, net	\$179,654	\$104,848
Adjustments to budgetary resources made during current year:		
Downward adjustments of prior year undelivered orders	(6,271)	(3,787)
Downward adjustments of prior year delivered orders and other	(8,077)	(13,988)
Total unobligated balance, end of (prior) year	<u>\$165,306</u>	<u>\$87,073</u>

## Note 12. Reconciliation of Net Operating Costs to Net Outlays

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the federal government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and accrual information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays. Details of the relationship between net costs of operations and net outlays for the FYs ending September 30, 2022 and September 30, 2021 are as follows:

Dollars in thousands

	2022	2021
<b>Net Operating Cost</b>	<b>\$722,015</b>	<b>\$676,486</b>
<b>Components of Net Operating Cost Not Part of the Net Outlays</b>		
Property and Equipment Depreciation, Disposal and Revaluation	(4,965)	(5,766)
Increase/(decrease) in assets:		
Accounts receivable	(27)	(92)
Advances and prepayments	4,744	-
Other assets	125	(207)
(Increase)/decrease in liabilities not affecting Net Outlays:		
Accounts payable	(2,977)	(5,873)
Payroll benefits and liabilities	469	(4,244)
Other liabilities	(6,727)	(4,154)
Other financing sources:		
Imputed financing - cost imputed to GAO relating to retirement benefits*	(28,426)	(26,852)
<b>Total Components of Net Operating Cost Not Part of Net Outlays</b>	<b>(37,784)</b>	<b>(47,188)</b>
<b>Components of the Net Outlays That Are Not Part of Net Operating Cost</b>		
Acquisition of capital assets	8,967	2,552
Distributed offsetting receipts	(79)	(200)
<b>Total Components of the Net Outlays That Are Not Part of Net Operating Cost</b>	<b>8,888</b>	<b>2,352</b>
<b>Agency, outlays net</b>	<b>\$693,119</b>	<b>\$631,650</b>

\*See table in [Note 5](#) for breakdown.



## Note 13. 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 FYs ended September 30, 2022, and 2021, are as follows:

### Dollars in thousands

	2022	2021
Investment in property and equipment, net	\$19,684	\$15,684
Net reimbursable funds activity	124,914	91,165
Other (supplies inventory and accounts receivable with the public)	400	275
Liabilities not covered by, nor requiring, budgetary resources*	<u>(58,575)</u>	<u>(60,404)</u>
Cumulative results of operations	<u>\$86,423</u>	<u>\$46,720</u>

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

## Note 14. COVID-19 Activity

During FYs 2022 and 2021, GAO used resources to prepare for, and respond to, COVID-19. Enacted on March 27, 2020, H.R. 748, the CARES Act included mandates for GAO to carry out oversight of the federal government's response to COVID-19 and an appropriation of \$20 million for GAO to perform this work. In FY 2021, the Legislative Branch Appropriations Act of 2021 provided an additional \$10 million for this purpose. The separately enacted "American Rescue Plan Act" (Public Law No: 117-2) appropriated \$77 million to remain available until September 30, 2025 "to prevent, prepare for, and respond to Coronavirus and to support oversight of the Coronavirus response and of funds provided in this Act or any other Act pertaining to the Coronavirus pandemic."

Other audits that touched on COVID-19 related issues, but did not fall under one of the laws listed in the preceding paragraph, were completed using GAO's annual appropriations. Furthermore, the resources used to support our maximum telework stance and sanitation-related enhancements are considered COVID-19 related. These costs are reflected in GAO's annual appropriation column in the table below.

Section 19009 of the CARES Act also provided for salary reimbursements of employees of the Tiny Findings Child Care Center in the GAO building. Tiny Findings is a non-profit organization providing childcare services to GAO HQ employees and other interested parents. Public Law No: 116-159, the "Continuing Appropriations Act, 2021 and Other Extensions Act" enacted on October 1, 2020, extended the provisions of section 19009 of the CARES Act, authorizing GAO to reimburse the salaries incurred by Tiny Findings until the termination of the public health emergency declared pursuant to section 319 of the Public Health Service Act (42 U.S.C. 247d) resulting from the COVID-19 pandemic.

