

SERVING CONGRESS AND THE NATION



# Performance and Accountability Report

## Fiscal Year 2023

# SERVING THE CONGRESS

## Mission

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

## GAO Core Values

### MISSION VALUES:

#### **Accountability**

Enhance the economy, efficiency, effectiveness, and credibility of the federal government

#### **Integrity**

Conduct professional, objective, fact-based, non-partisan, non-ideological, fair, and balanced work

#### **Reliability**

Produce timely, accurate, useful, clear, and candid products



### PEOPLE VALUES:

#### **Valued**

Seek out and appreciate each person's perspectives

#### **Respected**

Treat everyone with dignity

#### **Treated Fairly**

Foster a work environment that provides opportunities for all

## Scope of Work

GAO performs a range of oversight-, insight-, and foresight-related engagements, a vast majority of which are conducted in response to congressional mandates or requests. GAO's engagements include evaluations of federal programs and performance, financial and management audits, policy analyses, legal opinions, bid protest adjudications, and investigations.





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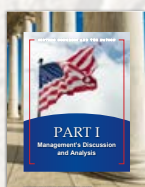
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# How to Use This Report

This report describes for the Congress and American taxpayer the United States (U.S.) Government Accountability Office's (GAO) performance measures, results, and accountability practices for Fiscal Year (FY) 2023 (October 1, 2022 through September 30, 2023). 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 2023 performance, a letter from the Comptroller General, and five parts, as follows:

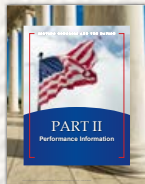


## Part I: Management's Discussion and Analysis

This section includes a statement attesting to the completeness and reliability of the performance and

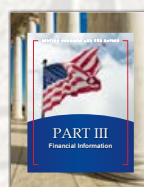
financial data in this report and the effectiveness of our internal control over financial reporting.

It includes a summary of our mission, organizational structure, strategies we use to achieve our goals, and processes for measuring our performance. In addition, it discusses our agency-wide performance results and use of resources in FY 2023. 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 2023 and our targets for FY 2024.



## Part III: Financial Information

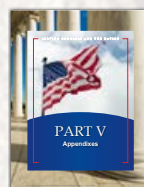
This section includes details on our finances in FY 2023, including a letter from our Chief Financial Officer, audited financial statements and notes, and the reports from our external auditor and

Audit Advisory Committee. This section also includes an explanation of the information each of our financial statements conveys.



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

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



## Part V: Appendixes

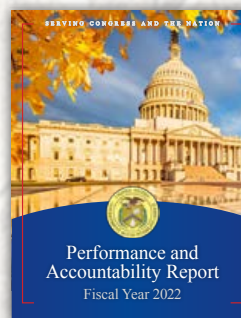
This section provides the report's abbreviations and describes how we ensure the completeness and reliability of the data for each of our performance measures.

## Awards

### 2022 CEAR Award

*Last year, the Association of Government Accountants awarded GAO (for the 22nd consecutive year) its Certificate of Excellence in Accountability Reporting (CEAR) for our Performance and Accountability Report (PAR) for FY 2022.*

*We also received a Special Best in Class award for Excellence in Presentation of Performance Results. The special award was for clear and concise performance highlights, including targets and results, and summary information on performance indicators. Further, it was for an excellent curation of examples to illustrate accomplishments and contributions toward the objectives and to capture the diversity of work that the agency performs and the breadth of agencies impacted.*





# A FY 2023 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 \$1.38 trillion in financial benefits and over 28,000 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 \$12.5 billion.

## Did you know?

In FY 2023:

–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 \$70.4 billion in financial benefits—a return of about \$84 for every dollar invested in GAO.

–GAO also identified 1,220 other benefits—those that cannot be measured in dollars but that led to program and operational improvements across the government.

–GAO reported on 37 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 160 reports, 24 testimonies, \$32.9 billion in financial benefits, and 468 other benefits.

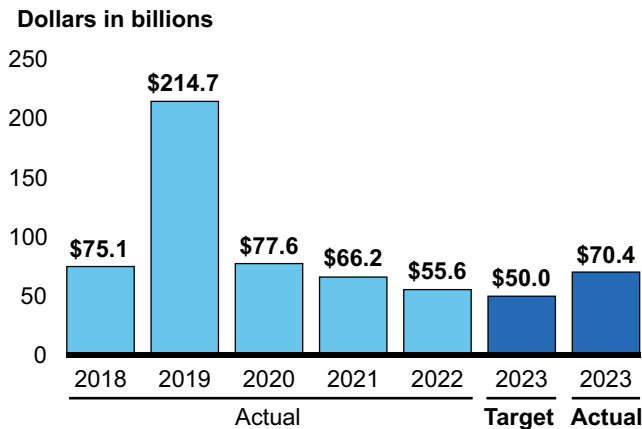
–GAO received requests for work from 93 percent of the full committees of the Congress.

–Senior GAO officials were asked to testify 57 times on a wide range of issues that touched virtually all major federal agencies.

–In March 2023, the Partnership for Public Service ranked GAO as first among mid-size federal agencies as a “best place to work” for the third consecutive year. GAO also ranked second in the Diversity, Equity, Inclusion, and Accessibility (DEIA) category.

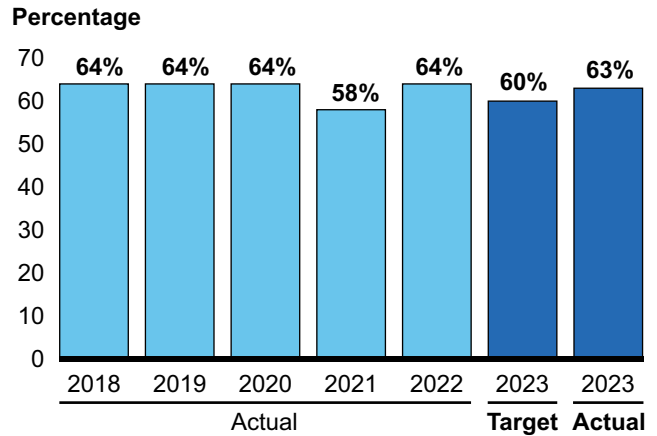
**Accountability ★ Integrity ★ Reliability**

Figure 1: Financial Benefits GAO Recorded



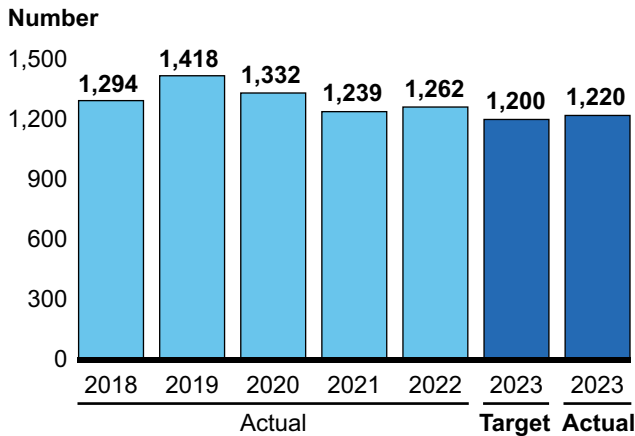
Source: GAO. | GAO-24-900483

Figure 4: Percentage of New Products with Recommendations



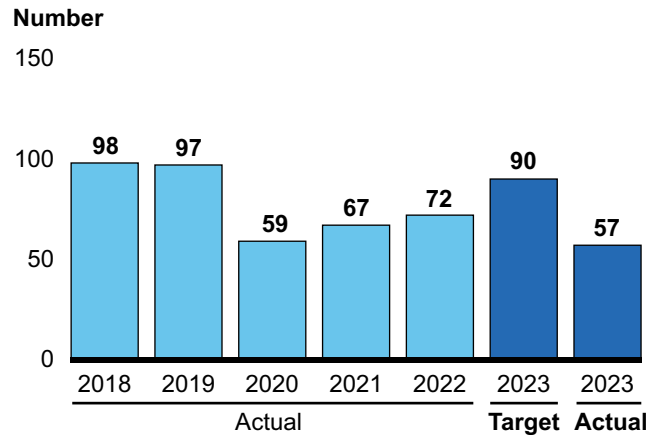
Source: GAO. | GAO-24-900483

Figure 2: Other Benefits



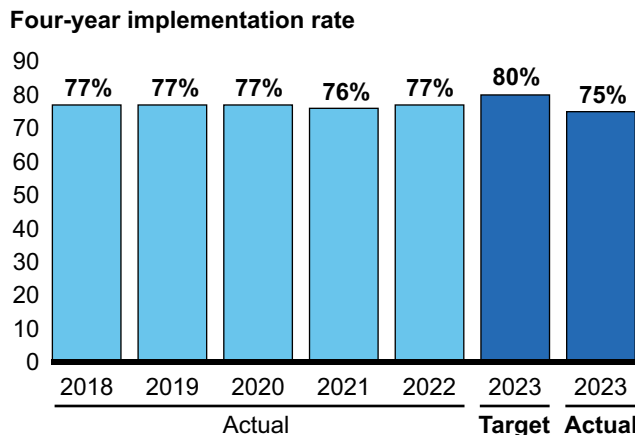
Source: GAO. | GAO-24-900483

Figure 5: Testimonies



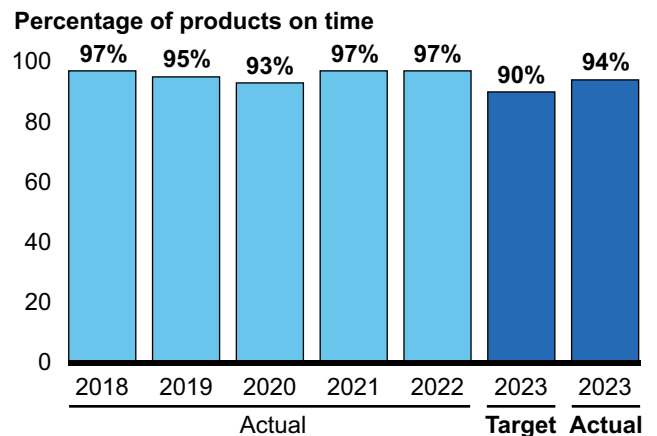
Source: GAO. | GAO-24-900483

Figure 3: Percentage of Past Recommendations Implemented



Source: GAO. | GAO-24-900483

Figure 6: Timeliness



Source: GAO. | GAO-24-900483

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**

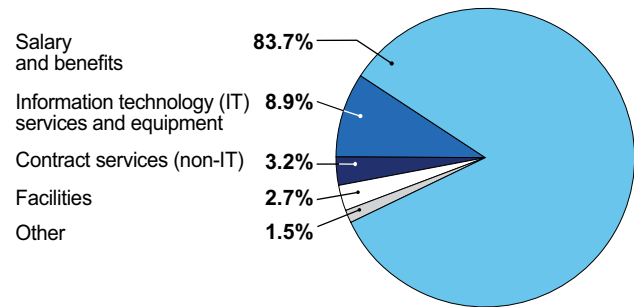
	FY 2023	FY 2022
Clean opinion on financial statements	Yes	Yes
Clean opinion on internal control over financial reporting	Yes	Yes
Timely and accurate Governmentwide TAS ATB system (GTAS) reporting	Yes	Yes
Material weaknesses in internal control	None	None
Significant internal control deficiencies	None	None

Source: GAO. | GAO-24-900483

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 2023 Funds by Category**

Percentage of total costs



Source: GAO. | GAO-24-900483

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

	FY 2023	FY 2022
Total Assets	\$385.6	\$361.5
Total Liabilities	\$120.9	\$122.7
Total Net Position	\$264.7	\$238.8
<b>Net Cost of Operations by Goal</b>		
Goal 1: Well-being/Financial Security of American People	\$285.7	\$267.2
Goal 2: Changing Security Threats/Challenges of Global Interdependence	254.5	181.3
Goal 3: Help Transform the Federal Government to Address National Challenges	211.3	206.7
Goal 4: Maximize the Value of GAO	17.3	14.4
Other Costs in Support of the Congress	67.5	69.7
Reimbursable services not attributable to above cost categories	(20.2)	(17.3)
<b>Total Net Cost of Operations</b>	<b>\$816.1</b>	<b>\$722.0</b>
Actual Full-time Equivalent (FTE)	3,483	3,354

Source: GAO. | GAO-24-900483

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



## What's Next? Future Challenges and Priorities

### The Nation's Unsustainable Fiscal Future

The federal government faces an unsustainable long-term fiscal future. Projections from the Office of Management and Budget (OMB), Treasury, the Congressional Budget Office, and GAO all show that current fiscal policy is unsustainable over the long term. At the end of FY 2022, debt held by the public was about 97 percent of gross domestic product (GDP). Debt held by the public is projected to reach a historical high of 106 percent of GDP within 10 years and to continue to grow at an increasing pace. GAO projects that this ratio could reach more than twice the size of the economy by 2051, absent any changes in revenue and spending policies. Moreover, spending on net interest will account for over 25 percent of all federal spending by 2051.

GAO has previously suggested that the Congress develop a plan to address the government's fiscal outlook and promote fiscal sustainability. 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.

### Impacts of Evolving Science and Technology

Innovations in science and technology produce transformative change, sometimes with tremendous benefits to the U.S. economy, individuals, and society. For example, artificial intelligence (AI) has the potential to transform virtually all sectors of American life by accelerating decision-making and automating monotonous tasks. However, such change can also lead to negative effects on privacy, equity, cybersecurity, and job security.

Since its establishment in 2019, our Science, Technology Assessment, and Analytics (STAA) team has served as a crucial resource for the Congress in understanding both the promise and the risks of emerging innovations. Its growing portfolio of ongoing and future work includes precision

agriculture, critical mineral recovery, technology transfer to foreign countries, and potential duplication in medical research. GAO's Innovation Lab continues to apply a hands-on approach to explore data science and emerging technology through experiments, with the goal of enhancing GAO's oversight capabilities in alignment with our strategic plan.

### 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, the cybersecurity of critical infrastructure, and the security of federal information systems.

### The Federal Government's Fiscal Exposure Due to Climate Change

Climate change poses risks to many environmental and economic systems and creates a significant fiscal risk to the federal government. For example, between FYs 2015-2022, selected appropriations for disaster assistance totaled \$365 billion. Our work will assist the Congress by enhancing the climate resilience of federal programs and critical infrastructure.

### Health Care Challenges

Health care spending now accounts for 29 percent of the federal budget and is one of the fastest growing federal expenditures. Our work will examine the sustainability and integrity of Medicare and Medicaid and oversee health care services.

See [Future Challenges and Priorities](#) for more information.





Source: Atomazul (eagle) and natara (sky) /stock.adobe.com. | GAO-24-900483

## From the Comptroller General

November 15, 2023

On behalf of our dedicated staff, I am pleased to present GAO's PAR for FY 2023. GAO's mission is to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people.

The Congress relies on GAO's nonpartisan, objective, and high-quality work to help inform its deliberations as well as oversight of the executive branch. GAO's work spans the full breadth and scope of the federal government's responsibilities and has helped change laws, improve public safety and other services, and promote better management throughout the government. This report provides an accounting to the American people of how the resources entrusted to us were used to support our mission and achieve results.

**Financial Benefits:** In FY 2023, we documented \$70.4 billion in financial benefits for the government—a return of about \$84 for every dollar invested in us. Our average return on investment (ROI) for the past 6 years is \$133 to \$1.

Examples of actions taken as a result of our work which significantly contributed to our FY 2023 financial benefits include: (1) the Congress permanently rescinding \$27.1 billion of unobligated COVID-19 funds per the Fiscal Responsibility Act of 2023, (2) OMB better leveraging the government's buying power by using fewer, larger contracts (\$13.1 billion), (3) the Small Business Administration (SBA) adding controls to prevent ineligible or fraudulent loans and grants for two COVID-19 programs (\$6.4 billion), and (4) Department of Energy (DOE) accelerating the cleanup of nuclear waste by developing a program-wide strategy (\$2.4 billion). These and other examples are discussed further in [Part I](#) and [II](#).

**Legislative Impacts:** In FY 2023, the Congress used GAO's work to inform key legislative decisions. Examples linked directly to GAO's work include:

- The **National Defense Authorization Act for FY 2023** contains more than 20 actions based on GAO work that would spur agency action on GAO's recommendations. For example, the law directs (1) the Department of Veterans Affairs (VA) to incorporate key practices when designing staffing models at Vet Centers, and develop a plan to regularly update the model to improve counseling services to military veterans and their families; (2) the Navy to develop a comprehensive plan for shipyard capital investment and other shipyard optimization practices to improve infrastructure to better support Navy operations; and (3) DOE and the Department of Defense (DOD) to establish a risk management framework for the nuclear weapons enterprise to further enhance how they manage risk and prioritize modernization efforts.
- The **Consolidated Appropriations Act for FY 2023** includes 40 directives based on GAO's recommendations. For example, the Act directs (1) the Department of Transportation (DOT) to develop a national aviation-preparedness plan for communicable diseases; (2) the Internal Revenue Service (IRS) to report on steps taken to address outstanding GAO and the Treasury Inspector General for Tax Administration's recommendations regarding security flaws and efforts to come into compliance with Federal Information Security Modernization Act and other security requirements; (3) the Department of Housing and Urban Development (HUD) to address remaining GAO recommendations related to lead paint in housing, including to improve the lead grant program and compliance monitoring processes; and (4) the Bureau of Indian Affairs to report on its actions to improve student absence data tracking and analysis.

Other Benefits: Many other benefits resulting from our work cannot be measured in dollars but lead to program and operational improvements. In FY 2023, we recorded 1,220 of these other benefits. For example, our work on **public safety and security**:

- Led the State Department to update its guidelines and the Department of Commerce to assign an outreach agent to help U.S. universities at risk of having foreign students share sensitive information, such as data or technology, with their home countries and comply with export control regulations;
- Prompted the National Highway Traffic Safety Administration (NHTSA) to research the effectiveness and costs of requiring trucks to have side underride guards to help prevent deaths from underride crashes; and
- Prompted the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) to conduct additional analysis, which resulted in the production of 36 intelligence products to help reduce firearms trafficking to Mexico.

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

- Led the Centers for Medicare & Medicaid Services (CMS) to better protect nursing home residents by requiring state survey agencies to make immediate referrals to law enforcement when there is a reasonable suspicion that a crime against a resident has occurred, but has not already been reported;
- Led the Department of Education to start a grant program to increase states' capacity to help schools—especially in high-poverty areas—fund necessary building improvements, such as updating heating, ventilation, and air conditioning systems (HVAC); and
- Prompted DOD to develop a more comprehensive sexual assault prevention approach for its civilian employees to further foster an environment free of sexual assaults.



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

- Prompted OMB to clarify guidelines to help federal agencies manage the risk of fraud, including following leading practices in [GAO's Fraud Risk Framework](#);
- Led the Treasury Department, which manages over \$31 trillion in federal debt, to implement IT controls to prevent unauthorized access to sensitive data and ensure IT systems work as intended; and
- Led VA to pause the deployment of its new health records system—a \$440 million savings— to prioritize recommended improvements, including independently validating that the system is suitable and effective.

**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 changing security threats and the challenges of global interdependence, and (3) help transform the federal government to address national challenges. Examples include:

**Protection of children and students.** We reported on (1) challenges states have faced using pandemic funding to help low-income families and essential workers access affordable child care; (2) safety and equity concerns related to dress code enforcement in K-12 schools; and (3) improving the delivery of nutritious meals to school children by establishing a systematic way to identify and address challenges and improve communication with states.

**Assistance to Veterans.** We reported on efforts and steps federal agencies, such as VA and DOD, could take to: (1) ensure equitable access to disability benefits for all veterans, (2) increase outreach to veterans in VA's Solid Start program that provides resources, such as mental healthcare, suicide prevention, and job training, and (3) better assess the effectiveness of programs that help servicemembers transition to civilian employment.

**Analysis of Science and Technology.** We continued to issue our Science & Tech Spotlights, which distill complex issues into 2-page summaries. We issued nine such products in FY 2023 in areas including generative AI, synthetic biology, and advanced batteries. We also issued in-depth Technology Assessments on various topics, including pandemic origin investigation, regenerative medicine, and fusion energy. Furthermore, we collaborated closely with Senate and House staff—including hosting them in STAA's Innovation Lab—to discuss wide-ranging challenges related to AI and support their efforts to develop AI legislation.

Our Innovation Lab also continues to develop ground-breaking data science and emerging technology prototypes across GAO. For example, the Lab deployed a prototype application for GAO users to explore and discover systemic trends and patterns within the entire Federal Audit Clearinghouse Single Audit Database. This will help highlight persistent and significant challenges across all programs receiving federally directed funding.

We also launched the Analytics Foundry, a dedicated cloud computing environment specifically built for GAO's complex and diverse analytical functions. This will help GAO staff securely transfer, store, and process data at scale, while ushering in new analytical

and collaborative possibilities. The Foundry will enhance GAO's ability to discover in-depth insights, develop foresights, and deploy digital solutions to increase oversight capacity.

**COVID-19 Response and Recovery.** In our over 200 reports on COVID-19 oversight since June 2020, we have made 396 recommendations to federal agencies and recommended 19 matters for congressional consideration. Our 11th oversight report issued in July 2023, includes several key data updates and five enclosures that summarize and highlight standalone reports issued from April 2022 (the date of our last comprehensive report) through April 2023. For example, our Improper Payments and Fraud enclosure highlights recommendations regarding risks to the Unemployment Insurance (UI), Emergency Rental Assistance, and Restaurant Revitalization Fund programs.