The tables below detail the composition of our COVID-19 related budgetary resources and obligations incurred for the FYs ended September 30, 2022 and September 30, 2021, as well as budgetary resources remaining available beyond September 30, 2022 and September 30, 2021. The funding provided to GAO by the CARES Act and the subsequent Legislative Branch Appropriations Act of 2021 were fully obligated as of September 30, 2021.

**Dollars in thousands as of FY ended September 30, 2022**

	American Rescue Plan Act of 2021 Appropriation	GAO Annual Appropriation
Budgetary Resources:		
Resources forward	\$55,997	N/A
Resources received	-	
Total Budgetary Resources	\$55,997	
Obligations incurred in FY 2022:		
Salaries and benefits	\$22,970	\$5,358
Tiny Findings Child Care Center	-	794
Other	94	865
Obligations incurred* 2022	\$23,064	\$7,017
Budgetary resources remaining as of September 30, 2022	\$32,933	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.

**Dollars in thousands as of FY ended September 30, 2021**

	CARES Act/ Legislative Branch Appropriations Act 2021	American Rescue Plan Act of 2021 Appropriation	GAO Annual Appropriation
Budgetary Resources:			
Resources forward	\$7,889	N/A	N/A
Resources received	\$10,000	\$77,000	
Total Budgetary Resources	\$17,889	\$77,000	
Obligations incurred in FY 2021:			
Salaries and benefits	\$17,411	\$20,994	\$1,651
Tiny Findings Child Care Center	300	-	1,163
Other	178	9	1,305
Obligations incurred* 2021	\$17,889	\$21,003	\$4,119
Budgetary resources remaining as of September 30, 2021	\$-	\$55,997	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 FY 2022

*Statement of Federal Financial Accounting Standards (SFFAS) 42, Deferred Maintenance and Repairs: Amending SFFAS 6,14, 29, and 32*, defines deferred maintenance and repairs as maintenance and repairs that were not performed when they should have been or were scheduled to be and are put off or delayed for a future period. SFFAS No. 42 requires disclosure of deferred maintenance details as required supplementary information for all general property and equipment.

GAO operates and maintains an approximately 2 million square foot headquarters facility. 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 3 to 5 years and identify deferred maintenance. Property and equipment in less than “fair” condition increases risk to continuity of operations and often requires significantly more maintenance than property and equipment in better condition.

GAO’s deferred maintenance and repairs relate to capitalized general property and equipment as well as to non-capitalized or fully depreciated general property and equipment. Maintenance and repair needs are first prioritized based on health, safety, and regulatory considerations. Once this is accomplished, needs are then ranked based on the condition ratings and condition category ratings obtained during the condition assessment site survey. Rankings are generally adjusted to take into account current capital improvement efforts underway, future capital improvement plans, asset disposal plans, and budgetary funding outlook.

GAO’s latest, formal, contracted Facility Condition Assessment (FCA) was limited to mechanical, electrical, and plumbing capital assets (over \$25,000) for the GAO HQ building and was completed in FY 2016. In addition, GAO facilities staff and their contractors assess the building on a continuous basis. In FY 2019, GAO reviewed our 2016 Asset Management Plan and updated costs. GAO has procured the services of an Architectural Engineering (AE) firm to conduct a full asset management study—to include architectural, structural, and landscape items—along with all infrastructure elements. This contract was awarded in the fourth quarter of FY 2021. The FCA being conducted by the AE firm should be finalized in FY 2023, followed by sample data validation by Facility Management and Services staff with an updated FCA and a 5-year Asset Management Plan in FY 2023.


In FY 2021, GAO refreshed a number of the interior building finishes and completed the design for some of its heating, ventilation, and air conditioning (HVAC) upgrades through an AE firm. GAO has procured the construction phase of those HVAC projects, which has begun and is scheduled to be completed in FY 2023 or FY 2024 barring supply-chain delays. 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 data and in-house assessments (FYs 2016 and 2017)—is approximately \$74,890,000, as of the FY that ended on September 30, 2022.

**Dollars in thousands**

Deferred Maintenance and Repair Costs	September 30, 2022	September 30, 2021
General property and equipment	\$74,890	\$79,532

**Land for FY 2022**

GAO owns a single 6.4 acre parcel of land in Washington, DC where its headquarters is located. The land's predominant use is for operational purposes.



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  
U.S. Government Accountability Office

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**Date:** October 12, 2022  
**To:** Comptroller General Gene L. Dodaro  
**From:** Inspector General L. Nancy Birnbaum  
**Subject:** GAO Management Challenges

A handwritten signature in black ink, appearing to be "L. Nancy Birnbaum".

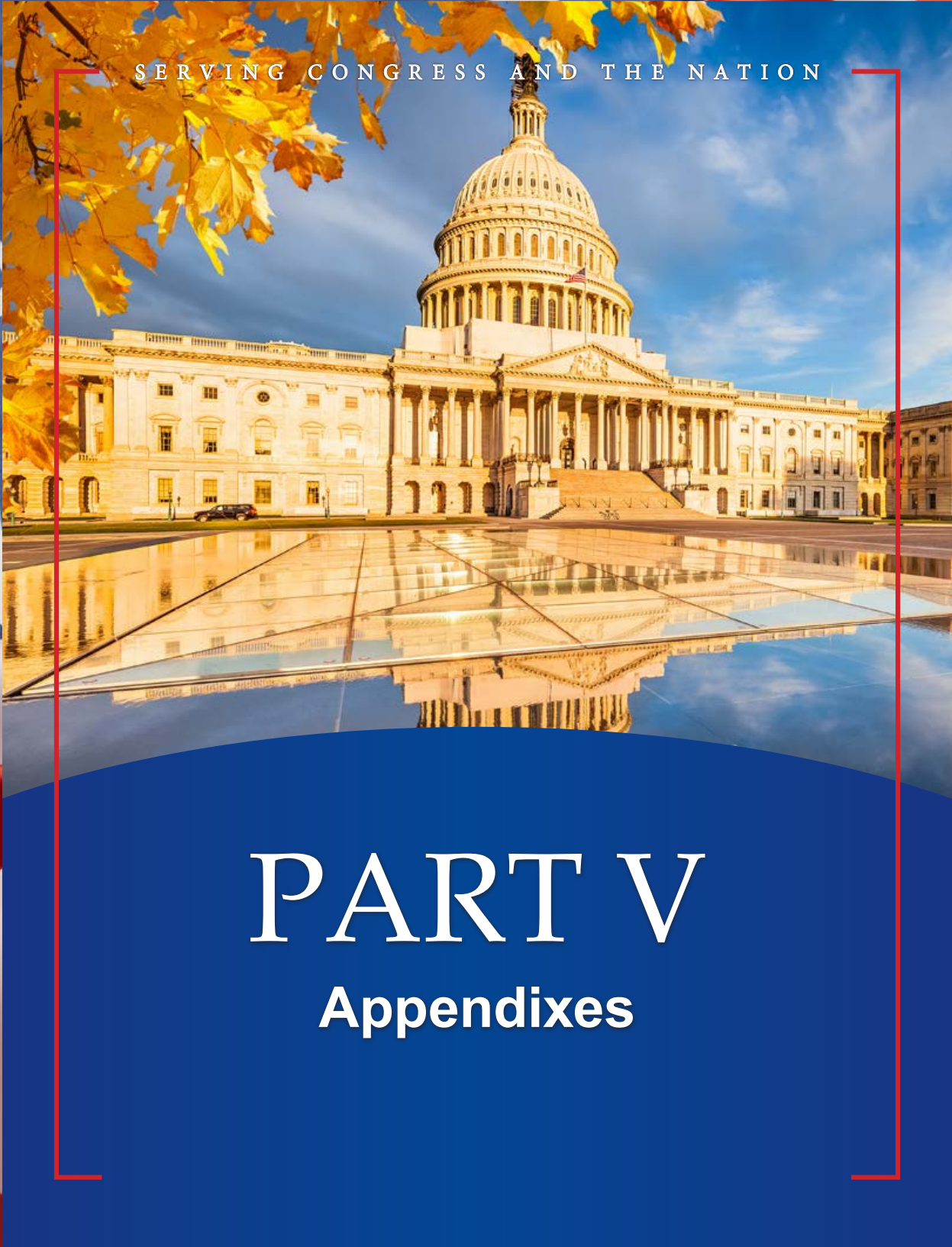
GAO describes its FY2022 management challenges as: continuing to thrive in the pandemic, envisioning the future-of-work, establishing Information technology (IT) systems for the future-of-work, and improving the efficiency of engagements. These challenges are defined and heightened by the need to ensure the continuity of GAO's mission-critical activities, while prioritizing its resources in response to and continuing through the pandemic. However, GAO could better describe the significance of these challenges by providing underlying data to support them.