For example, in December 2022, we found that measures and estimates indicated substantial levels of fraud and potential fraud in UI during the pandemic. We recommended that the Department of Labor (DOL) develop and implement an antifraud strategy for UI programs consistent with leading practices from GAO's Fraud Risk Framework. DOL agreed with the recommendation and as of August 2023 the recommendation was partially addressed but remains open. In February 2023, we reiterated our list of 10 actions that the Congress could take to strengthen internal controls and financial and fraud risk management practices across the government. In September 2023, we estimated that the amount of fraud in the UI program during the pandemic was likely between \$100 billion to \$135 billion, or about 11 percent to 15 percent of the total benefits paid. Applying the principles of [GAO's Framework for Managing Improper Payments in Emergency Assistance Programs](#) can help address the increased risk of improper payments during emergencies.

**High-Risk.** In 2023, we reported that the Congress and executive agencies made substantial progress addressing high-risk issues since the previous High-Risk List update in 2021. Sixteen of 34 high-risk areas improved since 2021, which is the most progress in the 8 years since we started rating high-risk areas. We removed two of the 16 areas from the list: Pension Benefit Guaranty Corporation Insurance Programs and the 2020 Decennial Census. We have added three areas to our new 2023 High-Risk List since 2021: Strengthening Management of the Federal Prison System, Health and Human Services Coordination of Public Health Emergencies, and Unemployment Insurance System.

This FY, our high-risk work yielded \$32.9 billion in financial benefits, 468 other benefits, 160 reports, and 24 testimonies. Federal financial benefits due to progress in addressing high-risk areas during the past 18 years (FYs 2006-2023) totaled about \$714 billion.

**Fragmentation, overlap, and duplication.** In 2023, we issued our 13th annual report. This report identified 100 new matters and recommendations in 35 new areas that could reduce fragmentation, overlap, and duplication, or provide cost savings and opportunities to enhance revenue across the federal government. As of April 2023, the Congress and federal agencies had fully addressed 1,239 and partially addressed 144 of the 1,885 matters and recommendations, yielding about \$600 billion in financial benefits.

**Serving Our Clients:** In FY 2023, we received 647 requests for work from 93 percent of the full committees of the Congress—supporting a broad range of congressional interests. We issued 671 total products and made 1,345 new recommendations. We testified 57 times before 32 separate committees or subcommittees on topics including the 2023

bank failures, pandemic-related fraud, improving servicemembers' transition to civilian life, and using AI responsibly. The hard work and dedication of our diverse and professional multidisciplinary staff positioned GAO to achieve a 94 percent on-time delivery of our products in FY 2023.

We sent letters to the heads of most federal departments and several agencies—31 letters in 2023—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 agency heads and our teams continue to outreach with agency leadership.

This year, we also assisted the Congress with our timely response to two mandates that: (1) provided estimated ranges of potential financial benefits that could result from the implementation of all open GAO recommendations and matters (\$92 billion to \$182 billion of measurable potential financial benefits) and (2) cataloged the open matters to the Congress (218 open matters as of June 2023, which span a wide range of topics and involve many parts of the federal government). Action by the Congress to address open matters can produce billions of dollars in financial savings, improve the effectiveness of federal agencies and programs, and help position the nation to address future challenges.

Focusing on Our People: We exceeded or met six of our seven targets for our people measures—retention rate with retirements, retention rate without retirements, new hire rate, staff utilization, experience with supervisors, and organizational climate. We fell short on staff development by one percentage point.

GAO was again recognized as one of the best places to work in the federal government. In March 2023, the Partnership for Public Service ranked GAO as first among mid-size federal agencies as a “best place to work” for the third year in a row. We also ranked second in employees' perceptions regarding how committed we are to the tenets of DEIA.

Managing Our Internal Operations: In FY 2023, 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 created multiple, quick turnaround short-form products and improved the user experience on our public website, including a redesign of our “For Congress” resources.

We also identified and made progress addressing our three management challenges: (1) managing a quality workforce, (2) managing our IT systems, and (3) improving the efficiency of our engagements. We continued to identify the skillsets needed now and in the future, implement practices that connect employees, and manage our physical assets and resources as our hybrid workplace practices continue to evolve. We are addressing end-of-life systems and how best to protect our electronic assets.

Throughout FY 2023, we also made significant contributions to the domestic and international auditing communities. For example, almost 6,400 domestic practitioners attended virtual and in-person training on topics such as new and innovative approaches to auditing and data analytics. We also led the development of the International Organization of Supreme Audit Institutions (INTOSAI) 2023-2028 Strategic Plan. Our Office of General Counsel (OGC) provided ongoing appropriations law assistance to various congressional



committees and federal agencies, handled about 2,000 bid protests, and issued more than 600 decisions on the merits.

GAO remains dedicated to prudent financial management, maintaining data integrity, and ensuring reliability of financial reports. We again received an unmodified or “clean” opinion on our financial statements for FY 2023 from independent auditors. There was no reportable noncompliance for FY 2023 with internal control over financial reporting or provisions of applicable laws, regulations, contracts, and grant agreements tested. Our most recent external peer review conducted by a team of international auditors also resulted in a clean opinion on the effectiveness and appropriateness of our quality assurance framework. 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 2024 and beyond, we look forward to continuing to serve the Congress and the public on issues affecting the lives of all Americans.

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Gene L. Dodaro  
Comptroller General  
of the United States

SERVING CONGRESS AND THE NATION



# PART I

## Management's Discussion and Analysis



Source: GAO. | GAO-24-900483

## Management Assurance Statements

November 15, 2023

### 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 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, 2023, 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 (GAAP), 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, 2023, 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, *Management of Financial Management Systems - Risk and Compliance*, which contains guidance for determining 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 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 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: Maxim/stock.adobe.com. | GAO-24-900483

## 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 policymakers and agency heads on ways to make government work more efficiently.

As a legislative branch agency, we are exempt from many laws that apply to executive branch agencies; however, we generally hold ourselves to the spirit of

many such laws, including FMFIA; the Government Performance and Results Act (GPRA) Modernization Act of 2010 (GPRAMA); and the Federal Information Security Modernization Act of 2014 (FISMA).<sup>1</sup> Accordingly, the FY 2023 PAR provides information on GAO’s work, which we consider comparable to that reported by executive branch agencies that choose to prepare annual PARs in lieu of Agency Financial Reports.

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<sup>1</sup>FMFIA requires executive branch 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 (1982), codified at 31 U.S.C. § 3512(c)-(d). GPRAMA, Pub. L. No. 111-352 (2011) updated GPRA, Pub. L. No. 103-62 (1993), and requires executive branch agencies to prepare strategic plans, annual performance plans, and annual performance reports, among other things. FISMA, Pub. L. No. 113-283 (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 (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 was established 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.

### The Early Years



Inside the Pension Building.

Source: GAO Archives.

In response 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 headquarters (HQ) 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 government expenditures 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 workload 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 conducting broader, more comprehensive audits that examined the economy and efficiency of government operations. Instead of scrutinizing every government fiscal transaction, GAO began to review federal agencies' financial controls and management.

Beginning 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 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. Further, 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 IT. In 1986, GAO assembled a team of professional investigators, many with law enforcement backgrounds, to investigate allegations of possible criminal and civil misconduct.

## Recent Years



GAO 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. 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. GAO also began reporting the [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 and cost savings and revenue enhancement](#) in the government. Beginning with FY 2019, the Congress directed GAO to take steps to address its evolving science and technology needs and, in response, GAO established a Science, Technology Assessment, and Analytics team. Most recently, we have focused our attention on [COVID-19 oversight](#) and related expenditures.

Since 2002, GAO's work has resulted in \$1.38 trillion in financial benefits and over 28,000 program and operational benefits that helped change laws, improve public safety and other services, and promote better management throughout government.

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

## Mission

Our mission is to support the Congress in meeting its constitutional responsibilities, and 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 (goals 1, 2, and 3) and one internally focused goal (goal 4), 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

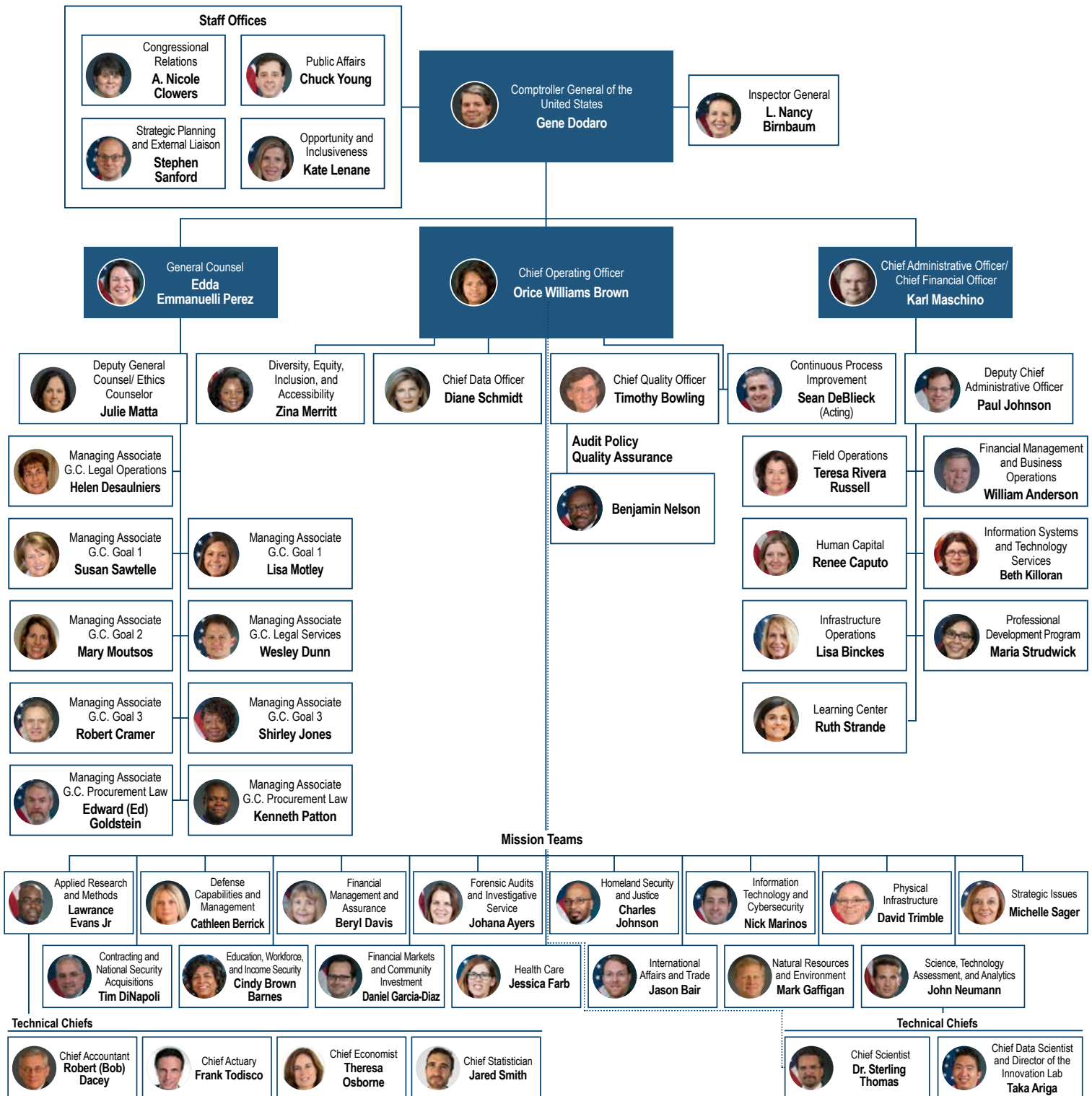
Source: GAO. | GAO-24-900483

## 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 and continue 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 and administrative offices that work to support the agency’s mission teams and Executive Committee, the 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 the 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 leadership 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 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 activities. In addition, the OIG investigates allegations concerning activities within GAO that may constitute the violation of any law, order, policy, 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

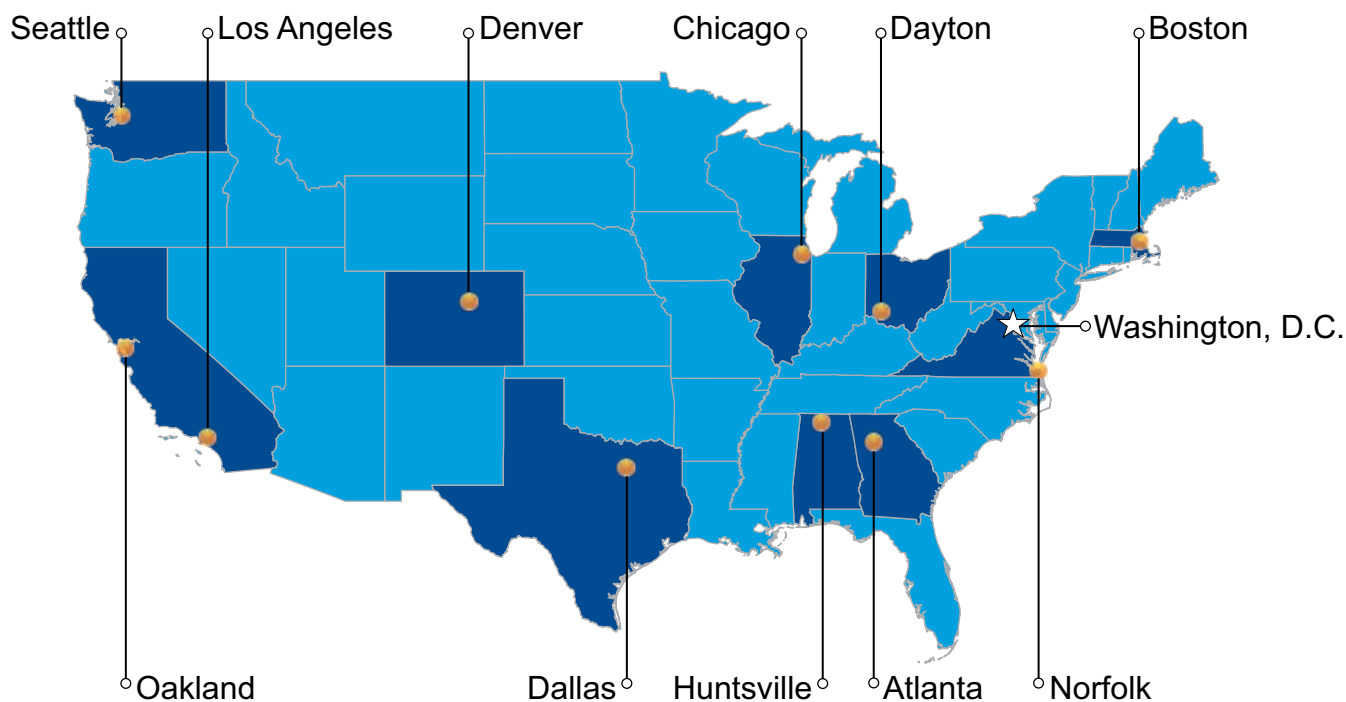
We maintain a workforce with expertise in many disciplines. These include accounting, law, engineering, public and business administration, economics, social and physical sciences, and data and IT.

Of GAO’s 3,545 employees, 70 percent are based at HQ in Washington, D.C. The

remaining employees are based 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-24-900483

## Strategic Planning and Foresight

We publish a [strategic plan](#) every 4 years to guide our work as we help policymakers 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, and 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-24-900483

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 the Congress 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 risks and provide opportunities for the federal government. As part of our planning effort, we outlined 12 broad trends (see [fig. 10](#)) with likely effects on government and society in the next 5 to 15 years.

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](#).



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-24-900483

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 (20)

Performance goals (96)

Key efforts (300+)

#### Example:

**Goal 3:** Help Transform the Federal Government to Address National Challenges  
**Strategic Objective 3.3:** Support Congressional Oversight of Crosscutting Issues, Major Management Challenges, and Program Risks

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

#### Key Efforts:

- Update progress in addressing high-risk areas with every new Congress and identify areas, if any, to be newly designated as high-risk
- Assist congressional and presidential transitions by highlighting key challenges and recommendations to improve the performance and accountability of the federal government and by assessing the administration's management agenda
- Monitor implementation of government-wide management reform initiatives, including risk management and the Program Management Improvement Accountability Act

## 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 the Congress and the public information from our work; 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 needed to meet our performance measures and goals.

Attaining our three externally focused strategic goals and their related objectives rests on providing the Congress objective, fact-based, nonpartisan, and balanced information it needs to execute its

constitutional responsibilities. We do so in a number of ways, including:

- Evaluations of federal policies, programs, and activities, 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 2023, 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 programs that are at high risk for fraud, waste, abuse, and mismanagement. These reviews help support our biennial [High-Risk Report](#), which we updated 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 under the direction of 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 publicly available. Over the past 5 years, we have issued, on average, 675 products annually. Additionally, we published more than 700 legal decisions and opinions in FY 2023, 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 publicly available. Our products include:

- Reports and written correspondence, including Science & Tech Spotlights and our new Snapshots, which are short and concise products tailored for busy readers to share fact-based knowledge on important current issues facing the 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, and 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 [bid protests](#).<sup>3</sup> Our publication, [Principles of Federal Appropriations Law](#), is viewed both within and outside of the government as the primary resource on federal law

<sup>3</sup>GAO, Bid Protest Annual Report to Congress for FY 2022, [GAO-23-900462](#) (Washington, D.C.: Nov. 1, 2022).



related to the availability, use, and control of federal funds.<sup>4</sup> Additionally, we maintain the government’s repository of [reports on Antideficiency Act violations](#) and publish information extracted from those reports on our website. These 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 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](#). Additionally, we obtain feedback from our congressional clients and internal customers

on our products, processes, and services—to 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 and coordinate with other legislative branch agencies (as appropriate). We also 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 expand our institutional knowledge and experience, leverage our resources, and improve our service to the Congress and American people. SPEL leads our strategic initiatives for the work with external partner organizations. Our mission teams lead work on various issues and engage with external organizations as they conduct that work.

<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).

## Measuring Our Performance

To help us determine how well we are meeting the needs of the Congress and maximizing our value as a leading practices federal agency, we assess our performance annually using a balanced set of quantitative 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 generally limit the number of years for 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 2019. The agency agreed with the recommendation and took actions to implement the recommendation. In 2023, 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 2023. As a result, we can claim net financial benefits for up to 5 consecutive years, from FY 2023-2027.

We follow up with federal agencies and update the status of our recommendations at least once yearly. Since it typically takes time for agencies to fully implement some recommendations, we measure the percentage of recommendations

implemented 4 years prior to a given fiscal year. That is, the FY 2023 rate is based on recommendations made in products that were issued in 2019.

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 our senior executives were asked to present expert testimony at congressional hearings.<sup>5</sup> We use a client feedback survey 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 highly-qualified staff and how well we are developing, supporting, utilizing, and leading staff.
- **Internal operations.** GAO's ability to execute 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 do their work; (2) how our internal operations improve employees' work-life balance; and (3) how satisfied employees are with our IT tools.

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

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 beyond 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 directly engaged in the work discuss their views with our senior executives about what we 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 ([2023](#) and [2024](#)) and [budget](#). We may adjust these targets after they are initially published, when our expected future work or level of funding warrants doing so. We include any revised targets and the rationale for the changes in later documents, such as this PAR.

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. Financial benefits and other benefits for Goals 1-3 do not add up to the total agency-wide target, as we have left a portion of the targets unassigned. Based on our experience, we believe that we can meet the agency-

wide target but we cannot always accurately predict under which goals. We anticipate 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 anticipate our senior executives will be asked to testify at congressional hearings. 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 based on that goal's expected contribution to the agency-wide total. Testimony targets for Goals 1-3 do not add up to the total agency-wide target, as we have left a portion of the testimony target unassigned. Based on our experience, we cannot always accurately predict under which goals testimonies occur.

For these measures (financial benefits, other benefits, and testimonies), we also track our performance by strategic goal 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 2023 against our previously established performance targets.





Source: f11photo/stock.adobe.com. | GAO-24-900483

## Overall Performance Toward Our Goals

In FY 2023, the demand for our work was high, with 647 congressional requests and new mandates. The results of our work reflect our positive performance in FY 2023 (see [table 3](#)).

### Results

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We exceeded our target of \$50.0 billion in financial benefits by \$20.4 billion—reaching \$70.4 billion. This represents about a \$84 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 20 benefits, accomplishing 1,220 other benefits. (See [Financial Benefits](#) and [Other Benefits](#).)

We fell short of our target of 80 percent for past recommendations implemented by 5 percentage points, at 75 percent—similar to, but slightly lower than our performance for the past 4 fiscal years. We cannot control whether or when an agency implements our recommendations. However, we will continue to take actions in 2024 to facilitate their implementation, such as meeting with agency officials and identifying priority recommendations. (See [Past Recommendations Implemented](#).)

We exceeded our target of 60 percent for new products with recommendations by 3 percentage points, at 63 percent. (See [New Products Containing Recommendations](#).)

### 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 4 percentage points—reaching 94 percent on-time delivery for FY 2023.

Our senior executives were asked to testify 57 times, falling 33 testimonies short of our FY 2023 target of 90. This was due, in part, to committees generally holding fewer hearings in recent years and the composition of witnesses changing—factors not in our control. We were asked to testify before 32 separate committees or subcommittees on topics spanning most federal agencies. (See [Focusing on Our Client](#).)

## People

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We exceeded or met the targets for all but one of our seven people measures. For our new hire rate, we exceeded our target of 80 percent by 1 percentage point, at 81 percent. For retention rate with retirements, we exceeded our target of 92 percent by 3 percentage points, at 95 percent. We met our target rate of 96 percent for retention rate without retirements.

For staff development, we fell short of our target of 80 percent by 1 percentage point at 79 percent; exceeded our target of 80 percent for staff utilization by 6 percentage points at 86 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 [Focusing on Our People](#) and [Appendix II](#).)

## Internal Operations

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We assess staff satisfaction with our internal operations each year through our internal CSAT survey. In November 2022, we administered a new survey instrument to better gauge the quality of our customer service. The survey uses a different Likert scale to determine how much employees agree or disagree with statements on our services. Due to these changes, the FY 2022 survey established a new trend baseline. For the services that support employees' quality of work life, we achieved 81 percent; for services that help employees get their jobs done, we achieved 78 percent; and for the IT tools that support our work, we achieved 61 percent. (See [Managing Our Internal Operations](#).)

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

Performance measure	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023		Met/ not met	2024 target
						target	actual		
<b>Results</b>									
Financial benefits (dollars in billions)	\$75.1	\$214.7 <sup>a</sup>	\$77.6	\$66.2	\$55.6	\$50	\$70.4	Met	\$50
Other benefits	1,294	1,418	1,332	1,239	1,262	1,200	1,220	Met	1,200
Past recommendations implemented	77%	77%	77%	76%	77%	80%	75%	Not met	80%
New products with recommendations	64%	64%	64%	58%	64%	60%	63%	Met	60%
<b>Client</b>									
Testimonies	98	97	59	67	72	90	57	Not met	90
Timeliness	97%	95%	93%	97%	97%	90%	94%	Met	90%
<b>People</b>									
New hire rate	85%	89%	76%	80%	76%	80%	81%	Met	80%
Retention rate									
With retirements	94%	94%	95%	96%	93%	92%	95%	Met	92%
Without retirements	97%	96%	97%	98%	97%	96%	96%	Met	96%
Staff development	N/A <sup>b</sup>	N/A <sup>b</sup>	81%	82%	82%	80%	79%	Not met	80%
Staff utilization	N/A <sup>b</sup>	N/A <sup>b</sup>	85%	85%	84%	80%	86%	Met	80%
Experience with supervisors	N/A <sup>b</sup>	N/A <sup>b</sup>	90%	91%	90%	82%	90%	Met	82%
Organizational climate	N/A <sup>b</sup>	N/A <sup>b</sup>	86%	87%	86%	80%	86%	Met	80%
<b>Internal operations</b>									
Help get job done	N/A <sup>c</sup>	N/A <sup>c</sup>	N/A <sup>c</sup>	N/A <sup>c</sup>	78% <sup>c</sup>	80%	<sup>d</sup>	<sup>d</sup>	N/A <sup>d</sup>
Quality of work life	N/A <sup>c</sup>	N/A <sup>c</sup>	N/A <sup>c</sup>	N/A <sup>c</sup>	81% <sup>c</sup>	80%	<sup>d</sup>	<sup>d</sup>	N/A <sup>d</sup>
IT tools	N/A <sup>c</sup>	N/A <sup>c</sup>	N/A <sup>c</sup>	N/A <sup>c</sup>	61% <sup>c</sup>	80%	<sup>d</sup>	<sup>d</sup>	N/A <sup>d</sup>

Source: GAO. | GAO-24-900483

Note: Information explaining all of the measures included in this table appears in the [Appendix II](#).<sup>a</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>b</sup> In 2020, we revised our Employee Feedback Survey (now Employee Experience Survey (EES)), based on agency-wide feedback. These revisions included the portions used to assess Staff Development, Staff Utilization, Effective Leadership by Supervisors (now Experience with Supervisors), and Organizational Climate. The nature and extent of these revisions required establishing a new trend baseline for these four People Measures.<sup>c</sup> In 2022, we administered a new survey instrument to better gauge the quality of our internal customer services; the new survey instrument established a new trend baseline for these measures.<sup>d</sup> Beginning in FY 2023, we administered our annual customer survey at the end of the calendar year and reported the results in the next fiscal-year PAR. We plan to continue this practice moving forward.



In addition to our agency-wide annual performance measures, we calculate our 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 \$133 to 1.

**Table 4: Return on Investment Data**

	Return on Investment						6-Year Average
	2018	2019	2020	2021	2022	2023	
Financial benefits (dollars in billions)	\$75.1	\$214.7	\$77.6	\$66.2	\$55.6	\$70.4	\$93.3
Dollars invested (dollars in billions) <sup>a</sup>	\$0.60	\$0.64	\$0.66	\$0.71	\$0.75	\$0.84	\$0.7
Return on investment (per dollar invested)	<b>\$124</b>	<b>\$337</b>	<b>\$118</b>	<b>\$93</b>	<b>\$74</b>	<b>\$84</b>	<b>\$133</b>

Source: GAO. | GAO-24-900483

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, 2018-2021, respectively: \$124, \$338, \$114, and \$93. Some numbers may not add due to rounding.

<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 2023 targets for our 16 performance measures are the same as the targets we reported in our FY 2024 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	2018	2019	2020	2021	2022	2023
<b>Results</b>						
Financial benefits (dollars in billions)	\$71.8	\$106.8	\$110.3	\$108.4	\$103.5	\$67.5
Other benefits	1,274	1,307	1,331	1,321	1,313	1,263
New products with recommendations	65%	65%	64%	62%	62%	62%
<b>Client</b>						
Testimonies	106	103	88	80	74	64

Source: GAO. | GAO-24-900483

Note: In FY 2019, we recorded \$214.7 billion in financial benefits, primarily due to one large financial benefit of \$136.1 billion for contributing to reductions in DOD’s procurement costs for weapons acquisitions. This is included in the 4-year rolling averages for FYs 2019, 2020, 2021, and 2022.



Source: Nomad\_Soul/stock.adobe.com. | GAO-24-900483

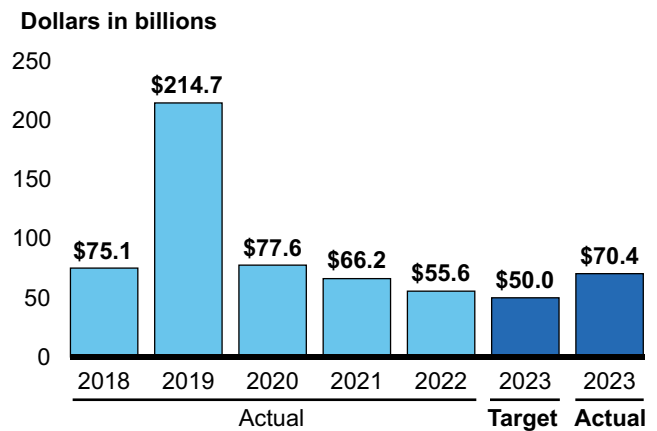
## Financial Benefits

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 2023, our work generated about \$70.4 billion in financial benefits (see [fig. 11](#)). We exceeded our target of \$50 billion by about \$20.4 billion.

In light of our (1) performance in FY 2023, (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 2024, we have set our 2024 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-24-900483

Note: The \$214.7 billion in financial benefits we achieved in 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.

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 2023 are in [table 6](#).

**Table 6: Examples of GAO’s Major New Financial Benefits Reported in FY 2023**

Description of New Financial Benefits	Amount (Dollars in Billions)
<p><b>Returning Billions of Unused COVID-19 Relief Funding.</b> Since March 2020, Congress has provided over \$4.6 trillion to help the nation respond to and recover from the COVID-19 pandemic. In February 2023, we reported that federal agencies had not used over \$90.5 billion of these funds as of January 2023. We provided Congress monthly updates about specific agency accounts with unused funds. In June 2023, Congress used this information when it passed the Fiscal Responsibility Act of 2023, which required certain agencies to return about \$27.1 billion of these unused funds to the Treasury. (<a href="#">GAO-23-106647</a>)</p>	<b>\$27.1</b>
<p><b>Reducing Costs by Leveraging Federal Buying Power.</b> OMB’s category management initiative helps federal agencies purchase goods and services through fewer, larger contracts to leverage the government’s buying power and save money. However, we found in 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 these contracts. In 2023, we determined that our recommendations helped save over \$13.1 billion in FY 2021. (<a href="#">GAO-17-164</a>)</p>	<b>\$13.1</b>
<p><b>Saving Billions by Improving Oversight of COVID Funds.</b> SBA implemented the Paycheck Protection Program (PPP) in 2020 to provide loans to small businesses adversely affected by COVID-19. We found PPP had limited safeguards to prevent improper payments and fraud. We recommended SBA develop and implement plans to ensure program funds are being used properly and address potential fraud. SBA developed and implemented additional upfront controls for PPP and also incorporated those controls into the Restaurant Revitalization Fund that assisted restaurants and similar businesses. In 2023, we determined this enhanced oversight allowed SBA to decline \$6.4 billion in ineligible or fraudulent loan and grant applications. (<a href="#">GAO-20-625</a>)</p>	<b>\$6.4</b>
<p><b>Accelerating DOE’s Cleanup of Nuclear Waste.</b> DOE has spent over \$170 billion cleaning up waste from nuclear weapons produced in the Cold War era, but its most costly cleanup work remains. In 2019, we found that DOE did not have a program-wide strategy to balance cleanup costs with health and environmental risks, and we recommended that DOE develop such a strategy. In 2020, DOE completed its strategy and in 2023, conducted an office-wide review, which included accelerating the cleanup of certain nuclear waste at its Savannah River Site. As a result, DOE estimated it will close a storage facility 22 years earlier than planned and avoid costs of about \$2.4 billion. (<a href="#">GAO-19-28</a>)</p>	<b>\$2.4</b>
<p><b>Enhancing Tax Revenue by Helping Revise Partnership Audit Rules.</b> Our 2014 review of the IRS found that it had difficulty auditing large partnerships—those with at least 100 partners and \$100 million in assets. IRS would audit a partnership and, if additional taxes were owed, reach out to 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 (effective 2018) revised how large partnerships are audited. This is expected to have a positive revenue effect equal to about \$1.5 billion for FY 2023. (<a href="#">GAO-14-732</a>)</p>	<b>\$1.5</b>

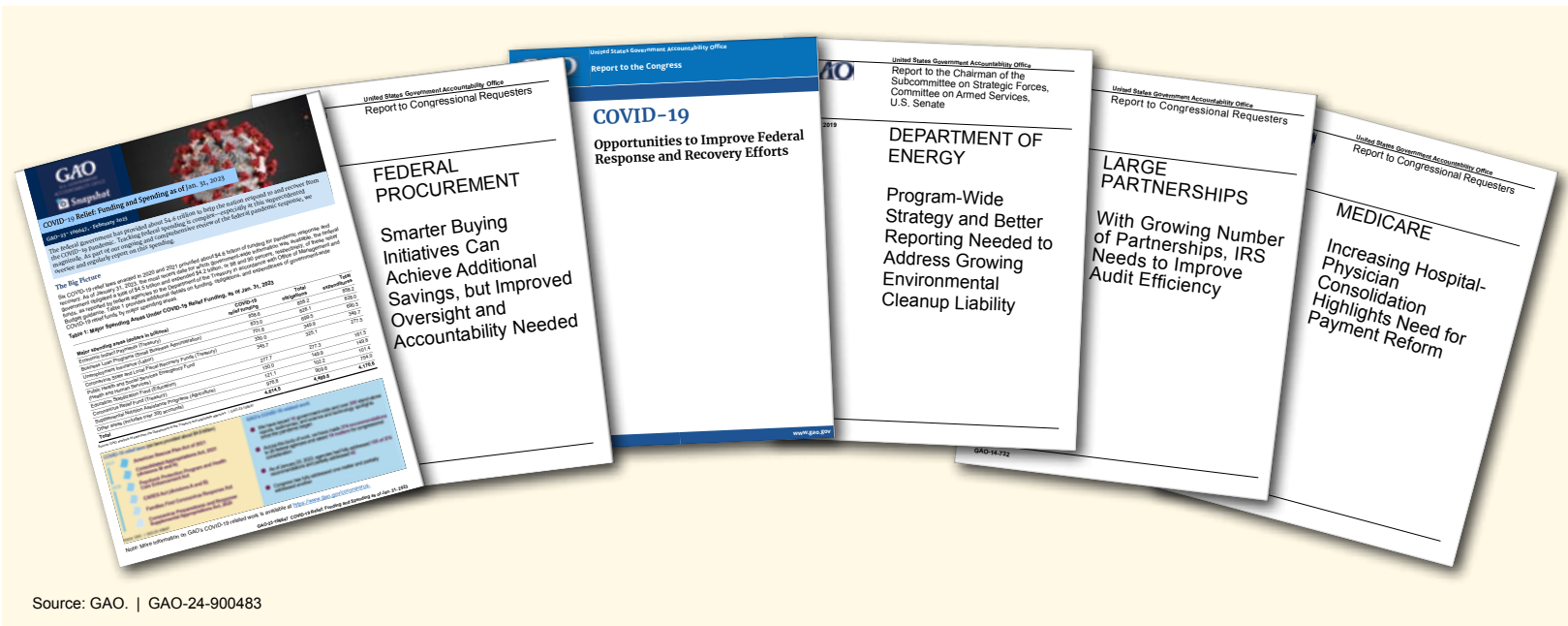


**Establishing Site-Neutral Payments under Medicare.** In 2015, we found that the increased consolidation of hospitals and physician offices was likely leading Medicare to pay more than necessary for certain services. Once consolidated, physician offices could receive Medicare payments for certain office visits at a higher hospital outpatient department rate. We recommended that Congress consider directing the Department of Health and Human Services (HHS) to equalize payment rates between physician offices and outpatient departments for these visits. In 2019, Medicare did so for certain services. In 2023, we calculated savings of about \$753 million for FY 2022. ([GAO-16-189](#))

**\$0.753**

Source: GAO. | GAO-24-900483

Note: Click on report covers below to access key reports related to Table 6. Additional examples of FY 2023 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 generally 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-24-900483

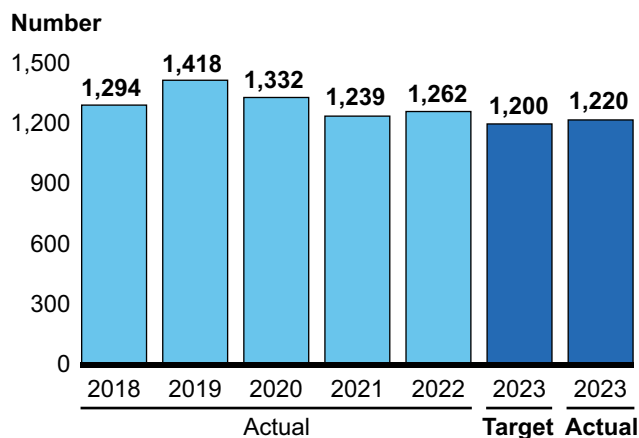


Source: Coloures-Pic/stock.adobe.com. | GAO-24-900483

## 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.” (Other benefits, however, may result in unmeasurable financial savings through program efficiency and effectiveness.) During FY 2023, we recorded a total of 1,220 other benefits (see [fig. 12](#)). We exceeded our target by about 2 percentage points. We have set our 2024 target for these other benefits at 1,200 again given our past, ongoing, and expected work.

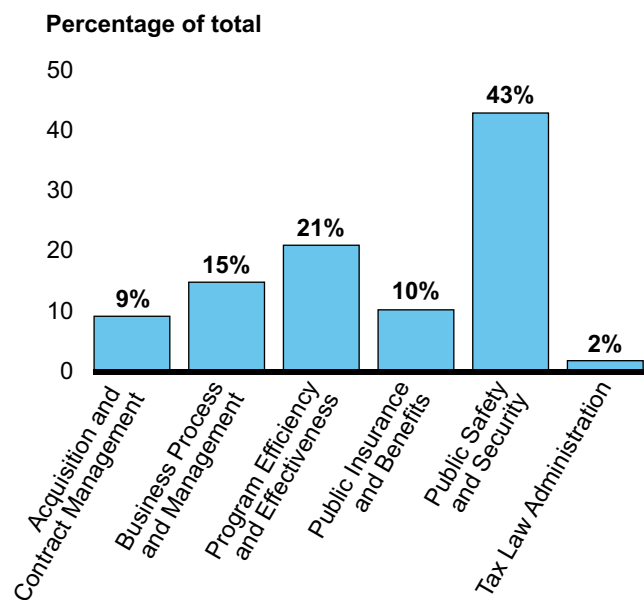
**Figure 12: Other Benefits**



Source: GAO. | GAO-24-900483

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 (43 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 2023 Other Benefits**



Source: GAO. | GAO-24-900483

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.** Preventing fraud, waste, and abuse; U.S. financial regulatory system; federal oil and gas resources; U.S. Postal Service (USPS); transportation funding; and telecommunications funding.
- **Public insurance and benefits.** Medicare, Medicaid, VA, and DOD health care, disability programs, food assistance, education programs, housing programs, national flood insurance, federal deposit insurance, and other insurance programs.
- **Public safety and security.** Homeland security and justice programs; critical infrastructure, including information security; critical technologies; food safety; transportation safety; telecommunications safety; international food assistance; public health; consumer protection; environmental issues; national defense; foreign policy; international trade; and the intelligence community.
- **Tax law administration.** IRS business systems modernization, tax policy, and enforcement of tax laws.

**Table 7: Examples of GAO’s Other Benefits Reported in FY 2023**

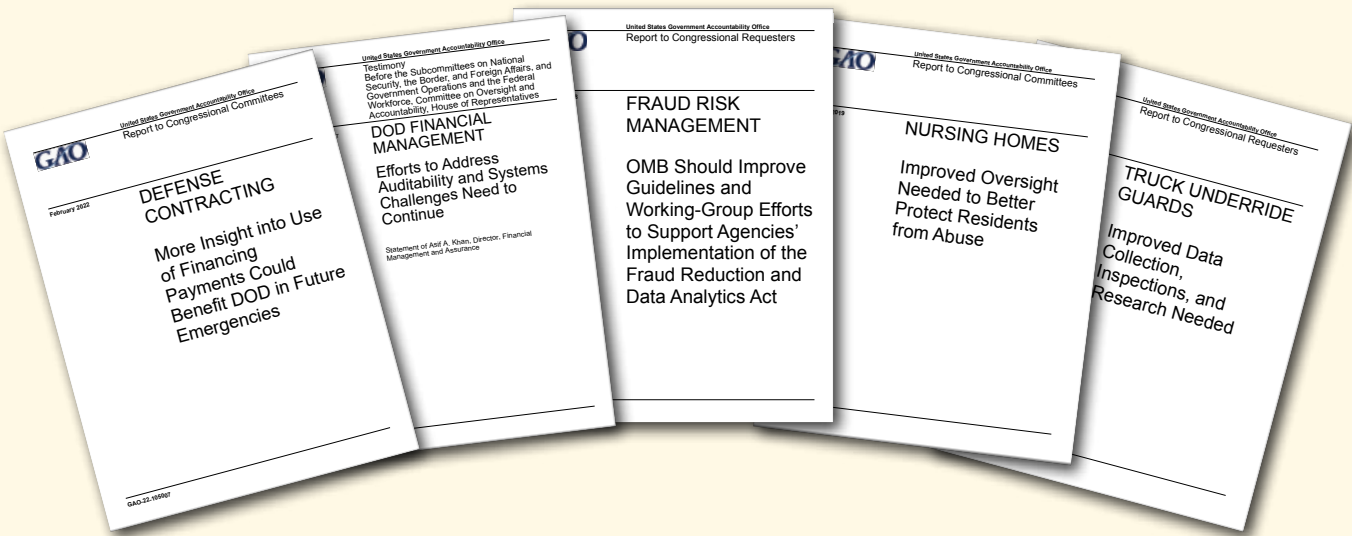
Category	Description
<b>Acquisition and contract management</b>	<b>Preparing DOD for Future Emergencies.</b> During the COVID-19 pandemic, DOD increased its payment rates to some defense contractors to increase their cash flow and help keep them solvent. DOD expected contractors would use some of these funds to shore up their subcontractors and suppliers, but did not get much information on whether they did so. We recommended in 2022 that DOD determine what information it needs and identify steps to collect that data. In response, DOD completed a study that identified this data in February 2023—which will better position DOD to support the military industrial base in future emergencies. ( <a href="#">GAO-22-105007</a> )
<b>Business process and management</b>	<b>Addressing DOD’s Long-Standing Financial Management Issues.</b> We have designated DOD’s financial management as high-risk since 1995. We testified in July 2023 that DOD is the only large federal agency that has never achieved a “clean” audit opinion—which is when financial statements are presented fairly and are consistent with accounting principles. DOD implemented some of our recommendations, such as providing more information in its databases. It is working on others, such as identifying the root causes of issues auditors have identified. This will help DOD get closer to a clean audit opinion. The audit process also helps identify IT issues, prevent wasteful practices, and improve DOD’s operations. ( <a href="#">GAO-23-106941</a> )
<b>Program efficiency and effectiveness</b>	<b>Clarifying Guidelines for Managing Fraud Risks:</b> Fraud in federal programs can erode public trust in government. OMB provides guidelines to help federal agencies manage the risk of fraud. However, we reported in 2018 that agencies were uncertain about the difference between the guidelines for managing fraud risk and other risks. We recommended that OMB clarify these guidelines. In October 2022, OMB clarified that agencies should follow leading practices in GAO’s Fraud Risk Framework. This will help ensure that agencies are better positioned to manage fraud risks in federal programs. ( <a href="#">GAO-19-34</a> )



<p><b>Public insurance and benefits</b></p>	<p><b>Improving How State Agencies Protect Nursing Home Residents:</b> CMS works with state survey agencies to ensure nursing homes meet federal quality standards—including that residents are free from abuse. In 2019, we recommended that CMS address gaps in its oversight of these survey agencies. CMS updated its guidance in FY 2023 in response. For example, it began to require that survey agencies immediately make referrals to law enforcement if they have a reasonable suspicion that a crime against a resident has occurred and has not already been reported. This may improve law enforcement’s ability to collect evidence and prosecute such cases. (GAO-19-433)</p>
<p><b>Public safety and security</b></p>	<p><b>Enhancing Federal Efforts to Reduce Underride Crashes.</b> Hundreds of people die annually from underride crashes: collisions in which a car slides under a large truck. We reported in 2019 that such crashes are likely underreported and that the NHTSA had not researched the effectiveness and costs of requiring trucks to have side underride guards. We recommended that NHTSA educate police on identifying underride crashes, recommend improvements to data collection, and conduct more research on side underride guards. In 2022 and 2023, NHTSA acted on our recommendations, which will support NHTSA’s efforts to track and reduce underride crashes. (GAO-19-264)</p>

Source: GAO. | GAO-24-900483

Note: Click on report covers below to access key reports related to Table 7. Additional examples of other benefits for FY 2023 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 generally 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-24-900483

## Other Measures of Our Results

### Past Recommendations Implemented

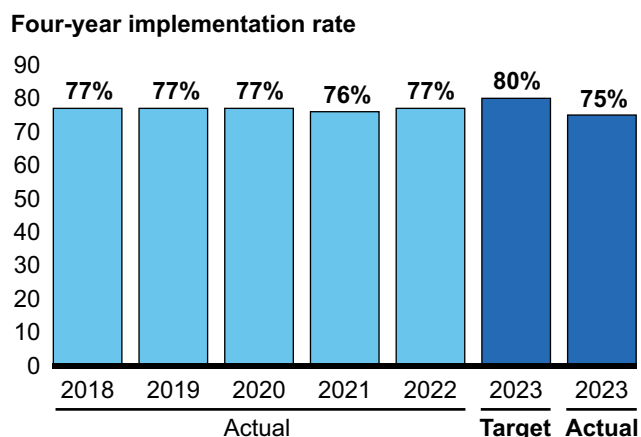
One way we measure our effect on improving the government’s accountability, operations, and services is tracking the percentage of recommendations that we made 4 years ago that have since been implemented. Putting these recommendations into practice generates tangible benefits for the nation. We use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

We achieved a 75 percent implementation rate for FY 2023. We fell below our target of 80 percent by 5 percentage points, similar to, but slightly lower than our performance for the past 4 fiscal years (see [fig. 14](#)).