During the past year, GAO made further adjustments to operations and services to provide voluntary opportunities for staff to return to Headquarters, field offices, and other work sites. Pandemic-related workplace flexibilities and leave options continued to provide GAO employees the means to complete mission-critical work while maximizing their health and safety. While GAO has focused heavily on maintaining existing work and meeting congressional mandates, work conducted by the OIG has shown that the agency could more comprehensively communicate administrative policy changes to employees and contractors. As it considers prospective changes to its future work environment, GAO could take additional steps to ensure that all staff have a greater awareness of new agency-wide processes. For example, critical functions including onboarding, training and coaching, information security, and other operational changes may need continued adjustments for the post-pandemic workplace. Providing clear, consistent information and resources about administrative policy changes would further staff responsiveness and promote organizational efficiency.

GAO relies on its IT environment to fulfill its mission and administrative needs. Maintaining the security and productivity of the GAO network and safeguarding information are paramount for GAO, particularly as current and post-pandemic operations require enhanced connectivity and ease of access to meet the agency's obligations. GAO's contemporaneous transition to the cloud environment, implementation of a new document management system, and continued update of aging IT equipment is an area of risk that may affect operations. Past OIG work noted that the agency had not fully implemented practices in specific areas of scheduling, cost estimation, and requirements management. GAO has recently updated its guidance to follow industry-accepted standards, including its own guidance on project management practices. GAO will need to ensure an effective balance between engagement-related and operational targets: foremost, setting and upholding milestones for its planned initiatives and staffing projects with experienced managers.

GAO has demonstrated its ability to manage efficient and effective engagements during and post-pandemic. As it seeks to continue improvements in its IT environment, the agency's engagement efficiency may be impacted by updates to its network environment and electronic document management system. As it considers the future of its work environment, GAO will have to closely monitor the impact of permanent changes to its work posture to ensure it is meeting the needs of its congressional stakeholders and the public. GAO will need to ensure its staff are prepared with the technical and operational resources to continue the near-seamless transition it achieved at the start of the pandemic.

The OIG has previously highlighted infrastructure management as an additional challenge area. As GAO considers various future-of-work opportunities, it will need to take into consideration the impact that transition may have on the agency's existing headquarters and field leasing arrangements, including changes needed to accommodate teleworking or remote staff and the accompanying impacts on workspace.



SERVING CONGRESS AND THE NATION

# PART V

## Appendixes



# Appendix I: Abbreviations

AE	Architectural Engineering
APQA	Audit Policy and Quality Assurance
ARM	Applied Research and Methods
CAE	Center for Audit Excellence
CAO	Chief Administrative Office
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act
CDC	Centers for Disease Control and Prevention
CEAR	Certificate of Excellence in Accountability Reporting
CMS	Centers for Medicare & Medicaid Services
COVID-19	Coronavirus disease 2019
CPA	Certified Public Accountant
CR	Congressional Relations
CSAT	Customer Satisfaction Survey
CSRS	Civil Service Retirement System
DEA	Drug Enforcement Administration
DEIA	Diversity, Equity, Inclusion, and Accessibility
DHS	Department of Homeland Security
DOD	Department of Defense
DOE	Department of Energy
DOJ	Department of Justice
DOL	Department of Labor
DOT	Department of Transportation
DPM	designated performance manager
EES	Employee Experience Survey
EPA	Environmental Protection Agency
ERM	Enterprise Risk Management
FAA	Federal Aviation Administration
FAIS	Forensic Audits and Investigative Service
FCA	Facility Condition Assessment
FCI	Facility Condition Index
FDA	Food and Drug Administration
FECA	Federal Employees' Compensation Act
FEGLI	Federal Employees' Group Life Insurance Program
FEHBP	Federal Employees' Health Benefits Program
FERS	Federal Employees' Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FICA	Federal Insurance Contributions Act
FISMA	Federal Information Security Modernization Act
FMA	Financial Management and Assurance
FMFIA	Federal Managers' Financial Integrity Act
FTE	full-time equivalents
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
G-Invoicing	Government Invoicing
GPRA	Government Performance and Results Act
GPRAMA	GPRA Modernization Act
GSA	General Services Administration
GTAS	Government-wide TAS ATB System