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—31 in 2023—recognizing their progress in implementing our priority recommendations and calling their attention to those still requiring action.

Despite not making our target for past recommendations implemented for the past several years, it is an important indicator to us, and results in improvements to government services and operations. As such, we are retaining our target of 80 percent for FY 2024. We will continue to take appropriate actions to reach this target, such as requesting updates from agencies on our recommendations on a periodic basis and identifying priority recommendations. (See [Setting Performance Targets](#).)

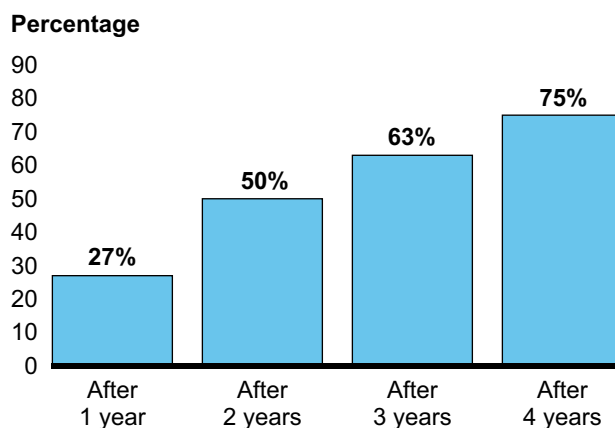
**Figure 14: Percentage of Past Recommendations Implemented**



Source: GAO. | GAO-24-900483

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 2019**



Source: GAO. | GAO-24-900483

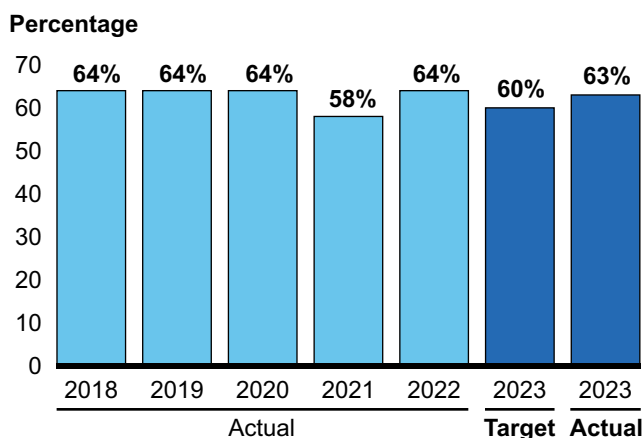
### New Products Containing Recommendations

In FY 2023, about 63 percent of the reports 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 2024 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-24-900483

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 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 served the Congress well.

In FY 2023, we received requests for work from 93 percent of the full committees of the Congress and 46 percent of the subcommittees.<sup>6</sup> Our 4-year average for these requests is 93 percent and 52 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 671 total products and completed work for 39 full committees and 97 subcommittees in FY 2023. In addition to requests for written products, we have also responded to a growing demand from the Congress for technical assistance—work that could include briefings on prior work by GAO experts, data analysis, or comments on legislative bills.

<sup>6</sup>In FY 2023, we revised the methodology to calculate the committee information to better capture the breadth of our congressional clients.

## 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 2023, our senior executives were asked to testify 57 times. We fell 33 testimonies short of our target (see [fig. 17](#)). Although we did not meet our target, we were asked to testify before 32 separate committees or subcommittees—on topics spanning most federal agencies (see [table 8](#)).

This measure is client-driven based on invitations to testify; we cannot always anticipate clients' specific subject area interests. The number of opportunities we had to testify this year was lower than recent years because the overall number of hearings held by the Congress has been generally declining since 2017. In addition, while GAO is one of the top agencies requested to testify, other witnesses called to testify more often included nominees, members of the Congress, and agency officials from DOD and VA.



The 57 testimonies that our senior executives delivered in FY 2023 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. See [GAO's High-Risk List](#).

**Table 8: Selected Testimony Topics • FY 2023**

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

- Improving Servicemembers' Transition to Civilian Life
- Combatting the Threat of Antibiotic Resistance
- Coordinating Federal Broadband Strategy
- Using COVID-19 Funding for State Child Care
- Examining Federal Actions Related to the March 2023 Bank Failures
- Addressing Deficiencies in HHS's Leadership and Coordination of Emergencies
- Improving Diversity in the Financial Services Industry
- Addressing Staffing Challenges within the Veterans Health Administration
- Improving Air Travel for Passengers with Disabilities
- Identifying Trends in Revenue and Grants Supported by the Community Health Center Fund
- Improving Efforts to Dispose of Federal Real Property
- Addressing Longstanding VA Management Challenges through Sustained Leadership
- Improving Collaboration and Performance at the Federal Protective Service

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

- Identifying Challenges Upgrading DOD's Aging Tactical Aircraft Fleet
- Ensuring the Cybersecurity and Infrastructure Support Agency Effectively Helps Sector Risk Management Agencies
- Improving Defense Data of Significant Infrastructure and Environmental Challenges
- Strengthening the Federal Emergency Management Agency's (FEMA) Workforce Management and Coordination of Federal Disaster Recovery Programs
- Improving Coast Guard's Ability to Conduct Missions
- Improving Coast Guard Recruitment and Retention
- Addressing Asset and Workforce Needs at the Coast Guard and U.S. Customs and Border Protection

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

- Addressing Challenges to the Successful Modernization of VA's Electronic Health Record System
- Implementing GAO Recommendations to Help Address Challenges at Commerce, DOE, and the Environmental Protection Agency (EPA)
- Addressing DOD's Long-standing Financial Management Issues
- Providing Observations on Proposed Legislation to Improve VA Management and Programs
- Implementing GAO Recommendations to Help Federal Agencies Address Legacy IT Systems
- Understanding Technologies, Challenges, and Policy Options to Support Pandemic Origin Investigations
- Understanding the Requirements for Hospitals' Tax-Exempt Status
- Providing Observations on VA IT Contracting Trends and Management Oversight
- Evolving the IT and Cybersecurity Scorecard
- Providing Observations on Federal Grants Management
- Implementing GAO Recommendations to Help the Department of Homeland Security (DHS) Address Critical IT Systems

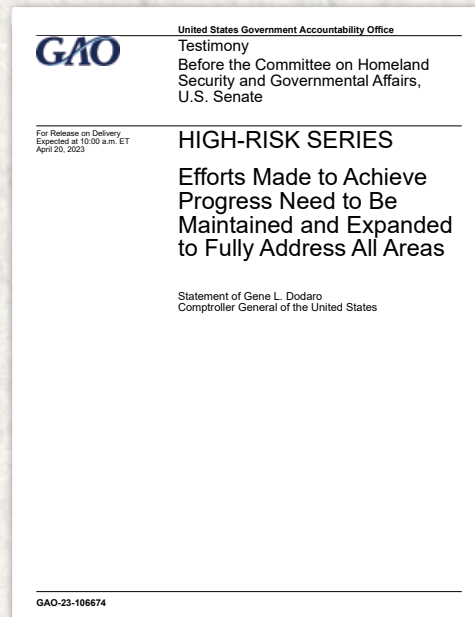
Source: GAO. | GAO-24-900483

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

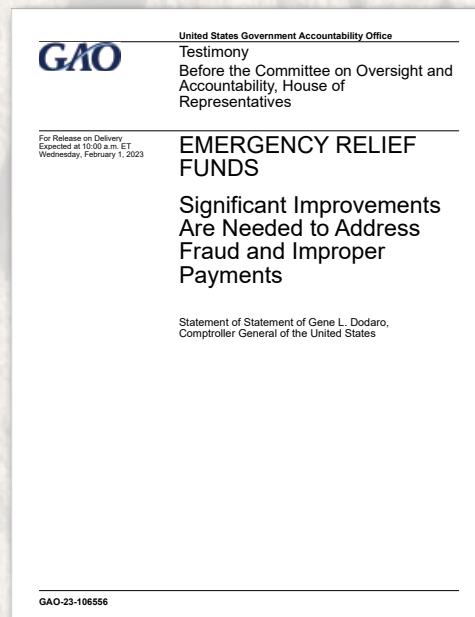
## Comptroller General Testifying before the Congress



The Comptroller General testified before the U.S. Senate, Committee on Homeland Security and Governmental Affairs on GAO's 2023 High-Risk List update.



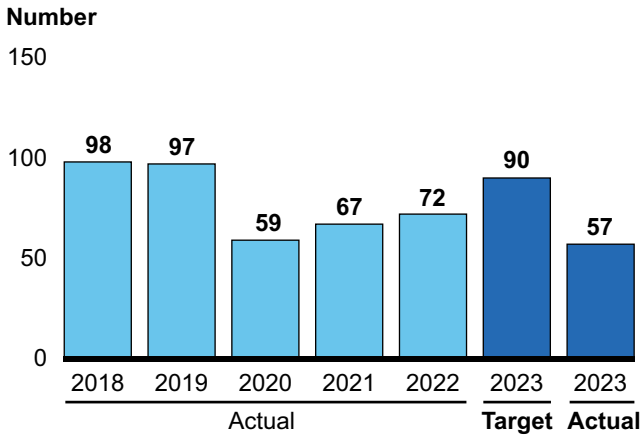
The Comptroller General testified before the U.S House of Representatives, Committee on Oversight and Accountability on factors that contributed to fraud and other improper payments in pandemic recovery programs.



Source: GAO (two photos above, screenshots from GAO website, and covers of GAO reports). | GAO-24-900483



**Figure 17: Testimonies**



Source: GAO. | GAO-24-900483

We also delivered 10 member briefings, were asked to submit one Statement for the Record in lieu of testifying, and provided responses to 24 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 women veterans, military capabilities and readiness, and federal infrastructure.

For FY 2024, we will maintain our testimony target of 90. We believe this is a stretch target given the number of testimonies we have delivered over the past several years. We anticipate more opportunities to testify in the future. (See [Setting Performance Targets.](#))

**Timeliness**

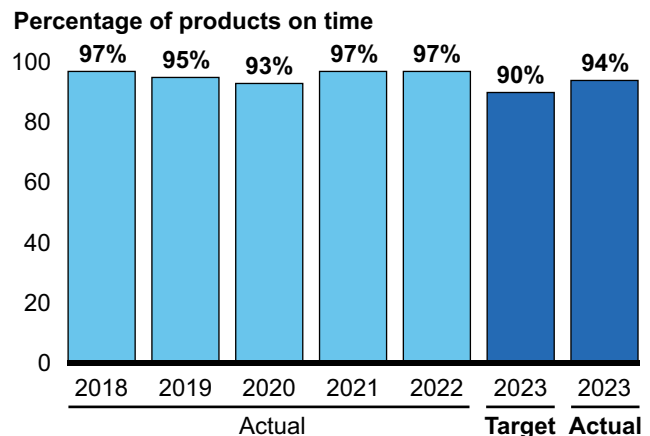
To be useful to the Congress, our products must be available when our clients need them. In FY 2023, we exceeded our timeliness target of 90 percent by 4 percentage points (see [fig. 18](#)). We reach out directly to our clients through several means,

including an electronic feedback survey. (We launched a new Client Feedback survey in 2023. Two key changes were increasing the pool of potential respondents and streamlining the survey. See [Appendix II.](#)) As in prior years, we use the results of our client feedback survey 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 we send to key congressional staff working for the requesters of our non-legal products. 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 the new survey asks the client whether they “agree” or “disagree” that the product was delivered on time. In FY 2023, 94 percent of congressional staff said our products were on time.

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 2024 target at 90 percent because we believe that this is realistic given current staffing levels and workload demands.

**Figure 18: Timeliness**



Source: GAO. | GAO-24-900483

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 2023 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 14 fiscal years, we have refined our processes for measuring how well we manage our human capital. In FY 2023, 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 2023, we exceeded our new hire rate target of 80 percent by 1 percentage point at 81 percent.

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

Performance measure	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023 target	2023 actual	2024 target
<b>People</b>								
New hire rate	85%	89%	76%	80%	76%	80%	81%	80%

Source: GAO. | GAO-24-900483

### 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 2023, we exceeded our target rate of 92 percent for retention with retirements by 3 percentage points at 95 percent. We met our target rate of 96 percent for retention rate without retirements at 96 percent.

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

Performance measures	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023 target	2023 actual	2024 target
<b>People</b>								
Retention rate								
With retirements	94%	94%	95%	96%	93%	92%	95%	92%
Without retirements	97%	96%	97%	98%	97%	96%	96%	96%

Source: GAO. | GAO-24-900483

### 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 confidential, 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, 75 percent of our employees completed the survey, and we exceeded three

of four targets (see [table 11](#)). We did not meet our staff development target of 80 percent by 1 percentage point, at 79 percent. For staff utilization, we exceeded our target of 80 percent by 6 percentage points, at 86 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 the four people measures. In FY 2024, a multidisciplinary team of leaders will conduct a root cause analysis of our staff development to aid us in developing the appropriate agencywide solutions and interventions.

**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>	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023 target	2023 actual	2024 target
<b>People</b>								
Staff development <sup>b</sup>	N/A	N/A	81%	82%	82%	80%	79%	80%
Staff utilization <sup>b</sup>	N/A	N/A	85%	85%	84%	80%	86%	80%
Supervisors (experience with) <sup>b,c</sup>	N/A	N/A	90%	91%	90%	82%	90%	82%
Organizational <sup>b</sup> climate	N/A	N/A	86%	87%	86%	80%	86%	80%

Source: GAO. | GAO-24-900483

<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 how well each service met their needs by selecting from “strongly agree” to “strongly disagree,” 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 2022. In November 2022, we administered a new survey instrument to better gauge the quality of our customer service. The survey uses a different Likert scale to determine how much employees agree or disagree with statements on our services. Due to these changes, the FY 2022 survey established a new trend baseline. (See [Appendix II, Internal Operations Measures](#).)

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

Performance measures	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023 target	2023 actual	2024 target
<b>Internal operations</b>								
Help get job done	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	78%	80%	<sup>b</sup>	N/A <sup>b</sup>
Quality of work life	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	81%	80%	<sup>b</sup>	N/A <sup>b</sup>
IT tools	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	N/A <sup>a</sup>	61%	80%	<sup>b</sup>	N/A <sup>b</sup>

Source: GAO. | GAO-24-900483

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

<sup>a</sup>In 2022, we administered a new survey instrument to better gauge the quality of our internal customer services; the new survey instrument established a new trend baseline for these measures.

<sup>b</sup>Beginning in FY 2023, we administered our annual customer survey at the end of the calendar year and reported the results in the next fiscal-year PAR. We plan to continue this practice moving forward.



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

### GAO's High-Risk List

In 2023, we reported that the Congress and executive agencies have made substantial progress addressing high-risk issues since the previous High-Risk List update in 2021. Sixteen of 34 high-risk areas improved since 2021.<sup>7</sup> This is the most progress in the 8 years since we started rating high-risk areas. We removed two of the 16 areas from the list: Pension Benefit Guaranty Corporation Insurance Programs and the 2020 Decennial Census. We added three new areas since our last high-risk update in 2021: Strengthening Management of the Federal Prison System, Health and Human Services Coordination of Public Health Emergencies, and Unemployment Insurance System.

The High-Risk List focuses attention on government operations that are vulnerable to fraud, waste, abuse, and mismanagement or in need of transformation—offering solutions to 37 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 2025.

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 18 years (FYs 2006-2023) totaled about \$714 billion. (We began collecting data on high-risk financial benefits in 2006.) This fiscal year, our high-risk work yielded 160 reports, 24 testimonies,

\$32.9 billion in financial benefits, and 468 other benefits.

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

In 2023, we issued our [13th annual report](#) to the Congress on federal programs, agencies, offices, and initiatives that have duplicative goals or activities, as well as opportunities to achieve greater efficiency and effectiveness that result in cost savings or enhanced revenue collection. This report identified 100 new matters and recommendations in 35 new [topic](#) areas that could save money and improve efficiency and effectiveness in government programs and activities.

The Congress and federal agencies have addressed many of the 1,885 matters and recommendations that we identified from 2011-2023 to reduce costs, increase revenues, and improve agency operations. As of April 2023, the Congress and federal agencies had fully or partially addressed about 73 percent of all matters and recommendations (1,383 of 1,885). About 66 percent of these (1,239) were fully addressed and 8 percent (144) partially addressed.<sup>8</sup> This yielded about \$600 billion in financial benefits, an increase of \$46.8 billion from our last report on this topic.

This work has also led to key other (non-financial) benefits. For example, the Food and Drug Administration (FDA) and the Food Safety and Inspection Service began coordinating their efforts on the development of drug testing methods for

<sup>7</sup>The 34 areas cited do not include two newly added areas that were not rated in 2021. The total high-risk areas for 2021 is 36.

<sup>8</sup>In previous annual reports on Duplication and Cost Savings, we tracked "actions" instead of matters and recommendations. While these describe similar populations, there are occasionally differences between the two. For example, some actions in our prior reports represented a combination of multiple related matters and recommendations. As such, the numbers and status in this report should not be directly compared with prior reports. Numbers may not add due to rounding.

Table 13: GAO's High-Risk List as of September 30, 2023

High-risk area	Year designated
<b>Strengthening the Foundation for Efficiency and Effectiveness</b>	
▪ Strengthening Management of the Federal Prison System	2023
▪ Emergency Loans for Small Businesses	2021
▪ Improving Federal Management of Programs that Serve Tribes and Their Members	2017
▪ U.S. Government's Environmental Liability <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	2022
▪ National Efforts to Prevent, Respond to, and Recover from Drug Misuse	2021
▪ Government-wide Personnel Security Clearance Process	2018
▪ Protecting Public Health through Enhanced Oversight of Medical Products	2009
▪ Transforming EPA's Processes for Assessing and Controlling Toxic Chemicals	2009
▪ Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests	2007
▪ Improving Federal Oversight of Food Safety <sup>a</sup>	2007
▪ Strengthening DHS IT and Financial 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
▪ Acquisition and Program Management for DOE's National Nuclear Security Administration and Office of Environmental Management	1990
▪ NASA Acquisition Management	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	2022
▪ Managing Risks and Improving VA Health Care	2015
▪ National Flood Insurance Program <sup>a</sup>	2006
▪ Improving and Modernizing Federal Disability Programs	2003
▪ Strengthening Medicaid Program Integrity <sup>a</sup>	2003
▪ Medicare Program and Improper Payments	1990

Source: GAO. | GAO-24-900483

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

unsafe drug residue levels in seafood. This provides a consistent approach and ensures consumer safety. In addition, DOD published its updated Pre-Positioned War Reserve Material Strategic Implementation Plan for joint oversight to, among other things, help address the fragmented management approach of its prepositioned stock program.

Policymakers and the public can track the status of congressional and federal agency efforts to address the issues we have previously identified on [GAO's Duplication and Cost Savings website](#), which also includes a downloadable spreadsheet containing all matters and recommendations related to the duplication and cost savings body of work.

### 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 2023. The following exemplify some of our key contributions.

OGC handled approximately 2,000 bid protests during the course of FY 2023.<sup>9</sup> The bid protest process was authorized by law, 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 law adopted this stop work approach to preserve the possibility for meaningful relief upon completion of the protest.