HCO	Human Capital Office
HHS	Department of Health and Human Services
HQ	headquarters
HRSA	Health Resources and Services Administration
HUD	Housing and Urban Development
HVAC	heating, ventilation, and air conditioning
IG	Inspector General
INTOSAI	International Organization of Supreme Audit Institutions
IPERA	Improper Payments Elimination and Recovery Act
IRS	Internal Revenue Service
IT	Information Technology
LBFMS	Legislative Branch Financial Management System
Matters	Matters to the Congress
NASA	National Aeronautics and Space Administration
NFC	National Finance Center
NIST	National Institute of Standards and Technology
NPS	National Park Service
NSF	National Science Foundation
ODNI	Office of the Director of National Intelligence
OGC	Office of the General Counsel
OIC	Office of Internal Control
OIG	Office of Inspector General
OMB	Office of Management and Budget
OO&I	Office of Opportunity and Inclusiveness
OPA	Office of Public Affairs
OPM	Office of Personnel Management
OSHA	Occupational Safety and Health Administration
PAR	Performance and Accountability Report
PPP	Paycheck Protection Program
ROI	Return on Investment
RPS-AM	Results Phase System—Accomplishments Module
SAI	Supreme Audit Institutions
SBA	Small Business Administration
SES	Senior Executive Service
SFFAS	Statement of Federal Financial Accounting Standards
SPEL	Strategic Planning and External Liaison
STAA	Science, Technology Assessment, and Analytics
TSA	Transportation Security Administration
U.S.	United States
U.S.C.	United States Code
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USPS	U.S. Postal Service
VA	Department of Veterans Affairs
WMATA	Washington Metropolitan Area Transit Authority

# Appendix II: Data Quality

## Verifying and Validating Performance Data

Each year, we measure our performance in four areas: (1) the results of our work, (2) client service, (3) people management, and (4) 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 26](#). See [Setting Performance Targets](#) for related information.

**Table 26: How We Ensure Data Quality for Our Annual Performance Measures**

Results measures	
Financial benefits	
<b>Definition and background</b>	<p>Our work—including our findings and recommendations—may produce benefits to the federal government that can be estimated in dollar terms. A financial benefit is an estimate of the federal cost reduction of agency or congressional actions. These financial benefits generally result from work that we completed over the past several years. The estimated benefit is based on actions taken in response to our work, such as reducing government expenditures, increasing revenues, or reallocating funds to other areas.</p> <p>Financial benefits included in our performance measures are net benefits—that is, estimates of financial benefits that have been reduced by the costs associated with taking the action that we recommended. For financial benefits covering 1 or more years, we convert all estimates involving past and future years to their net present value and use actual dollars to represent estimates involving only the current year. In some cases, we can claim financial benefits over multiple years based on a single agency or congressional action.</p> <p>Financial benefits are linked to specific recommendations or other work. To claim that financial benefits have been achieved, our staff must file an accomplishment report documenting that (1) the actions taken as a result of our work have been completed or substantially completed, (2) the actions generally were taken within 2 fiscal years prior to the filing of the accomplishment report, (3) a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed, and (4) estimates of financial benefits were based on information generally obtained from non-GAO sources.</p> <p>To help ensure conservative estimates of net financial benefits, reductions in operating costs are typically limited to 2 years of accrued reductions, but up to 5 fiscal years of financial benefits can be claimed if the reductions are sustained over a period longer than 2 years. Multi-year reductions in long-term projects, changes in tax laws, program terminations, or sales of government assets are limited to 5 years. Financial benefits can be claimed for past or future years. For financial benefits involving events that occur on a regular but infrequent basis—such as the decennial census—we may extend the measurement period until the event occurs in order to compute the associated financial benefits using our present value calculator.</p> <p>Managing directors decide when their staff can claim financial benefits. A managing director may choose to claim a financial benefit all in 1 year or over several years, if the benefit spans future years and the managing director wants greater precision as to the amount of the benefit.</p>
<b>Data sources</b>	<p>Our Results Phase System-Accomplishments Module (RPS-AM) provides the data for this measure. Teams use this web-based data system to prepare, review, and approve accomplishments and forward them to our APQA office for review. Once accomplishment reports are approved, they are loaded into our data warehouse, which feeds official reports in our Business Intelligence Analytics.</p>

<b>Verification and Validation</b>	<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.</p> <p>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 FY 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 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 FY 2022, APQA approved accomplishment reports covering about 99 percent of the dollar value of financial benefits we reported.</p> <p>In FY 2022, 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 FY 2022 reported financial benefits reflect the views of the independent reviewers.</p>
<b>Data limitations</b>	<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 primarily on information from non-GAO sources and are based on both objective and subjective data, and as a result, professional judgment is required in reviewing accomplishment reports. We believe that the verification and validation steps that we take minimize any adverse impact from this limitation.</p>
<b>Other benefits</b>	
<b>Definition and background</b>	<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>
<b>Data sources</b>	<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 review. Once accomplishment reports are approved, they are loaded into our data warehouse, which feeds official reports in our Business Intelligence Analytics.</p>

<b>Verification and validation</b>	<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>
<b>Data limitations</b>	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.
<b>Percentage of products with recommendations</b>	
<b>Definition and background</b>	<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 these products that are issued during the fiscal year and contain recommendations. This indicator recognizes that our products do not always include recommendations. Beginning in FY 2015, GAO's PAR no longer includes in its calculation of percentage of products with recommendations those products that include Matters for Congressional Consideration (Matters), but no recommendations to federal agencies. We did not recalculate the percentage of these products with recommendations to exclude Matters for years prior to FY 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>
<b>Data sources</b>	Our Publications Database incorporates recommendations from products as they are issued. The database is updated daily.
<b>Verification and validation</b>	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.
<b>Data limitations</b>	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.
<b>Past recommendations implemented</b>	
<b>Definition and background</b>	<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 FY 2022 implementation rate is the percentage of recommendations made in FY 2018 products that were implemented by the end of FY 2022).</p> <p>Beginning in FY 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 FY 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>
<b>Data sources</b>	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.

<b>Verification and validation</b>	<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 Inspector General. 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>
<b>Data limitations</b>	<p>This 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.</p>
<b>Client measures</b>	
<b>Testimonies</b>	
<b>Definition and background</b>	<p>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.</p> <p>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.</p> <p>In FY 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 FY 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.</p>
<b>Data sources</b>	<p>The data on testimonies are compiled in our Engagement Management System managed by staff in our mission teams.</p>
<b>Verification and validation</b>	<p>The team responding to a request for a testimony is responsible for entering data into the Engagement Management System. After a team has testified at a hearing, the team records the date the hearing took place in the Engagement Management System. Congressional Relations provides weekly status reports to unit managers, who check to make sure that the data are complete and accurate.</p>
<b>Data limitations</b>	<p>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 fiscal 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 fiscal year. To mitigate this limitation, we may 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.</p>

Timeliness	
<b>Definition and background</b>	<p>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 survey 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.</p> <p>In general, we send a form to key staff working for requesters of our testimony statements and to clients of our more significant written products—i.e., 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.”</p>
<b>Data sources</b>	<p>To identify the products that meet our criteria (testimonies and other products that are high interest or expected to reach 500 staff days or more), we run a query against our Publications Database, which is maintained by a contractor. To identify appropriate recipients of the form for products meeting our criteria, we ask the engagement teams to provide in our Product Distribution System, e-mail addresses for congressional staff serving as contacts on a product. Relevant information from both of these systems is fed into another system that is managed by CR staff. This database then combines product, form recipient, and data from our CR staff and creates an e-mail message with a web link to the form. CR staff serve as the contacts for form recipients. The e-mail message also contains an embedded client password and unique client identifier to ensure that a recipient is linked with the appropriate form. Our Client Feedback Database creates a record with the product title and number and captures the responses to every form sent back to us electronically.</p>
<b>Verification and validation</b>	<p>CR staff review released GAO products to check the accuracy of the addressee information in the Product Distribution System. They also check the congressional staff directory to ensure that form recipients listed in this system appear there. In addition, our CR staff review the list of form recipients entered by the engagement teams and identify the most appropriate congressional staff person to receive a form for each client. E-mail messages that are inadvertently sent with incorrect e-mail addresses automatically reappear in the form approval system. When this happens, CR staff correct the errors and resend the e-mail message.</p>
<b>Data limitations</b>	<p>Testimonies and written products that met our criteria for this measure were sent a client survey form, representing about 35 percent of the congressionally requested written products we issued during FY 2022. 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 18 percent, and 97 percent of those who responded answered the timeliness question. We received responses from one or more people for about 47 percent of the products for which we sent a form in FY 2022.</p>
People measures	
New hire rate	
<b>Definition and background</b>	<p>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, 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.</p>