<sup>9</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: 1,658 filings in FY 2022; 1,897 filings in FY 2021; and 2,149 filings in FY 2020.

In FY 2023, we issued more than 600 decisions on the merits, which are accessible on [GAO's Bid Protest Decisions](#) web page. These decisions addressed a wide range of issues involving compliance with, and the interpretation of, procurement statutes and regulations. Certain of these protests involved highly visible government programs and received extensive media coverage.

Many of our FY 2023 protests were resolved without a written decision on the merits because the federal agency involved voluntarily took corrective action to address the protest, in some cases after GAO used Alternative Dispute Resolution techniques. The remaining protests were decided on the merits, dismissed for procedural deficiencies, or withdrawn by the protester. The Comptroller General is also required by the Competition in Contracting Act to report annually to the Congress on federal agencies that do not fully implement a recommendation made by GAO in connection with a bid protest decided in the prior fiscal year.

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

During FY 2023, the GAO Contract Appeals Board opened two new appeals and closed six appeals. At the end of FY 2023, the board had one pending appeal on its docket, four fewer than the five pending at the end of FY 2022. 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 2023, we published 10 appropriations law products. 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:

- Availability of an appropriation to make back pay awards to cover employer tax payments and retirement contributions;<sup>10</sup>
- Availability of an agency's appropriation to indemnify certain parties for liability incurred if the parties negligently harm agency employees in the performance of their official duties;<sup>11</sup>
- Availability of an appropriation provided in permanent law to pay for activities ordinarily funded by annual appropriations provided in appropriations acts;<sup>12</sup> and
- Extension of a general provision in an annual appropriations act to future fiscal year appropriations and the authority to purchase a nonmonetary award for a state government employee.<sup>13</sup>

As discussed in prior reports, 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 12 Congressional Review Act decisions in FY 2023. 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 75 reports for rules received in FY 2023. They are available on our [Congressional Review Act](#) webpage.

<sup>10</sup>B-332003.1, Oct. 5, 2022.

<sup>11</sup>B-332444, Dec. 14, 2022.

<sup>12</sup>B-334321, Feb. 8, 2023.

<sup>13</sup>B-334711, Jun. 5, 2023.

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

- Application of the Congressional Review Act to the FDA's licensing actions for the drug mifepristone;<sup>14</sup> and
- Application of the Congressional Review Act to the Department of Education's actions to extend a pause on federal loan repayment and to cancel certain loan debts on a website and in a *Federal Register* document.<sup>15</sup>

As required by the Federal Vacancies Reform Act, we also track vacancies in executive positions that require presidential appointment with Senate confirmation, and report to the President, the Congress, and the Office of Personnel Management (OPM) 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 five time-violation letters under the Federal Vacancies Reform Act, and one Federal Vacancies Reform Act decision in FY 2023.

## 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

<sup>14</sup>B-334995, Jul. 6, 2023.

<sup>15</sup>B-334644, Mar. 17, 2023.



appropriations law guidance in the federal community.<sup>16</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 24 classes across 15 agencies, including classes and custom-designed seminars for congressional staff. We also provided 15 appropriations law seminars for the staffs of multiple congressional committees and for the Library of Congress. We also provided classes for GAO staff involved in audits and evaluations, as well as GAO's internal operations. In addition, attorneys spoke on our appropriations law work at four external conferences. To enhance communication within the appropriations law community across all agencies and within the three branches of government, we hosted our 19th annual Appropriations Law Forum in 2023, which was attended by 202 people from 69 agencies.

For FY 2023, we received 15 Antideficiency Act reports and also made selected information from reports received in FY 2022 available on our [website](#). We maintain an official repository of Antideficiency Act reports and, from FYs 2005-2023, we have received 312 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 the year. This year, OGC attorneys continued to advise agency management on a number of employment issues, including various initiatives related

to the termination of the COVID-19 public health emergency, and 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, and served as management representatives in union bargaining sessions and grievances. OGC attorneys also continued to advise management on the development and administration of internal agency policy documents and orders.

As in prior years, 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 independent and nonpartisan assessments of federal programs. In addition to day-to-day advice and presentations on avoiding conflicts of interest, maintaining GAO's independence and objectivity, and prudent use of social media, we also deployed and administered a new application to facilitate employee financial disclosure—an important tool that supports GAO in avoiding conflicts of interest and other threats to audit independence. The ethics team also maintained an extensive on-line resource containing ethics and financial disclosure guidance, and vetted candidates for appointment to various commissions to which the Comptroller General is statutorily required to make appointments.

<sup>16</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).

## Strategic Partnerships

### Domestic Partnerships

We work closely with federal inspectors general and state and local auditors to strengthen our expertise regarding emerging issues. They also help us address the unique challenges of overseeing federal spending that involve state and local governments.

In FY 2023, GAO made significant contributions to the domestic accountability community through its support of the national and regional intergovernmental audit forum networks and various Comptroller General advisory groups. GAO presented at virtual forum events on various topics including Yellow and Green Book Planned Revisions, Auditing and Data Analytics - New and Innovative Approaches, and State and Local Oversight of Pandemic Funding. These events reached almost 6,400 practitioners across the nation. These groups improve cooperation and communication among federal, state, and local government auditors and improve the efficiency and usefulness of governmental audits.

The Comptroller General advisory groups bring leaders in government auditing and academia together to discuss a wide range of subjects. In July 2023, we virtually and in-person (the first time since COVID-19) convened the Educator's Advisory Panel. The panel provided a platform to explore several high-priority areas, such as Recruitment and Retention in Cybersecurity and Technology, Promoting Public Service through Public Affairs Education, and AI.

### International Partnerships

GAO made substantial contributions to the international accountability community through its leadership role in [INTOSAI](#), including as a member of its Governing Board and as the Chair or Vice Chair of six INTOSAI bodies. INTOSAI is an

umbrella organization for the international government auditing community to share knowledge and improve government auditing around the world.

Among other key roles, GAO leads the International Journal of Government Auditing—the primary communication mechanism for INTOSAI—and serves as Vice Chair of the Policy, Finance, and Administration Committee and the INTOSAI-Donor Cooperation. The Donor Cooperation facilitates financial and technical support from a community of 23 donor partners to help Supreme Audit Institutions (SAI) build professional capacity and enhance oversight of government expenditures and programs.

In FY 2023, GAO led development of the INTOSAI Strategic Plan for the period 2023-2028, which was approved at the International Congress of SAIs in November 2022. In its leadership of the International Journal of Government Auditing, GAO redesigned the Journal's website to enable real-time coverage of events and developments affecting SAIs in the five official languages of INTOSAI. GAO also worked with key international partners to launch a new program that extends the reach of the INTOSAI-Donor Cooperation, and resumed the in-person International Auditor Fellowship Program.

### Center for Audit Excellence

The Congress authorized GAO to establish the [Center for Audit Excellence](#) (CAE) to provide training and technical assistance to domestic and international accountability organizations in 2014. CAE is authorized to charge fees for its services to recover its costs.

In FY 2023, CAE provided training to about 3,000 domestic participants from over 100 U.S. federal, state, and local accountability organizations. The training included new courses on Generally Accepted Government

Auditing Standards, survey development and conducting audits focused on equity, as well as existing courses, such as data reliability and techniques for successful audit planning. The courses were delivered in various formats (e.g., in-person and video). CAE also provided technical assistance to domestic organizations, such as HUD's OIG and the Massachusetts State Auditor in FY 2023.

CAE also provided training to over 2,000 participants from SAIs and overseas non-government organizations during FY 2023. Specifically, CAE provided services to 12 international audit organizations in Europe, the Caribbean, Africa, Asia and South America to strengthen their ability to conduct high-quality financial and performance audits and comply with international audit standards and best practices. CAE provided training, mentoring, or institutional development services to SAIs in Ethiopia, Georgia, Armenia, the Dominican Republic, the Philippines, Ghana, and Ukraine. CAE also initiated efforts in Nepal under its Memorandum of Understanding with the U.S. Agency for International Development (USAID).

In addition, CAE provided training courses to Jamaica's SAI and non-governmental organizations in Ethiopia. These courses covered a wide range of topics including performance auditing, writing effective audit reports, data analysis, and internal controls. CAE continued to mentor auditors in the Philippines and Georgia in applying performance audit methodologies and trained and advised auditors in Ukraine as they carried out audits of the Ukrainian government's use of U.S. assistance.

CAE continued its partnerships with donor organizations and other federal agencies. For example, CAE and USAID are working under a 5-year Participating Agency Services Agreement, which established a framework for CAE to provide services, funded by USAID, to SAIs. CAE and the World Bank

also have a Memorandum of Understanding with a term of 5 years to enhance the capacity of international accountability organizations. Under this agreement, CAE developed a performance audit manual and delivered training on performance auditing to hundreds of auditors in the Romanian SAI. Under agreements with the State Department, CAE delivered a needs assessment of an internal audit organization in Suriname and began assisting the Bahamas Office of the Auditor General to make needed improvements in the quality and timeliness of its audits.

### Center for Strategic Foresight

The Center for Strategic Foresight is a platform for GAO staff to plan the agency's future and for GAO staff to provide congressional clients with expertise, products, and analysis that are relevant and forward-looking.

In FY 2023, GAO staff conducted efforts to support the Center for Strategic Foresight through (1) expanded and enhanced horizon scanning work; (2) trends analysis with the STAA team regarding GAO's efforts in science and technology; (3) technical assistance and support to GAO teams to help strengthen and increase the use of foresight tools and methodologies in GAO's work; (4) training on foresight for GAO's executive candidates; (5) training in strategic planning and foresight for participants in the international fellows program; and (6) development of strategic foresight job aides for GAO auditors in collaboration with GAO's methodologists.

In FY 2023, we also continued to provide guidance within GAO on our [strategic plan](#) for 2022-2027. GAO's foresight staff developed trends analysis for several GAO mission teams and staff offices. In addition, we produced internal briefing papers on select emerging issues based on our continuous horizon scanning efforts.

## Managing Our Resources

### Resources Used to Achieve Our FY 2023 Performance Goals

Our financial statements for the fiscal year ending September 30, 2023, 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 FFIA. 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. See the [auditors' report, statements, and accompanying notes](#). [Table 14](#) summarizes key data.

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

	FY 2023	FY 2022
Total Assets	\$385.6	\$361.5
Total Liabilities	\$120.9	\$122.7
Total Net Position	\$264.7	\$238.8
<b>Net Cost of Operations by Goal</b>		
Goal 1: Well-being/Financial Security of American People	\$285.7	\$267.2
Goal 2: Changing Security Threats/Challenges of Global Interdependence	254.5	181.3
Goal 3: Help Transform the Federal Government to Address National Challenges	211.3	206.7
Goal 4: Maximize the Value of GAO	17.3	14.4
Other Costs in Support of the Congress	67.5	69.7
Reimbursable services not attributable to above cost categories	(20.2)	(17.3)
<b>Total Net Cost of Operations</b>	<b>\$816.1</b>	<b>\$722.0</b>
Actual FTE	3,483	3,354

Source: GAO. | GAO-24-900483

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 2023, our budgetary resources included appropriations of \$797.8 million and \$36.0 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 2023 were \$1,041.9 million.

Total assets at the end of FY 2023 were \$385.6 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 \$24.1 million increase from the total assets at the end of FY 2022 of \$361.5 million, primarily represented as an increase in our year-end property and equipment of \$13.5 million in large part due to expenditures for construction projects to replace and upgrade building infrastructure at GAO HQ. Total liabilities were \$120.9 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. The FY 2023 decrease of \$10.7 million in accounts payable was due to paying additional approved invoices during the final disbursement run of FY 2023 because the processing of these funded invoices under normal operations was not certain at the start of FY 2024. Total liabilities at the end of FY 2022 were \$122.7 million.

Our net cost of operations in FY 2023 is \$816.1 million, compared to \$722.0 million in FY 2022 (an overall increase of \$94.1 million). The largest goal increase, \$73.2 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, Natural Resources and Environment, and International Affairs and Trade.

During FYs 2023 and 2022, GAO used resources to prepare for, and respond to, COVID-19. Enacted in FY 2021, the "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."

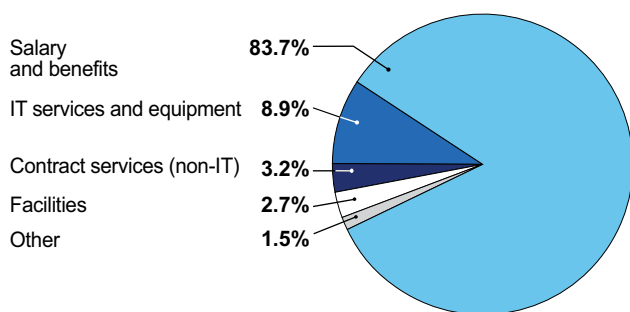
Other audits that touched on COVID-19 related issues but did not fall under the law listed in the preceding paragraph were completed using GAO's annual appropriations. Furthermore, the resources used to support our maximum telework stance and sanitation-related enhancements are considered COVID-19 related.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

The budgetary resources used and obligations incurred under the American Rescue Plan Act appropriation during FY 2023, were \$17.0 million, with \$16.0 million remaining available after September 30, 2023. Other COVID-19 related resources used and obligations incurred using the GAO annual appropriation totaled \$4.0 million as of September 30, 2023. 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 2023 costs break down by category.

**Figure 19: Use of FY 2023 Funds by Category**

Percentage of total costs



Source: GAO. | GAO-24-900483

## Limitation on Financial Statements

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

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

## Summary of Financial Systems Strategies and Framework

GAO utilizes the Legislative Branch Financial Management System (LBFMS) through an interagency agreement with the Library of Congress. The Library of Congress is the system owner and the system is hosted by CGI Federal, Inc. 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 late FY 2023, GAO began working with the Library of Congress on a major software upgrade from Momentum version 7.8 to version 8.1. Momentum version 7.8 is near the end of its vendor support lifecycle, and version 8.1 will offer an improved architecture that will improve processing efficiency, improvements in the user interface that will help streamline data entry in forms and other improvements that will provide more contextual information to users when working in the system. GAO will continue to work with the Library of Congress team on this upgrade through FY 2024, and the new version will be implemented near the midpoint of FY 2025.

## 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. Based on the results of the assessment, we have reasonable assurance that control over operations, reporting, and compliance as of September 30, 2023, was operating effectively and that no material weaknesses were found in the design or operation of internal control. Further, our independent auditor found that we maintained effective internal control over financial reporting and compliance with laws and regulations. The external auditor also found no material weaknesses or significant deficiencies.

In addition, we met the objectives of FFMIA and believe we have implemented and maintained financial systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Standard General Ledger at the transaction level as of September 30, 2023. We made this assessment based on criteria established under FFMIA and guidance issued by OMB. Also see [Management Assurance Statements](#).

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 2023, 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 General Services Administration (GSA) and as the Deputy Inspector General of the U.S. Department of Agriculture (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.

See [Audit Advisory Committee's report](#).

### Planned Resources to Achieve Our FY 2024 Performance Goals

For FY 2024, GAO requested an appropriation of \$859.7 million, an increase of \$69.4 million or 8.8 percent over the FY 2023 appropriation of \$790.3 million. The requested funds will enable GAO to maximize our science and technology reporting capabilities to report on transformative technologies like blockchain and AI. We will also prioritize our reporting on government-wide cybersecurity

capabilities, healthcare spending, defense weapons systems development, military readiness, and the government's fiscal exposure to climate-related matters. Internally, the funding requested will make possible critical information technology investments to protect our data and systems and also help to continue addressing GAO's building infrastructure and security requirements as well as deferred maintenance needs.

Currently, GAO anticipates operating under a Continuing Resolution and expects final congressional decisions on our FY 2024 appropriation will occur late in calendar year 2023. As of this writing, the House passed an appropriations bill for FY 2024 covering GAO. The current House and Senate proposed funding levels for FY 2024 would allow GAO to continue hiring at a modest level and support the continuation of GAO's IT modernization and cloud data management and storage solutions, as well as address the increased cost of building security requirements and infrastructure maintenance needs.

## 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, internal controls, and budgetary processes. We monitor our progress in addressing these challenges through our performance and accountability processes, and ask our IG to comment on management's assessment of these challenges each year.

Our approach is similar in effect to the requirements applicable to executive branch agencies (which do not apply to GAO) and reflects the longstanding practices of the Executive Committee and our IG in identifying management challenges. In FY 2023, we identified the following three management challenges:

- Managing a quality workforce;
- Managing our IT systems; and
- Improving the efficiency of our engagements.

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

#### **CHALLENGE: *Managing a Quality Workforce***

The ability of GAO to provide quality reports and information to the Congress, and meaningful recommendations for improving federal programs, is directly related to the caliber of talent that we attract, hire, and retain. For GAO to be effective, it is crucial that we foster a diverse workforce with the right skills and expertise to meet our mission. Given the broad scope of issues the Congress relies on us to investigate and audit, our employees' collective expertise must range from the hard sciences to public policy and beyond.

**Recruiting and hiring.** The current job market, with its record low level of unemployment, combined with high demand across the private and public sectors for information workers in such fields as cybersecurity and data analytics, has influenced our strategy to recruit from a variety of higher learning institutions. We participated in 170 career events this year, and bolstered our efforts to attract a diversity of applicants via increased outreach to minority serving institutions. Using our annual workforce planning cycle, we identify the skillsets we need—both now and in the future—to fulfill our mission. For example, to better support our National Defense oversight efforts and to meet an anticipated increased demand for classified work, we created a focused hiring effort on entry-level national security positions this year.

**Retaining our people.** Our workforce is our greatest resource and investment. Ensuring employees feel valued, respected, and treated fairly is a key contributor to high levels of engagement, workplace satisfaction, and retention. For the third consecutive year, GAO ranked number one in the Partnership for Public Service's Best Places to Work rankings among mid-size federal agencies. We recognize, however, that we must remain vigilant in fostering and maintaining a vibrant workplace culture, and that the post-pandemic hybrid workplace requires new thinking and leadership. To continue building the GAO of the future, we must ensure we apply practices today that connect employees at all levels to our mission and values.

**Managing our real assets.** GAO has been a leader in providing telework flexibilities that support its mission and people for many years. These flexibilities allowed us to quickly pivot to full-scale telework during the pandemic and to phase our workforce back in person as mission needs

dictate. We began to right-size our physical space prior to the pandemic in response to our already-robust telework practices, and rented out portions of our HQ building. We have continued these efforts, and are ever mindful of our responsibility as a landlord to provide our federal tenants the services and space they need to meet their missions.

As our hybrid workplace practices continue to evolve, we, like all federal agencies, are working to responsibly manage our physical assets and resources, both in our HQ building and our field offices. In addition, we are increasing the number of hybrid conference rooms, reimagining hoteling space for shared usage, and creating informal meeting areas to support the collaboration that is vital to our work. We also need to ensure we are managing our property and systems' inventories to reflect how and where people are working, and to manage our space to meet the evolving needs of our clients.

### ***CHALLENGE: Managing Our IT Systems***

Managing modern, effective, secure, and cost-efficient IT systems in a rapidly evolving technological landscape is a top challenge across the federal government. To meet this challenge, we are in the midst of a 5-year multi-phased IT modernization effort. This effort will result in a Cloud Smart hybrid IT architecture that will provide enterprise-class capabilities and improved scalability, performance, and resiliency. The goal of this effort is to minimize capital expenditures and ensure more predictable operating costs.

**Addressing end-of-life systems.** A key management challenge is reliability and stability of GAO IT systems. To address this challenge, GAO has elected to shift from on-premise data centers to a Cloud solution for our applications and to a contract owned/contractor operated model for our network. We began our journey in 2022 by creating a hybrid cloud architecture

and acquisition approach. In FY 2023, we laid the foundation by establishing our connection to the Cloud and migrating our email and much of our office automation suite to the Cloud. Also, we began the migration of numerous GAO-developed applications into the Cloud and plan to implement of our core enterprise content management (ECM) solution. Further, we have awarded our new network contract under an enterprise infrastructure solution government-wide contract. Once our existing network services are transitioned in 2024, then we will begin shifting to a contract owned/contractor operated model to modernize our local area network infrastructure.

**Protecting our electronic assets.** Maintaining our network security and the electronic assets it houses requires constant vigilance. Employees are our number one defense against outside threats to our internal systems. We strive to equip our employees with the information they need to protect themselves from external phishing and other attacks through a variety of mechanisms—mandatory annual security training, monthly agency-wide security tips and reminders, and random phishing tests. We further focus on risk mitigation through methods such as multifactor authentication, increased use of automation, streamlined access services, and more. We continue to work hard to ensure employees handle digital information in accordance with our policies and procedures through increased communications, strengthening policies and procedures, and in coordination with the IG.

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

GAO continues to invest resources in continuous improvement of our mission and operations. 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.

**Augmenting resources.** We continued to improve the efficiency of engagements and operations by deploying GAO experts in the disciplines of continuous process improvement, organizational change management, and program management. For example, GAO experts in these disciplines are directly supporting our mission teams by helping streamline components of the GAO product review and publication processes and helping shape future modes of efficiently and effectively sharing GAO work in a digital environment.

**Supporting change.** Experts in organizational change management actively support agency-wide improvement efforts to help ensure that GAO's engagements are not adversely impacted by the implementation of new systems or changes in the work environment. We have implemented formal training for key project management roles to build capabilities and apply change management skills, tools, and processes to mitigate risks.