<b>Data sources</b>	The Executive Committee approves the workforce plan. The workforce plan is coordinated and maintained by CAO. Data on accessions—that is, new hires coming on board—is taken from a database that contains employee data from USDA’s National Finance Center (NFC) database, which handles payroll and personnel data for us and other agencies.
<b>Verification and validation</b>	CAO maintains a database that monitors and tracks all our hiring offers, declinations, and accessions. In coordination with our Human Capital Office, our CAO staff enter workforce information supporting this measure into the CAO database. While the database is updated on a daily basis, CAO staff provide monthly reports to the Chief Operating Officer and CAO, which allows them to monitor progress by unit in achieving workforce plan hiring targets. CAO continually monitors and reviews accessions maintained in the NFC database against its database to ensure consistency and to resolve discrepancies.
<b>Data limitations</b>	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

<b>Definition and background</b>	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.
<b>Data sources</b>	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.
<b>Verification and validation</b>	CAO staff continually monitor and review accessions and attritions against their database that contains NFC data and follow up on any discrepancies. In FY 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.
<b>Data limitations</b>	See <a href="#">New hire rate</a> , <a href="#">Data limitations</a> .

### Staff development

<b>Definition</b>	The Staff Development metric assesses level of access to and usefulness of various types of staff training, including both informal and formal opportunities.
<b>Data sources</b>	<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>



<b>Verification and validation</b>	<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 EES instrument—including all questions and instructions, as well as the web-based design and navigation—was pre-tested in FY 2020 with staff across the agency to help ensure that the survey was clear, logical, effective, and provided a positive user experience. Where needed, questions, instructions, and design were refined through an iterative process to improve the survey quality.</p> <p>In FY 2021, the EES response rate was about 74 percent, which indicates that results are largely representative of the GAO population. In addition, work units receive their respective results, enabling them to understand or further analyze unit experiences and outcomes.</p>
<b>Data limitations</b>	<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. In FY 2020, we conducted multiple rounds of pre-testing for both the survey content and survey web-design to reduce the likelihood of respondents misinterpreting questions or erroneously navigating the survey. We also created a web-based survey for which respondents entered their answers directly into an electronic questionnaire, eliminating the possibility for potential errors in staff data entry.</p>
<b>Staff utilization</b>	
<b>Definition</b>	<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>
<b>Data sources</b>	<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>
<b>Verification and validation</b>	<p>See <a href="#">Staff development</a>, <a href="#">Verification and validation</a>.</p>
<b>Data limitations</b>	<p>See <a href="#">Staff development</a>, <a href="#">Data limitations</a>.</p>
<b>Experience with supervisors</b>	
<b>Definition and background</b>	<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. The question asking to staff to evaluate their DPMS was excluded from the index because it uses a different scale and the items comprising the index collectively provide a robust evaluation of DPMS. The EES additionally provides staff who may have another person directing their day-to-day work an opportunity to respond about their additional supervisor. As these questions were not applicable for all staff, they are excluded from the index.</p>

<b>Data sources</b>	<p>The Experience with Supervisors index score is based on staff's favorable responses to 13 EES items about staff's designated performance manager (DPM). Staff are asked to indicate the extent to which they agree or disagree with various statements about their DPM on a 5-point scale, ranging from strongly agree to strongly disagree. Favorable responses include the two most positive response categories—strongly agree and agree.</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>
<b>Verification and validation</b>	See <a href="#">Staff development</a> , <a href="#">Verification and validation</a> .
<b>Data limitations</b>	See <a href="#">Staff development</a> , <a href="#">Data limitations</a> .
<b>Organizational climate</b>	
<b>Definition and background</b>	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.
<b>Data sources</b>	<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>
<b>Verification and validation</b>	See <a href="#">Staff development</a> , <a href="#">Verification and validation</a> .
<b>Data limitations</b>	See <a href="#">Staff development</a> , <a href="#">Data limitations</a> .