**Fine-tuning our work processes.** We are taking steps to increase organizational efficiency, IT portfolio management and delivery, and digital-first strategies. GAO has implemented a series of multi-year, quarterly steps that improve engagement efficiency and insights on the application of iterative project management principles and practices. These steps will help transform the way in which engagements are traditionally managed. GAO's business segment focuses on achieving mission teams' IT needs by facilitating an annual process that ensures the needs of the agency are appropriately considered. Digital-first strategies guide GAO's efforts in planning and designing work processes. For example, we consider the user's experience in reading our reports on different devices.

## Office of the Inspector General

GAO's OIG independently conducts audits and investigations of GAO programs and operations. During FY 2023, the OIG issued one audit report. In audit report [OIG-23-1](#), the OIG examined GAO's inventory control over certain IT assets during the onset and height of the pandemic. This report and other OIG publications are available on [GAO OIG's website](#) or at <https://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 can 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, order, policy, or regulation. 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 2023, the OIG initiated 24 investigations and closed 17 investigations.

The OIG has self-initiated certain inquiries focusing on potential areas of vulnerability. Using data analysis, the investigations unit looks for outliers or areas of concern that require targeted investigative methods. In FY 2023, the OIG continued work on one self-initiated inquiry.

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



### OIG Recommendations

The OIG made two recommendations to ensure that GAO updates its fraud risk profile when circumstances change and that GAO uses risk-based assessments to inform future inventory activities. GAO is taking

steps to address OIG’s recommendations. See [Table 15](#) for additional information on these recommendations. For further information, see [OIG-23-1](#). 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
Information Technology Assets: Risk Assessment Actions Could Inform Inventory Activities during Future Disruptions, <a href="#">OIG-23-1</a> (June 8, 2023)	Develop and document procedures to update or revise IT asset fraud risk profiles when unexpected or unanticipated events occur, such as operating posture disruptions or changes to GAO’s telework program.	GAO has made initial changes to its procedures but has not yet fully addressed the recommendation.
	Develop and document procedures to ensure the appropriate risk-based assessments are completed when planning to implement an alternative to GAO’s full annual inventory to ensure samples are targeted to the highest risk IT assets, such as those that may process or store sensitive or classified information.	GAO has made initial changes to its procedures but has not yet fully addressed the recommendation.

Source: GAO, based on GAO OIG reports. | GAO-24-900483

### Mitigating External Factors

For FY 2023, 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 seven external factors, some of which will likely remain relevant in the coming years.

#### Amount and Complexity of the Work Requested of Us

As evidenced by the almost 290 mandates and over 350 requests GAO received in FY 2023, 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 that meets auditing standards means that it can, in some cases, take months before we begin work on new requests.

We have also seen an increase in requests for short-term technical assistance, such as white papers, data analysis, or comments on legislative bills. This type of assistance allows GAO to provide real-time information to the Congress, but can require GAO to temporarily shift resources from requested and mandated work.

To manage the demand for our services, we continuously engage our clients to understand their priorities and sequence work to meet those priorities; scope work to ensure quality while being timely; and provide information to clients as it becomes available through regular updates. We also explore various ways to communicate information, including the use of 2-page quick read products. In addition, we are working to expand internal data collection and analysis of our technical assistance services to understand the frequency with which our congressional clients request different types of services in order to most efficiently meet this growing demand.

### ***Ensuring Our Work Meets Evolving Congressional Priorities***

To ensure our work supports the highest legislative and oversight priorities, the Comptroller General and other senior officials maintained frequent communication with our congressional clients. We survey congressional staffers on the usefulness and timeliness for non-legal products addressed and issued to the Congress, and have refined the survey questions and delivery platform to make it quicker and easier to fill out on mobile devices. We have also expanded outreach to new members of the Congress and partnered with the Congressional Staff Academy and the House Office of the Chief Administrator on a GAO 101 course. These efforts can help the Congress better leverage our services and create another pathway for GAO to learn about the Congress's needs and priorities.

While we have expanded opportunities for congressional staff to provide feedback by sending a client feedback survey for all non-legal products issued, congressional staff do not provide feedback on most products. Nevertheless, we believe that providing congressional staff the opportunity to provide their views on the usefulness and timeliness of every GAO product is an important client

feedback mechanism. We will continue to develop ways to solicit feedback from all staffers on our work to better understand clients' needs and ensure it meets their priorities.

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

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 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 2022 and 2023, more of GAO's work was a result of mandates than committee requests, and the number has been growing. For example, the number of GAO mandates contained in the National Defense Authorization Act increased by more than 50 percent over the last year: from 105 in FY 2022 to 158 in FY 2023.

Recent statutory mandates and committee direction from the Congress have also prompted GAO oversight of funding provided to Ukraine and through the Inflation Reduction Act and the Infrastructure Investment and Jobs Act. Given the amount of federal funding provided and the timelines for distributing and using these funds, our oversight will continue for a number of years and result in a significant number of audits. To prioritize work under these mandates and ensure our plan meets the Congress's needs, we have developed plans in consultation with the committees of jurisdiction and congressional oversight committees for how we will use the funds appropriated to us. We plan to provide regular updates to the Congress on our planned and completed work and will adjust the plans as needed.

Mandates are beneficial because they result in work that is bicameral and bipartisan, and reporting dates provided in law can help guide staffing and resource allocation. However, the specificity of mandated due dates, in comparison to requests, can limit our ability to make short-term adjustments in response to a congressional need for real-time information. In addition, in some cases, these reporting requirements do not have an end date. The absence of sunset provisions specifying when a reporting requirement ends can further complicate the task of meeting shifting congressional priorities.

To address these challenges, we regularly communicate with the Congress before mandates are passed to clarify reporting dates. We also work to identify instances where mandates are no longer meeting their intended purpose and work with the Congress to revise or repeal them. 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.

While we were able to repeal two statutory mandates via the FY 2023 National Defense Authorization Act and successfully closed six other mandates in 2023, we have identified others that may no longer meet congressional needs. 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. However, 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 must 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 we were ranked first among all mid-size agencies for the last 3 years. Our staff surveys show very high levels of staff morale. Our attrition rate is about 6 percent, on average, over the past 6 years. Our reputation as an employer of choice enhances our ability to attract and retain the talent needed to meet congressional needs.

Being among the best places to work stems from an important mission and interesting work; an institutional emphasis on valuing people; and our commitment to diversity, equity, and inclusion. It also stems from our ability to provide both in-person and telework options without sacrificing the quality of our work. GAO has a long history of telework, going back over a decade. Our evaluations have consistently found that teleworking staff continue to follow our policies and procedures and the productivity and quality of our work has remained high.

These flexibilities have 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 860 interns from across the country between FYs 2020 and 2023, and we hired about 1,058 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. It will also need reliable and nonpartisan partners to provide subject matter expertise and unbiased analysis on transformative technologies, such as AI.

As part of our hiring strategy, GAO will continue to focus on broadening our scientific and technical expertise and build our scientific pipeline. We have more than tripled the size of our STAA team, for example, from 49 at its inception in 2019 to 157 by the end of FY 2023. Similarly, we continue to grow our Information Technology and Cybersecurity team to expand its expertise and ability to assess the cybersecurity challenges facing the nation. We have explored new ways to engage the Congress on these issues by enhancing congressional outreach, providing targeted technical assistance, and highlighting our science and technology capabilities across the agency for new members of the Congress.

We have been able to attract highly-qualified candidates with impressive science, technology, and cybersecurity backgrounds. Our continued growth—including hiring entry-level and mid-career specialists from across the nation—is commensurate with our goals to bolster our strategy for interdisciplinary science and technology policy analysis. We have leveraged federal hiring flexibilities and our own networking to attract experts, including policy analysts, engineers, data scientists, and physical scientists. We will continue to explore and utilize, as needed, all existing hiring flexibilities to ensure we bring on talent in these high-demand fields.

### **Agency Reviews of and Comments on GAO Draft Products**

Given the scope and complexity of our work, formal comments from audited agencies are an important step in the engagement process. They provide the

agencies with the opportunity to provide feedback on our draft reports to help ensure their accuracy and the feasibility of implementing GAO's recommendations. In this regard, they facilitate effective government oversight and improved efficiency in government programs and activities.

Similarly, for work containing classified or controlled unclassified information, sensitivity and security reviews are also critically important as they help ensure that such information is appropriately protected while enabling GAO to provide comprehensive reports to the Congress. GAO relies on federal agencies to conduct classification and sensitivity reviews of draft GAO products containing classified and controlled unclassified information. Products that contain such information are required to undergo sensitivity reviews by the agency, which can sometimes take months and affect GAO's ability to provide information to the Congress in a timely manner.

GAO has experienced delays receiving agency comments and sensitivity and security reviews from both DOD and the Intelligence Community. As we recently reported, between December 23, 2022 and May 15, 2023, DOD submitted about half of its agency comments and sensitivity or security reviews to GAO after the deadline.<sup>17</sup> With respect to the Intelligence Community, in the past year we have experienced significant delays in obtaining both agency comments and sensitivity or security reviews from the Office of the Director of National Intelligence (ODNI).

<sup>17</sup>The James M. Inhofe National Defense Authorization Act for FY 2023 included a provision for GAO to report every 6 months over a 2-year period on the extent to which DOD submitted agency comments and sensitivity/security reviews in a timely manner and in accordance with GAO protocols. Pub. L. No. 117-263, § 1064 (2022). GAO issued its first report in response to this provision in August 2023. GAO, DOD Reviews and Responses to GAO Reports: *First Semiannual Report Examining Delays*, [GAO-23-106583](#) (Washington, D.C.: Aug. 14, 2023).



ODNI has chosen to not provide formal comments on an increasing number of GAO draft products. ODNI also significantly delayed providing sensitivity and security reviews for a number of products. However, through periodic coordination meetings that GAO holds with ODNI leadership, we have recently seen progress in this area. We will continue to monitor these issues and work with both DOD and the Intelligence Community to seek and sustain improvements in the year to come.

### *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, federal 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.

Access issues arise for a variety of reasons, reflecting variation in the agencies from which we seek information and in the requested information itself. Some issues are straightforward, such as those stemming from basic questions about GAO's authorities and processes for safeguarding information. Others are more complicated, such as those involving GAO's access to sensitive information central to government programs or activities.

During regular outreach to the leadership of executive branch departments and agencies, the Comptroller General and General Counsel discuss the importance of thorough and timely responses to GAO's requests for information. These meetings laid a solid foundation for discussion and resolution of individual access issues over the last year.

Most access issues are resolved with commonly used tools, such as education of agency officials about GAO's need for and authority to obtain the requested information, and progressive elevation of unresolved access issues within GAO and the audited agency. In FY 2023, certain protracted access issues required elevation to the most senior officials at GAO and the audited agency, ultimately with positive results.

We have reported for the past several years on our experiences in obtaining access to information from elements of the Intelligence Community pursuant to Intelligence Community Directive 114. As reported previously, audit work involving the Intelligence Community continues to require time and resources to overcome delays on some engagements with certain Intelligence Community elements, such as the Central Intelligence Agency and ODNI. However, this past year, we generally obtained the information from Intelligence Community elements necessary to conduct our audit work.

GAO recognizes there are unique sensitivities within the Intelligence Community and we remain committed to working with the Intelligence Community 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 continues to hold periodic coordination meetings with ODNI leadership to discuss access issues and mutually acceptable accommodations. These meetings remain a helpful tool to facilitate solutions as issues arise.

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 other entities, 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. Although the COVID-19 public health and national emergencies have terminated, GAO continues to oversee and monitor the use of remaining available COVID-19 response funding and specific COVID-19 response activities. The CARES Act access provisions remain a critical tool for this work. More broadly, they clearly reflect the importance of timely and complete information to robust oversight.



Source: Coloures-Pic/stock.adobe.com. | GAO-24-900483

## Future Challenges and Priorities

For decades GAO has engaged in strategic foresight to help identify issues of greatest national importance for the Congress and to 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 the Center for Strategic Foresight, GAO 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 Nation's Unsustainable Fiscal Future

The federal government faces an unsustainable long-term fiscal future. Projections from the OMB and Treasury, the Congressional Budget Office, and GAO all show that current fiscal policy is unsustainable over the long term. As we reported in May 2023, debt held by the public was about 97 percent of GDP at the end of FY 2022. Debt held by the public is projected to reach its historical high of 106 percent of GDP within 10 years and to continue to grow at an increasing pace. GAO projects that this ratio could reach more than twice the size of the economy by 2051, absent any changes in revenue and spending policies (see [fig. 20](#)). Moreover, spending on net interest will account for over 25 percent of all federal spending by 2051.

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

Source: Congressional Budget Office data and GAO simulation. | GAO-24-900483

GAO has previously suggested that the Congress develop a plan to address the government's fiscal outlook and promote fiscal sustainability. GAO's work has identified several components of an effective fiscal plan:

- Incorporate well-designed fiscal rules and targets to help manage debt, for example, by controlling factors such as spending and revenue to meet a debt-to-GDP target.
- Assess the drivers of the primary deficit, such as mandatory and discretionary spending as well as revenue—including tax expenditures, such as deductions and tax credits.
- Consider alternative approaches to the debt limit to avoid disrupting the Treasury market and increasing borrowing costs and to improve federal debt management. For example, the debt limit could be set as part of the budget resolution or Treasury could be given the authority to propose a change in the debt limit that would take effect absent congressional disapproval.

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. (See our [America's Fiscal Future](#) website for more information.)

### Impacts of Evolving Science and Technology

Innovations in science and technology produce transformative change, sometimes with tremendous benefits to the U.S. economy, individuals, and society. For example, AI may have the potential to transform virtually all sectors of American life by accelerating decision-making and automating monotonous tasks. However, such change can also lead to negative effects on privacy, equity, cybersecurity, and job security.

Since its establishment in 2019, STAA has served as a crucial resource for the Congress in understanding both the promise and the risks of emerging innovations. Its growing portfolio of ongoing and future work includes (1) technology assessments on precision agriculture, air quality sensors, and critical mineral recovery;



(2) performance audits on technology transfer to foreign countries, potential duplication in medical research, and virus field research; and (3) 2-page Science & Tech Spotlights explaining the latest trends.

GAO's Innovation Lab continues to apply a hands-on approach to explore data science and emerging technology through experiments, with the goal of enhancing GAO's oversight capabilities in alignment with our strategic plan. By adapting generative machine learning models, applying immersive technologies, prototyping blockchain use cases, and other data-centric ideas, the Lab is steadfastly impacting challenges related to improper payments, augmenting information retrieval and evidence collection capacity, and evolving continuous assurance. Additionally, STAA will continue to provide timely science- and technology-related technical assistance to congressional staff, grounded in GAO's findings and recommendations.

STAA's goals include increasing the number of technology assessments we produce each year, as well as increasing targeted technical assistance. We also are working to improve access to and absorption of our work through continuous outreach to the science and technology community, and to expand real-time technical assistance for committees and individual members. For example, as the Congress grapples with AI legislation, STAA has served as a critical resource—both as a witness at a key AI hearing and by providing comments on draft legislation regarding different aspects of AI.

### 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;

(3) The cybersecurity of critical infrastructure, such as the electric grid, marine transportation systems and the water and wastewater sectors; and

(4) Efforts being taken by the federal government to protect privacy and sensitive data, including personally identifiable information.

### The Federal Government's Fiscal Exposure Due to 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 2015-2022, selected appropriations for disaster assistance totaled about \$365 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 role in providing disaster assistance, insuring property and crops, and owning or operating infrastructure.

(2) Enhancing the climate resilience of federal programs and critical infrastructure. We will continue to identify opportunities to prepare federal programs and activities for potential climate hazards by applying the three principles of [GAO's Disaster Resilience Framework](#)—information, integration, and incentives. For example, we have ongoing work related to building climate resilience into U.S. Army Corps of Engineers' 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.

## DOD and Health Care Challenges

We will also continue to assist the Congress with:

(1) Analyzing military personnel funding, military health system reforms, factors affecting the working environment, and quality of life issues including housing, as well as aspects of the military justice system. We will evaluate the U.S. military's ability to operate in a contested environment against near-peer adversaries in the Pacific and Europe, as well as the military's efforts to staff, equip, train, and sustain forces ready to meet national security needs. We will evaluate DOD's cyberspace operations, capacity to protect classified information, the structure and

governance of the nuclear deterrent forces, the organization and planning for special operations and sensitive activities, and the capacity for planning and conducting space operations. We will also evaluate the process and effectiveness of DOD's and the Intelligence Community's vetting of individuals for security clearances.

(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 around 29 percent of the federal budget and is one of the fastest growing federal expenditures. The aging of the population and increasing health care spending per person are the projected drivers of future growth.

## Agency Operations

GAO will continue to actively manage its operations to mitigate potential risks to help ensure that (1) GAO work is professional, independent, objective, and accurate; (2) GAO products are timely, responsive to congressional priorities, and 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.

Annually, mission teams prepare a work plan to achieve the goals outlined in our strategic plan; update information on current and future environmental trends; maintain frequent communication with congressional clients to keep informed of their interests; and follow-up with agencies on the status and closure of recommendations. GAO processes ensure that audit and evaluation work (1) is consistent with GAO's mission and legal authority; (2) is staffed by matrixed teams with the appropriate subject-matter and/

or technical expertise to conduct the work; and (3) receives the appropriate level of oversight to develop products that are cost-effective and meet Generally Accepted Government Auditing Standards (GAGAS) and GAO's quality standards.

As a knowledge-based organization, GAO's workforce is the agency's greatest asset. GAO annually conducts comprehensive strategic workforce planning to assess the agency's workforce requirements and identify the skills needed to accomplish its work. GAO 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.

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. In addition, GAO annually conducts risk assessments to identify and remediate security risks and review the effectiveness of security practices.

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 2023 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. We also provide examples of accomplishments for each goal and many of the strategic objectives. Agency-

wide measures are discussed in [Part I](#) of this report. For goal 4—our internal goal—we present selected work and accomplishments for that goal’s strategic objectives.

There were no changes in how we measured our financial, other benefits, and testimony measures during FY 2023.



Source: Nueng (the flag) and moodboard (people)/stock.adobe.com. | GAO-24-900483



## 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;
- The financial security and well-being of an aging population;
- A fair, responsive and effective system of justice;
- Housing finance and viable communities;
- A stable financial system and sufficient consumer protection;

- Stewardship of natural resources and the environment;
- A viable, safe, secure, and accessible 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

**Understanding the March 2023 Bank Failures:** We testified in May 2023 that risky business strategies and weak liquidity and risk-management practices drove the March 2023 failures of Silicon Valley Bank and Signature Bank. These failures raised questions about bank management and federal supervision. We found that both banks were slow to mitigate the problems regulators had identified in the past, and regulators did not escalate supervisory actions in time to mitigate risks associated with bank failures. We noted that regulators missed an opportunity to take early action by not adopting policies we recommended in 2011. (GAO-23-106857)



Source: U.S. House of Representatives, Committee on Oversight and Accountability, Subcommittee on Health Care and Financial Services. | GAO-24-900483

Mike Clements, Director, testified on agency actions related to March 2023 bank failures.

To accomplish our work under these strategic objectives in FY 2023, 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	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023 target	2023 actual	Met/not met	2024 <sup>a</sup> target
Financial benefits (dollars in billions)	\$52.5 <sup>a</sup>	\$60.6 <sup>a</sup>	\$66.8 <sup>a</sup>	\$48.0 <sup>a</sup>	\$10.3	\$8.0	\$13.6	Met	\$9.5
Other benefits	262	245	296	320	307	263	314	Met	273
Testimonies	42	43	22	33	30	41	21	Not met	41

Source: GAO. | GAO-24-900483

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2024 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 2024.



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	2018	2019	2020	2021	2022	2023
Financial benefits (dollars in billions)	\$36.5	\$38.8	\$50.6	\$57.0	\$46.4	\$34.7
Other benefits	266	264	267	281	292	309
Testimonies	46	43	39	35	32	27

Source: GAO. | GAO-24-900483

The following sections describe our performance under Goal 1 for each of our quantitative performance measures and the targets for FY 2024.

## Financial Benefits

The financial benefits reported for this goal in FY 2023 totaled \$13.6 billion, exceeding our \$8.0 billion target by \$5.6 billion, or about 70 percent. Financial benefits contributing to this total included program savings associated with accelerating DOE's cleanup of nuclear waste (\$2.4 billion), establishing site neutral payments under Medicare (\$753 million), and extending the coal tax to improve the solvency of the Black Lung Trust Fund (\$103 million). We set our FY 2024 target at \$9.5 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

**Saving Billions by Improving Oversight of COVID Funds:** SBA implemented the PPP in 2020 to provide loans to small businesses adversely affected by COVID-19. We found PPP had limited safeguards to prevent improper payments and fraud. We recommended SBA develop and implement plans to ensure program funds are being used properly and address potential fraud. SBA developed and implemented additional upfront controls for PPP and also incorporated those controls into the Restaurant Revitalization Fund that assisted restaurants and bars. In 2023, we determined this enhanced oversight allowed SBA to decline \$6.4 billion in ineligible or fraudulent loan and grant applications. ([GAO-20-625](#))

## Other Benefits

Other benefits reported for Goal 1 in FY 2023 totaled 314, exceeding our target of 263 by 51 benefits or about 19 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 2024 target at 273, 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

**Improving Oversight of VA's Community Living Centers:** VA provides care to nearly 9,000 veterans per day in 134 VA-operated nursing homes—called community living centers. In 2021, we recommended that VA strengthen its approach to overseeing care and addressing resident complaints at these centers. In FY 2023, VA took a number of steps to do so. For example, VA improved how it identifies these centers in the electronic system it uses to monitor patient safety. This will help VA reliably locate where patient safety issues are occurring and improve oversight of these centers. ([GAO-22-105142](#), [GAO-22-104027](#))

## Testimonies

Our senior executives testified 21 times on our Goal 1 work, which fell short of the FY 2023 target of 41 by 20 testimonies or about 49 percent. For instance, we testified on the need to (1) combat the threat of antibiotic resistance, (2) coordinate the federal broadband strategy, and (3) use COVID-19 funding for state child care. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2024 target for testimonies for Goal 1 at 41 based on experience in recent years and in anticipation of hearings increasing in the future.

## Example of Goal 1's Testimonies

**Improving Recruitment and Retention of Wildland Firefighters:** The size and severity of wildfires has increased across much of the U.S. in recent decades—as has the length of wildfire seasons. USDA's Forest Service and four agencies within the Department of the Interior rely on about 18,700 employees to fight wildfires. In June 2023, we testified that low pay, career advancement challenges, poor work-life balance, and other factors have made it harder to get and keep these workers. ([GAO-23-106888](#))



Source: U.S. Senate, Committee on Energy and Natural Resources. | GAO-24-900483

Cardell Johnson, Director, testified on barriers to recruitment and retention of federal wildland firefighters.

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

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

<b>Health Care Needs</b>	
<b>Ensuring States Electronically Verify Financial Eligibility for Medicaid Benefits</b>	To be financially eligible for Medicaid benefits, individuals generally cannot have assets above certain limits. In 2009, states were to begin implementing electronic asset verification systems to determine Medicaid eligibility. However, we found in 2012 and 2014 that states were not meeting required implementation milestones for these systems. Legislation enacted in 2019 reduced the federal matching rate for Medicaid expenditures for states that have not implemented such systems. As a result, the federal government is projected to save about \$43 million from FY 2021-FY 2023. ( <a href="#">GAO-12-749</a> , <a href="#">GAO-14-473</a> )
<b>Housing Finance and Viable Communities</b>	
<b>Safeguarding COVID-Related Economic Injury Disaster Loan (EIDL) Funds</b>	SBA provided millions in loans and advances to assist small businesses and nonprofits experiencing economic injury caused by COVID-19. In March 2021, we found that SBA lacked a comprehensive plan to proactively assess controls and mitigate risks in the EIDL program, and recommended implementing such a plan. In response, SBA completed updating its oversight plan in February 2023. Comprehensive oversight and working with borrowers experiencing hardship to modify their loan payments has allowed SBA to more effectively protect billions in taxpayer funds. ( <a href="#">GAO-21-387</a> )
<b>Extending Coal Tax Improves Solvency of Black Lung Trust Fund</b>	The Black Lung Disability Trust Fund, funded by a tax on coal, pays benefits to certain coal miners and their families. We found that a scheduled coal tax decrease in 2019 could increase Trust Fund debt. Congress passed, and the President signed into law, the Inflation Reduction Act of 2022, which indefinitely extended the coal tax at its higher rates. In FY 2023, the Joint Committee on Taxation determined this will increase Trust Fund revenue by an estimated \$1.2 billion between FY 2023-2031. As a result, the Trust Fund will be able to borrow less from the U.S. Treasury to pay benefits and make other needed expenditures. ( <a href="#">GAO-18-351</a> )
<b>Stable Financial System and Sufficient Consumer Protection</b>	
<b>Improving National Credit Union Administration (NCUA) Oversight of the Bank Secrecy Act</b>	To fight crimes like money laundering, the Bank Secrecy Act and its implementing regulations require banks to verify customers' identities and report suspicious transactions. In 2019, we examined federal oversight of banks' compliance with these requirements—particularly when their customers are money transmitters. We found that certain examiners were unclear on banks' required due diligence. We recommended that federal banking regulators, including the NCUA, take steps to improve examiners' evaluation skills. NCUA provided training through December 2022, which should help its examiners better assess compliance. ( <a href="#">GAO-20-46</a> )

## Stewardship of Natural Resources and the Environment

### Issuing Guidelines for Wildfire and Other Disaster Response Lessons Learned

EPA plays a significant role in responding to some wildfires and coordinates federal efforts to remove household hazardous waste—items that can catch fire, react, or explode under certain circumstances or that are corrosive or toxic. In 2022, we found that EPA does not have a formal lessons-learned process for wildfire or other disaster responses, and we recommended that EPA develop such a process. In December 2022, EPA developed and distributed guidelines for a lessons-learned process, which can help ensure consistency across the agency after wildfires and other disasters. ([GAO-22-104276](#))

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

### Helping Federal Agencies Effectively Manage Radio Spectrum

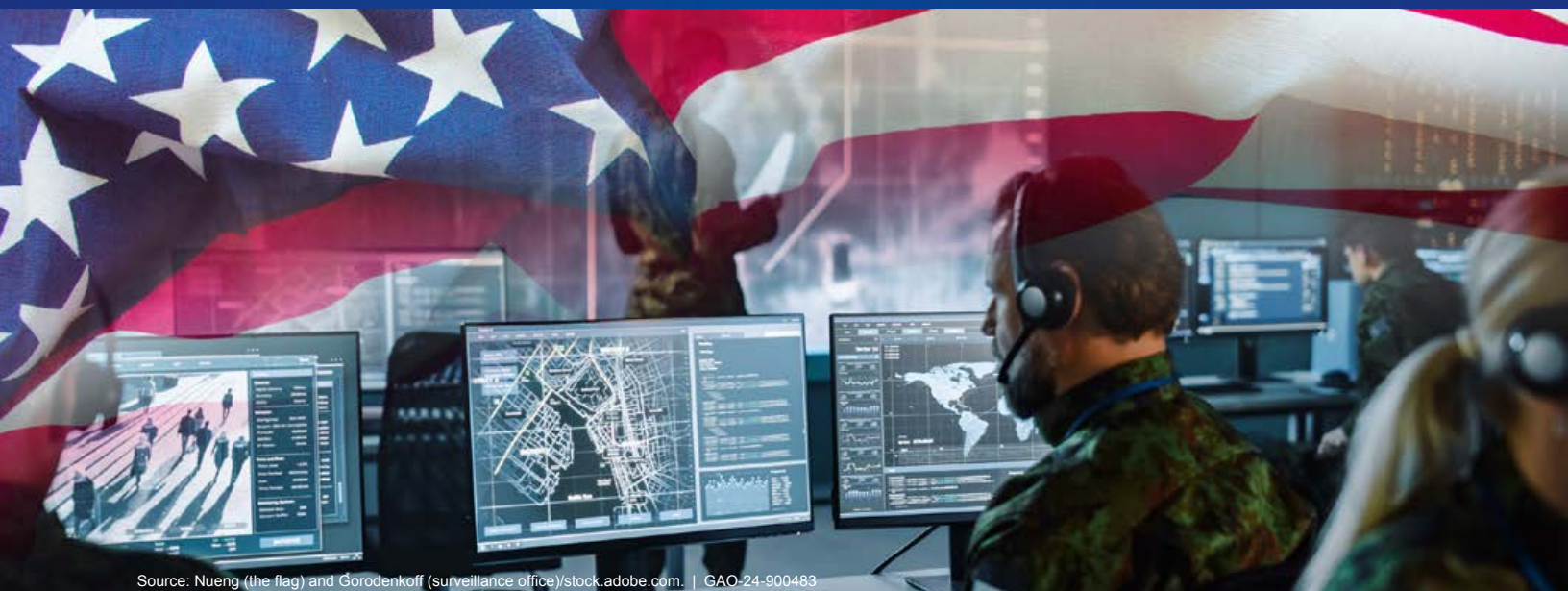
The Federal Communications Commission (FCC) and the National Telecommunications and Information Administration (NTIA) manage nonfederal and federal use of the radio-frequency spectrum respectively, which includes 5G networks and satellites. A memorandum of understanding (MOU) between the two agencies guides their overall coordination on spectrum management and addresses interagency communication and statutory requirements for joint spectrum planning. In 2021, we reported that the MOU had not been updated in almost 20 years. We confirmed in 2023 that FCC and NTIA updated their MOU in response, which should help them improve collaboration. ([GAO-21-474](#))

### Reducing Costs for Housing Federal Agencies

One reason federal real property is on GAO's High-Risk List is because we found that the government was relying too much on costly rentals to house federal agencies. In 2013, we reported that GSA had not conducted an analysis to determine when owning buildings would cost less than renting space. We recommended GSA do so. In response, GSA conducted this analysis in 2017 and purchased the DOT headquarters building in 2020. In 2023, we estimated GSA will avoid \$120.9 million in lease costs over 5 years. ([GAO-13-744](#), [GAO-19-157SP](#), [GAO-21-119SP](#))

Source: GAO. | GAO-24-900483

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 generally claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#).



Source: Nueng (the flag) and Gorodenkoff (surveillance office)/stock.adobe.com. | GAO-24-900483



## 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:

- Protecting and securing the homeland;
- Military capabilities and readiness;
- Foreign policy and international economic interests;
- The Intelligence Community's management and integration; and
- The cybersecurity of the nation.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our [strategic plan](#). See examples of accomplishments under select objectives below.

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

**Improving Persistent Challenges to Military Readiness:** In May 2023, we testified that DOD faces several challenges as it works to modernize, rebuild, and restore readiness across the military. For example, maintenance and supply challenges limit the availability of aging aircraft; fatigue and crewing shortfalls affect Navy's surface fleet; Army and Marine Corps need to work harder to prevent tactical vehicle accidents; and space readiness goals are unclear. We discussed how implementing our recommendations could help. ([GAO-23-106673](#))





Source: U.S. Senate, Committee on Armed Services, Subcommittee on Readiness and Management Support. | GAO-24-900483

Diana Maurer, Director, testified on improving military readiness of existing forces despite persistent challenges.

To accomplish our work in FY 2023 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 fell short of our targets for financial benefits and testimonies for Goal 2.

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

Performance measure	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023 target	2023 actual	Met/ not met	2024 target
Financial benefits (dollars in billions)	\$10.5	\$147.4 <sup>a</sup>	\$5.9	\$11.9	\$3.2	\$6.9	\$4.8	Not met	\$10.9
Other benefits	517	682	646	442	497	372	462	Met	377
Testimonies	26	29	17	16	20	18	14	Not met	17

Source: GAO. | GAO-24-900483

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2024 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 FY 2019, we achieved one unexpectedly large financial benefit; however, we do not expect this level of results in 2024.

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	2018	2019	2020	2021	2022	2023
Financial benefits (dollars in billions)	\$20.8	\$54.4	\$52.6	\$43.9	\$42.1	\$6.4
Other benefits	506	550	586	572	567	512
Testimonies	28	30	23	22	21	17

Source: GAO. | GAO-24-900483

The following sections describe our performance under Goal 2 for each of our quantitative performance measures and the targets for FY 2024.

## Financial Benefits

The financial benefits reported for this goal in FY 2023 totaled \$4.8 billion, which was \$2.1 billion or about 30 percent below our \$6.9 billion target. Financial benefits contributing to this total include rescinding unused funds from the Millennium Challenge Corporation (MCC) (\$524 million), reducing the State Department’s Global Health program account (\$230 million), and improving Navy officer retention to ensure ship safety (\$159 million). We set our FY 2024 target of \$10.9 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’s Financial Benefits

**Reducing Unused Funds for DOD’s Operation and Maintenance Activities:** DOD’s Operation and Maintenance funds support a wide range of activities—including sustaining and equipping the military services, and purchasing fuel and spare parts. DOD requests hundreds of billions of dollars for these activities each fiscal year. However, we found in 2022 that DOD did not use all of the funds it received for these activities in FY 2021, and that unused amounts were returned to the Treasury from prior fiscal years. Congress reduced DOD’s appropriated amounts for FY 2023 for certain operation and maintenance activities from the amount DOD requested, including by \$1.24 billion based in part on our analysis. This will help Congress fund other high-priority activities. (Budget Justification Review)

Note: Given the scope, objectives, timing, and sensitivity of Budget Justification Reviews, final products primarily consist of unpublished data sheets or issue papers provided only to relevant committees or subcommittees.

## Other Benefits

Other benefits reported for Goal 2 in FY 2023 totaled 462, exceeding our target of 372 by 90 benefits or about 24 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 2024 target at 377, 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

**Protecting Sensitive Information:** Federal agencies must protect large amounts of sensitive personal information. In 2022, we found that 23 of 24 agencies we reviewed had not fully implemented their privacy programs and recommended they address key privacy practices. As of July 2023, three agencies have implemented one or more of our recommendations. For example, GSA defined a process for privacy officials to review IT investment plans, and the USAID incorporated privacy into its risk management strategy. This will help protect sensitive personal information from cyber threats. (GAO-22-105065)

## Testimonies

Our senior executives testified 14 times on our Goal 2 work, which fell short of the FY 2023 target of 18 by 4 testimonies or about 22 percent. Examples of Goal 2 testimonies included the need to (1) identify challenges to DOD's efforts to upgrade its aging tactical aircraft fleet and (2) improve the Coast Guard's ability to conduct missions. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2024 target for testimonies for Goal 2 at 17 based on experience in recent years.

### Example of Goal 2's Testimonies

**Protecting Federal Systems and Infrastructure From Cybersecurity Threats:** The Department of the Interior protects and manages a number of the nation's natural resources. For example, it oversees safety and environmental standards at offshore oil and gas facilities. In June 2023, we testified that Interior could improve its cybersecurity programs and practices, including those at offshore facilities. A cyberattack on one of these facilities could do significant damage and disrupt oil and gas supplies. In our related October 2022 report, we recommended that Interior immediately develop a strategy to address such risks. Interior responded that it would complete one by the end of 2023. ([GAO-22-106869](#))



Source: U.S. House of Representatives, Committee on Natural Resources, Subcommittee on Oversight and Investigations. | GAO-24-900483

Marisol Cruz Cain, Director, testified on protecting federal systems and infrastructure from cybersecurity threats.



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

**Table 21: Examples of Goal 2's Accomplishments and Contributions**

<b>Protect and Secure the Homeland</b>	
<b>Helping More People Access Disaster Assistance</b>	Some disaster survivors—specifically people living in low-income neighborhoods or rural isolated areas, people of color, and people with disabilities—have problems accessing disaster assistance programs. In 2021, we found that some federal programs do not have the information they need to identify barriers to access for disaster assistance. In May 2023, congressional members cited this work during the creation of a new Congressional Disaster Equity and Building Resilience Caucus as having led to the introduction of the FEMA Equity Act—which aims to help address inequities in disaster assistance. ( <a href="#">GAO-22-104039</a> , <a href="#">GAO-22-105488</a> )
<b>Establishing Policies for Sharing Information Related to Threats</b>	In February 2023, we reported that, prior to the events of January 6, 2021, the Capitol Police did not internally share relevant information about threats—resulting in some officers, agents, and intelligence staff not having complete information. In response, the Capitol Police implemented a new standard operating procedure in March 2023 for collecting and disseminating intelligence information. The new policies, combined with a phone application that allows personnel to access intelligence and updates, can help ensure all relevant Capitol Police personnel have the information they need to perform their duties. ( <a href="#">GAO-23-106625</a> )
<b>Estimating 9/11 Victim Compensation Payments</b>	The U.S. Victims of State Sponsored Terrorism Fund compensates eligible victims of terrorism. Certain 9/11 victims, spouses, and dependents became eligible for the Fund in 2019. Legislation required us to estimate their “catch-up” payments—lump sums for newly eligible groups to align with payments that other groups have received from the Fund. We calculated these payments to total about \$2.7 billion. Congress relied on our calculations to help inform decisions about the Fund. In December 2022, legislation directed the Fund to make payments in amounts equal to our calculations. ( <a href="#">GAO-21-105306</a> )
<b>Military Capabilities and Readiness</b>	
<b>Improving DOD Efforts to Prevent Sexual Assault</b>	DOD estimated in FY 2018 that about 2,500 of its 900,000 civilian employees experienced work-related sexual assault. We found in 2021 that DOD lacked a comprehensive sexual assault prevention strategy for its civilian employees and recommended that it develop such a strategy. In response, we confirmed in 2023 that DOD issued information specific to providing sexual assault training to its civilian employees. This will help DOD foster a climate free of sexual assault. ( <a href="#">GAO-21-113</a> )
<b>Improving Navy Officer Retention to Ensure Ship Safety</b>	Navy Surface Warfare Officers (SWOs) focus on the safe operation of ships at sea. In 2017, the Navy had two collisions at sea that resulted in 17 sailor deaths and hundreds of millions of dollars in ship damage. In 2021, we examined the factors that contributed to these collisions and found that the Navy has had trouble retaining SWOs. We recommended that the Navy develop a plan to improve their retention. In 2023, the Navy developed a plan that reduces the number of new SWOs by 20 percent for the next 4 years. This action, meant to improve SWO retention and increase training opportunities aboard ships, will save almost \$159 million. ( <a href="#">GAO-21-168</a> )



**Reducing Maintenance Delays at Navy Shipyards** The Navy’s shipyards maintain the readiness of its aircraft carriers and submarines. However, there are substantial maintenance delays at these shipyards. The Navy has relied on overtime to address these delays. We found in 2020 that high levels of overtime did not alleviate the delays and may instead be contributing to them. We recommended that the Navy analyze and revise its overtime policy. In response, the Navy completed a study in December 2022 and reduced the amount of work done at the shipyards—which reduced the excessive use of overtime. This will help the Navy better meet its planned maintenance needs. ([GAO-20-588](#))

## Foreign Policy and International Economic Interest

**Reducing the Unauthorized Transfer of Sensitive Technologies** Millions of foreign students study at U.S. universities and contribute to research. But there is a risk that some may illegally access and share sensitive information, such as data or technology, with their home countries. Our work in this area has resulted in multiple agency actions. For example, we verified in FY 2023 that the State Department updated its guidelines to help universities safeguard data and technologies. The Commerce Department also prioritized universities at risk for such breaches, and assigned an outreach agent to establish long-term partnerships with universities to help them prevent unauthorized exports. ([GAO-22-105727](#), [GAO-20-394](#))

**Rescinding Unused Funds from the Millennium Challenge Corporation** The MCC is a federal agency that gives grants to promote economic growth, reduce poverty, and strengthen institutions in developing countries. In FY 2022, we found that the MCC has consistently not used all the money it has been appropriated since FY 2013—at an average of \$2.45 billion per year. In response, we verified in FY 2023 that Congress rescinded \$524 million in unobligated balances from the MCC in FY 2022. This will allow Congress to use this money on other government priorities. (Budget Justification Review<sup>a</sup>)

## Cybersecurity of the Nation

**Improving Federal Coordination on Ransomware** Ransomware attacks pose a major threat to hospitals, schools, emergency services, and other crucial industries. In 2022, we reported that several federal agencies help protect state and local governments from ransomware, such as by offering guidance and assessments. However, we found that federal agencies lacked processes to effectively coordinate on these activities. We made recommendations to improve interagency collaboration on ransomware attacks. Implementing our recommendations will help federal agencies work more effectively to prevent and respond to such cyber threats. ([GAO-22-104767](#), [GAO-23-105480](#), [GAO-23-106279](#))

Source: GAO. | GAO-24-900483

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 generally 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.

<sup>a</sup>Given the scope, objectives, timing, and sensitivity of Budget Justification Reviews, final products primarily consist of unpublished data sheets or issue papers provided only to relevant committees or subcommittees.



Source: Nueng (the flag) and ozerkina (the Capitol)/stock.adobe.com. | GAO-24-900483



## 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.

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

**Responsible Use of AI:** AI is evolving at a rapid pace and comes with a number of complexities, risks, and societal consequences. We testified in May 2023 on key practices for the responsible use of AI at federal agencies. These practices are organized around four principles—governance, data, performance, and monitoring. For example, agencies should monitor AI to ensure that such systems remain reliable and relevant over time. We also reported on experts' opinions about establishing a new digital services academy to address the severe shortage of federal staff with AI expertise. ([GAO-23-106811](#))



Source: U.S. Senate, Committee on Homeland Security and Governmental Affairs. | GAO-24-900483

Taka Ariga, Director, testified on the responsible use of AI.

To accomplish our work in FY 2023 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 all the Goal 3 performance targets set for FY 2023.

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

Performance measure	2018 actual	2019 actual	2020 actual	2021 actual	2022 actual	2023 target <sup>a</sup>	2023 actual	Met/not met	2024 target
Financial benefits (dollars in billions)	\$12.1	\$6.7	\$5.0	\$6.4	\$42.1	\$17.3	\$52.0	Met	\$5.2
Other benefits	515	491	390	477	458	365	444	Met	380
Testimonies	28	23	18	15	22	22	22	Met	22

Source: GAO. | GAO-24-900483

Note: Financial benefits for Goals 1 through 3 do not sum to the total agency-wide target for 2024, 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; however, we do not expect this level of results in 2024.

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	2018	2019	2020	2021	2022	2023
Financial benefits (dollars in billions)	\$14.5	\$13.6	\$7.2	\$7.5	\$15.1	\$26.4
Other benefits	502	493	478	468	454	442
Testimonies	30	29	25	21	20	19

Source: GAO. | GAO-24-900483

The following sections describe our performance under Goal 3 for each of our quantitative performance measures and the targets for FY 2024.