## Internal operations measures

## Help get job done, improve quality of work life, and IT tools

<b>Definition and background</b>	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. To more effectively time the launch of our two annual agency-wide employee surveys— EES and CSAT—we are moving the launch of the CSAT survey from August to October. As a result, we will report our FY 2022 CSAT survey results in next year's PAR.
<b>Data sources</b>	<p>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.</p> <p>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.</p>
<b>Verification and validation</b>	<p>The survey is administered by GAO's Web Product Development Group in the ARM team. While the two managers of this unit can access individual responses, they comply with the privacy statement that is posted on the website to only provide aggregated data to GAO management that cannot be used to identify responses of any individual. We do not yet have data to report for FY 2022.</p> <p>To accomplish this for staff who are in the field, we report on their field location and do not include their team. For staff in HQ, we include only their team. Each unit responsible for administrative services conducts 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.</p>
<b>Data limitations</b>	<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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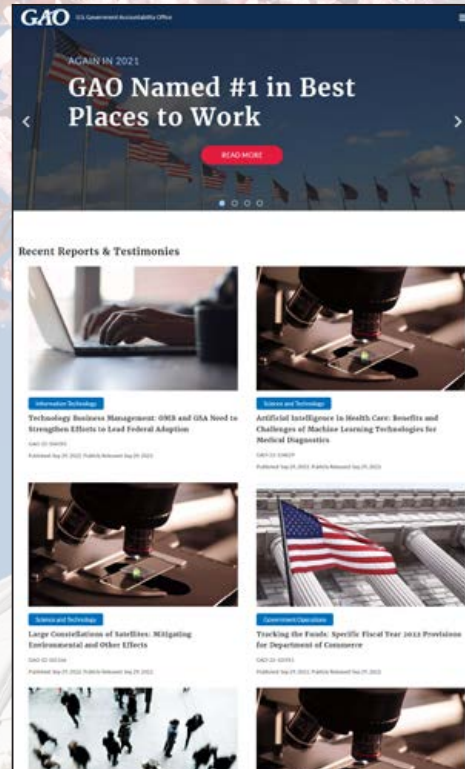
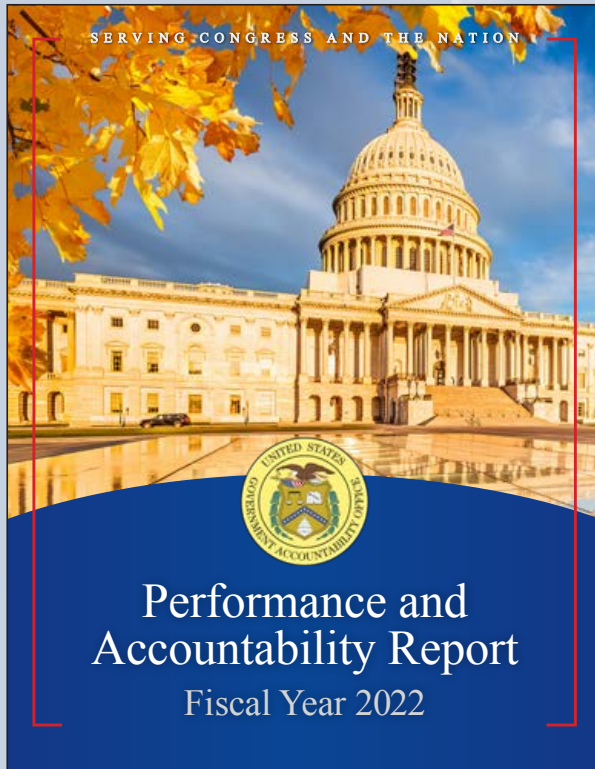
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