## Financial Benefits

The financial benefits reported for this goal in FY 2023 totaled \$52.0 billion, which was \$34.7 billion above our \$17.3 billion target. 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 (\$1.5 billion) and VA pausing the deployment of an electronic health record system to make improvements (\$440 million). We set our FY 2024 target at \$5.2 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's Financial Benefits

**Transferring Balances from the U.S. Enrichment Corporation (USEC) Fund:** The U.S. Treasury's USEC Fund was established to pay for certain environmental clean-up, among other things. In 2015, we found that the Fund's purpose had been fulfilled and suggested that Congress rescind its balance or move it to another account. In 2022, Congress moved the balance to the Uranium Enrichment Decontamination and Decommissioning Fund, which pays for cleanup at former uranium enrichment plants. These transfers offset the need for about \$1.5 billion more in funding requests for that effort, helping to address a shortfall in that fund. In 2023, we confirmed that all remaining USEC fund balances had been transferred. ([GAO-15-404SP](#))

## Other Benefits

Other benefits reported for Goal 3 in FY 2023 totaled 444, exceeding our target of 365 by 79 benefits or about 22 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 2024 target again at 380, based on recent performance and discussions with the Goal 3 teams on what they believe can be achieved based on past, ongoing, and expected work.

### Example of Goal 3's Other Benefits

**Improving Emergency Contracting Efforts:** Contracting during an emergency can be challenging. During the COVID-19 pandemic, agencies quickly awarded contracts (collectively worth billions of dollars and sometimes to new vendors) for face masks, gloves, and other items some agencies do not usually buy. In 2021, we found that FEMA identified contracting challenges during the pandemic, but did not formally collect lessons learned. We recommended that FEMA collect and share these contracting lessons. In November 2022, FEMA formalized a process to do this on an annual basis, which will help improve future emergency response efforts. ([GAO-21-528](#))



## Testimonies

Our senior executives testified 22 times on our Goal 3 work, meeting the FY 2023 target of 22. Among the Goal 3 testimony topics covered were the need to (1) address DOD’s long standing financial management issues and (2) implement GAO recommendations to help address challenges at Commerce, DOE and EPA. (See [table 8](#) for selected testimony topics by goal.) We set our FY 2024 target for testimonies for Goal 3 at 22 based on experience in recent years.

### Example of Goal 3’s Testimonies

**Addressing the Nation’s Fiscal Health:** We testified in June 2023 about our longstanding concerns about the nation’s unsustainable fiscal path, the fiscal risks of debt limit impasses, and what Congress could do to address these challenges. For example, debt held by the public is projected to grow at a faster pace than the size of the economy—it is projected to reach a historical high of 106% of GDP within 10 years. We have been calling for a plan to address these concerns since 2017. Our work has identified several components of an effective fiscal plan, such as incorporating a debt-to-GDP target. ([GAO-23-106873](#))



Source: U.S. House of Representatives, Committee on Financial Services. | GAO-24-900483

Jeff Arkin, Director, testified on addressing the nation’s fiscal health.

**Table 24** contains examples of Goal 3 accomplishments and contributions, for selected objectives, and includes both financial and other benefits.

Table 24: Examples of Goal 3's Accomplishments and Contributions

<b>Government's Fiscal Condition and Opportunities to Strengthen Management of Federal Finances</b>	
<b>Improving the Reliability of the General Fund: "America's Checkbook"</b>	The Treasury Department manages the General Fund, which finances government operations and reports annual cash activity. In 2023, we issued our financial audit report of the 2022 Schedules of the General Fund, but could not give an opinion on their reliability due to issues we previously identified. However, Treasury resolved 14 of our prior recommendations, including implementing a process to match the amount paid by the General Fund to the amount certified for payment by the federal agency. This will help validate the \$23 trillion in annual payments from the General Fund. ( <a href="#">GAO-23-104786</a> )
<b>Fraud, Waste, Abuse, and Needed Improvements in Internal Controls</b>	
<b>Removing Ineligible Members from the Federal Employee Health Benefits Program</b>	In 2021, the Federal Employees Health Benefits program spent \$59 billion on health insurance for roughly 8 million workers, their families, and others. In December 2022, we reported that OPM did not have a way to identify and remove ineligible family members from this program. We recommended that OPM establish a mechanism to do so, which improved its oversight and could potentially save up to \$1 billion annually. Our report has supported heightened oversight, including a request for more information from the House Committee on Oversight and Accountability. ( <a href="#">GAO-23-105222</a> )
<b>Crosscutting Issues, Major Management Challenges, and Program Risks</b>	
<b>Improving Knowledge Sharing at the International Space Station Advisory Committee</b>	The Center for the Advancement of Science in Space manages the International Space Station National Laboratory for NASA. The Center allocates resources, such as time astronauts may spend on research projects. The Center formed an advisory committee to improve communication about how it allocates resources. In 2022, we found that the Center had not completed a succession plan for this committee and recommended it do so to allow current and new members' terms to overlap. In January 2023, the Center finalized this succession plan, which will improve the sharing and transfer of knowledge among members. ( <a href="#">GAO-22-105147</a> )
<b>Helping Provide Comprehensive Information on Political Appointees</b>	Oversight of political appointees serving in the executive branch is an important part of federal ethics programs. We reviewed information available on such appointees in March 2019 and found that there is no single source of data on them that is comprehensive, timely, and publicly available. We suggested that Congress require such information be collected and made publicly accessible. In response, Congress passed and the President signed the Periodically Listing Updates to Management Act of 2022 into law in December 2022. This law directs OPM to establish and maintain a public website with this information. ( <a href="#">GAO-19-249</a> )
<b>Improving the Transparency of Agency Performance Data and Accountability</b>	Federal agencies are required to describe how they ensure the accuracy and reliability of their performance information, which is used to measure progress on their highest priority performance goals, and to make this information publicly available. However, we found that agencies' reporting on their priority goals did not always include the data sources they used or information on data accuracy and limitations. Several agencies took actions in FY 2023 to publicly report on missing information and improve their data practices—helping ensure that this information is useful and transparent. ( <a href="#">GAO-15-788</a> , <a href="#">GAO-21-152</a> )

## Science and Technology Issues

### Strengthening Interagency Collaboration on Quantum Computing

Multiple federal agencies coordinate research on quantum computing through an interagency group co-chaired by the Office of Science and Technology Policy (OSTP). In 2018, we found that this group had not fully implemented some leading practices that could help improve collaboration. We recommended it do so. In January 2023, OSTP shared how collaborative practices, such as agreeing on roles and responsibilities and reporting on results, are being implemented. This will help agencies strengthen their collaboration and can help maintain U.S. competitiveness in quantum computing. ([GAO-18-656](#))

### Improving Reporting on Federal Research Funding Recipients

The National Science Foundation (NSF) helps fund basic research at U.S. colleges and universities. NSF has a program to help ensure this funding is spread across states and territories, and that it promotes researcher diversity and economic development. In 2022, we found that participating states and territories were better able to compete for research funding but that NSF reports provided limited information on researcher diversity and economic development. In response, NSF began including additional data in its annual program reports in 2023, which will help to track progress towards its goals. ([GAO-22-105043](#))

Source: GAO. | GAO-24-900483

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 generally claim up to 5 years of new benefits based on a single agency or congressional action. For more information, see [Appendix II](#).



Source: Nueng (the flag) and Beaunitta Van Wyk (hands)/stock.adobe.com. | GAO-24-900483



## Strategic Goal 4

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

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

**Reimagining the Way We Work:** From focusing on right-sizing our HQ building and field offices to welcoming back our in-person International Auditor Fellows for the first time since 2019, we made strides in applying pandemic lessons learned to how we engage internally and publicly. 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: Examples of Goal 4's 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, multidisciplinary workforce</b>	<ul style="list-style-type: none"> <li>■ Participated in 170 career events, 35 percent of which focused on diversity recruiting; increased our outreach to minority serving institutions; hosted a multi-school American Sign Language-only career event; and established a senior executive DEIA group to address matters of recruitment, promotion, and retention, with a subgroup focusing specifically on historically black college and university recruiting.</li> <li>■ Hired 352 employees, 201 of whom comprised our entry-level Professional Development Program.</li> <li>■ Successfully managed a year-round internship program for 263 analyst and operations interns across our 11 field offices and HQ, providing GAO with a continuous pipeline of vetted, well-trained staff to meet agency needs.</li> <li>■ Developed a new entry-level national security program and boosted our cybersecurity and national security workforce to support our national defense oversight efforts.</li> </ul>
<b>Provide training and development programs to enhance employee skills</b>	<ul style="list-style-type: none"> <li>■ Created and launched a new course to assist senior analysts with guiding the report review process, including reviewing drafts to meet agency standards and providing meaningful feedback to newer staff.</li> <li>■ Developed required training to help employees manage risks and reinforce responsibilities related to engagements and operations to support the integration between enterprise risk management, internal control, and fraud risk assessment.</li> <li>■ Continued to invest in our coaching culture through expanded internal recruiting efforts, learning opportunities for senior leadership, and integrated group coaching circles focused on high-interest career development topics.</li> </ul>
<b>Enhance and sustain a culture of diversity, equity, inclusion, and accessibility</b>	<ul style="list-style-type: none"> <li>■ Hired subject-matter experts in the newly established DEIA office, including an accessibility specialist and equity specialist, to help enhance internal DEIA efforts and advise on equity-related audit engagements.</li> </ul>

- 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 ending of the pandemic period by terminating all associated pandemic procedures, revising the voluntary re-entry agreement, and including a new in-person reporting requirement;
  - Finalized a new future of work operating status to be implemented in phases;
  - Rolled out multiple technology solutions to streamline and enhance processes;
  - Rolled out a new GAO performance management system; and
  - Developed a new voluntary leave bank program.

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

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

- Improved our short-form product lines to quickly connect busy readers with our work on today's most pressing and relevant issues.
- Implemented enhanced processes to track ongoing and potential mandates, and worked with Congress to repeal or sunset eight mandates, ensuring our clients receive efficient, timely information on the topics of most interest and concern.
- Augmented [WatchDog](#) with information on legal opinions, thus apprising the Congress of pending decisions and notifying committees with jurisdiction prior to issuance.
- Established internal guidance to ensure consistent use of several new oversight funding streams and developed strategies to communicate progress with congressional clients.

### Enhance GAO's foresight and strategic planning capacity

- Expanded CAE curriculum and provided high-quality training to help strengthen the auditing skills of about 3,000 participants from about 100 federal, state, local, and private sector organizations.
- Increased the scale of CAE's international activity through agreements with international donors to improve audit capacity of SAIs low and middle-income countries.
- Established an internal foresight network whose subject-matter experts advise mission teams on emerging issues such as space environment, blockchain in financial services, and others.
- Provided training on foresight to our senior executive candidates and international fellows participants.

### Develop and continually improve government auditing standards

- Updated the Financial Audit Manual that presents a methodology for financial statement audits of federal entities in accordance with professional standards.
- Coordinated with OMB and the audit community on improving audit guidance for overseeing federal grant spending.

**Enhance information sharing for the domestic and international accountability community**

- Led and gained approval of the INTOSAI Strategic Plan 2023-2028, which directs INTOSAI's continued success in sharing information and best practices among the global public sector accountability community.
- Helped launch a new program of the INTOSAI Donor Cooperation that facilitates the flow of financial and technical support to SAIs in developing countries.
- Completed a redesign of the International Journal of Government Auditing's website to provide real-time information on events and developments affecting the global public sector accountability community in INTOSAI's five official languages.
- Developed and provided an organizational change management course to our visiting international fellows.
- Planned, managed, and executed the first hybrid meetings of the annual National Intergovernmental Audit Forum, Educator Advisory Panel, and Domestic Working Group, and planned and facilitated hybrid regional forum events across the country, reaching both in-person and remote audiences.

**Leverage data, technology, staff, and process improvement to enhance GAO's communications, processes, and programs**

- Created multiple short-form product lines to support our clients' requests for quick turnaround information on topics such as congressional directives included in the FY 2022 appropriation laws, overviews of prior GAO work on a myriad subjects, and Question and Answer products on specific issues.
- Improved the effectiveness of our [Duplication and Cost-Savings website](#) via a tool that displays recommendations and their status in real-time, providing congressional and agency partners up-to-date information.
- Deployed a prototype application to enable our analysts to explore and discover systemic trends within the entire OMB Federal Audit Clearinghouse, which will help highlight persistent and significant challenges across all programs receiving federally directed funding.
- Enhanced GAO's enterprise risk management program to update policy and guidance in accordance with federal standards and guidance; provide training materials to enhance staff awareness; and increase integration among enterprise risk management, fraud risk management, and internal control activities to help ensure GAO successfully achieves its mission.
- Improved our public website's user experience through refined search functionality, resulting in more accurate, dynamically generated information.
- At the start of the new Congress, launched a redesigned "For Congress" suite of resources to link Members to the many services we provide on GAO.gov, including technical assistance, legal opinions, hearings, and more.
- Continued to support plain language initiatives by creating additional training for employees, publishing content on GAO.gov related to our compliance with the Plain Writing Act, and developing the next phase in our pilot to produce streamlined, message-focused highlights pages.
- Efficiently managed a 125 percent increase in travel voucher actions as employees resumed pre-pandemic work activities in the public sphere.
- Improved the onboarding experience by implementing an enhanced software module that allows for key personal information to autofill across multiple forms.

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

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

- Continued maintenance of our HQ building to include parking garage repair and restoration; air handling unit replacements and supply shaft upgrades; and ongoing cosmetic refurbishing on multiple floors.
- Designed and established the foundation necessary for our migration of IT systems and services to the cloud, and started this migration.

**Empower staff with collaborative, integrated tools**

- Provided 100 percent of all new employees and contractors access to our network on day 1 of onboarding, ensuring they could begin work seamlessly.
- Rolled out our Talent Management System's performance module; this module brings the functionality of several legacy systems into one platform, improving the user experience and streamlining processes.
- Deployed a preproduction copyediting tool that helps detect errors and deviations from our style rules, resulting in real-time feedback on draft reports.

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

- Launched the Analytics Foundry to provide a dedicated cloud computing environment to allow analysts to securely transfer, store, and process data at scale, while ushering in new analytical and collaborative possibilities.
- Developed web-based interactive reports based on commercial data that enhance our ability to provide our clients with timely information on risks and trends in the housing market and housing finance system.
- Completed our internal classified recommendation tracking system, allowing our analysts to systematically track unclassified recommendation information for classified products and streamlining the data entry process.
- Migrated a number of internal surveys to Qualtrics, allowing us to eliminate a legacy survey platform and provide timely analysis and actionable feedback in a user-friendly reporting format.
- Introduced a process improvement method to identify and prioritize opportunities to reduce risk using the Nominal Group Technique method, with multi-voting to create team consensus and buy-in that leads to improved efficiency and effectiveness.

**Enable a dependable, mobile environment**

- Staged our hoteling reservation system and kiosks to support a hybrid workforce.

Source: GAO. | GAO-24-900483



SERVING CONGRESS AND THE NATION



# PART III

## Financial Information

# Part III

## Financial Information



From the Chief Financial Officer

November 15, 2023

In FY 2023, GAO continued to perform our mission at the highest levels through and subsequent to the May 2023 termination of the National Emergency Declaration and the Public Health Emergency Declaration related to COVID-19. These terminations led to several GAO policy changes, including, most significantly, reaching an agreement with the GAO Union on the Future of Work. This year, we also reached other significant milestones, such as continuing to modernize and improve our IT environment and maintaining a robust hiring pace.

GAO continues to focus on our mission of accountability, transparency, and oversight. One way we've measured our success toward these goals is by continuing 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 2022 PAR received the CEAR award from the Association of Government Accountants—our 22nd consecutive award since we first applied in FY 2001.

Funding enacted in FY 2023 empowered GAO to consistently hire new staff throughout the year, reaching a total of 3,483 FTE positions and marking a measurable increase of 129 FTEs from the preceding year. This growth in staffing bolstered key areas, including the continued growth of our STAA team, the assessment of government-wide cybersecurity proficiency, healthcare expenditure analysis, and rigorous examination of defense weaponry systems. These enacted funds also steadfastly advanced our appropriations law expertise, an asset held in high regard by both Members and Committees of Congress. Supplemental funding, specifically for audits of activities authorized by the American Rescue Plan Act of 2021, the Infrastructure Investment and Jobs Act, the Inflation Reduction Act, and the Oversight of Ukraine Assistance Act helped make these staffing initiatives possible. These financial provisions not only facilitated our current operations but ensured the sustained excellence and adaptability of GAO's critical functions for the immediate future.

In addition, the enacted funding facilitated steady progress in GAO's IT modernization, cloud data management, and storage solutions, while also addressing progress on building security prerequisites and infrastructure upkeep. GAO also enhanced its Analytics Foundry to provide our Innovation Lab with a dedicated cloud computing environment to enable analysts to securely transfer, store, and process data at scale while ushering in new analytical and collaborative possibilities.

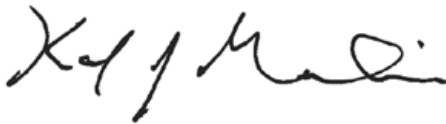
GAO utilizes a maturity model approach to enhance integration of Enterprise Risk Management, fraud risk management, and internal control activities. Under the direction of the Chief Risk Officers, we collaborated with stakeholders to (1) conduct risk assessments, document risk mitigation strategies, and update the risk profiles for enterprise risks and high-risk programs consistent with federal standards and guidance, including OMB Circulars No. A-11, Preparation, Submission, and Execution of the Budget, and No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control; (2) assess the internal controls over operations, reporting, and compliance; and (3) update several fraud risk assessments of high-risk program areas, consistent with GAO's Framework for Managing Fraud Risks in Federal Programs. We also updated the policy and guidance related to risk management and developed an employee training course on risk management and internal control to promote a risk culture and enhance employee awareness.

The Office of Internal Control (OIC) conducted an entity-wide assessment of 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, infrastructure operations, and IT. We also reviewed the independent auditors' reports of our shared service providers and proactively addressed any issues with the appropriate compensating controls, where applicable.

Our assessment found that 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 2023. No material weaknesses or significant deficiencies were found in the design or implementation of GAO's internal control system.



With the public health national emergency over, GAO will move forward with implementing our new Future of Work Agreement, continuing to prioritize the Congress and the Nation. As such, we will keep our focus on our mission of accountability, transparency, and oversight. Our IT modernization accomplishments during FY 2023 supported the infrastructure needed to sustain a hybrid environment. These accomplishments included implementing the new Microsoft Desktop and Microsoft 365 with access to file storage on the Cloud, and continuing user testing of our upcoming document management system replacement—the ECM program. Together, our IT enhancements, robust hiring, Innovation Lab analytics enhancements, and continuous improvement in our internal control environment will provide the necessary infrastructure for successfully meeting our responsibilities to the Congress and the American people.



Karl J. Maschino  
Chief Administrative Officer/  
Chief Financial Officer



# Audit Advisory Committee's Report

November 13, 2023

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 controls over its financial operations, 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 2023 Performance and Accountability Report.



Robert H. Attmore  
Chair  
Audit Advisory Committee

# Independent Auditors' Report



CliftonLarsonAllen LLP  
CLAAconnect.com

## INDEPENDENT AUDITORS' REPORT

Comptroller General of the United States  
Government Accountability Office

In our audits of the fiscal years 2023 and 2022 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, 2023, and 2022, 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, 2023;
- GAO's financial management systems substantially complied with the applicable requirements of the Federal Financial Management Improvement Act (FFMIA) as of September 30, 2023; and
- No reportable noncompliance with provisions of applicable laws, regulations, contracts, and grant agreements we tested for fiscal year 2023 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, and audit of systems' compliance with FFMIA; which includes the required supplementary information (RSI)<sup>1</sup> and other information<sup>2</sup> included with the financial statements, and (2) our report on compliance with laws, regulations, contracts, and grant agreements and other matters.

### 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. 24-01, *Audit Requirements for Federal Financial Statements* (OMB Bulletin 24-01). GAO's financial statements comprise the balance sheets as of September 30, 2023, and 2022, 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, 2023, and 2022, 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 "Financial Information" on pages 116 to 117 of GAO's Performance and Accountability Report (PAR) and subsections titled "Deferred Maintenance and Repairs for Fiscal Year 2023" and "Land for Fiscal Year 2023" on page 116 to 711, 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, 2023, 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, 2023, 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, 2023. 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, 2023, 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Bulletin 24-01. 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, 2023, included in the accompanying management's

<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)

Assurance Statements on Internal Control over Financial reporting in the Management Discussion and Analysis (MD&A) 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.
- 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.



### INDEPENDENT AUDITORS' REPORT (Continued)

- 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 included in GAOs PAR but does not include the financial statements and our auditor's report

### INDEPENDENT AUDITORS' REPORT (Continued)

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 2023 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 Tests 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.

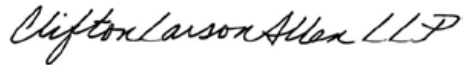
#### Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

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 performed in accordance with *Government Auditing Standards* in considering compliance.

**INDEPENDENT AUDITORS' REPORT (Continued)**

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 cursive script that reads "CliftonLarsonAllen LLP".

Greenbelt, Maryland  
November 13, 2023

# Purpose of Financial Statements, Notes, and Required Supplementary Information

The financial statements on the following pages are the:

- Balance sheets, which present the amounts we had available to use (assets) versus the amounts we owed (liabilities) and the residual amounts after liabilities were subtracted from assets (net position).
- Statements of net cost, which present the annual cost of our operations. The gross costs, less any offsetting revenue earned from our activities, is used to arrive at the net cost of work performed under our four strategic goals and other costs in support of the Congress.
- Statements of changes in net position, which present the accounting items that caused the net position section of the balance sheets to change from the beginning to the end of the fiscal years displayed.
- Statements of budgetary resources, which present how budgetary resources were made available to us during the fiscal year and the status of those resources at the end of the fiscal year.
- Notes to financial statements present information that is essential to a user's understanding of the basic financial statements. This includes:
  - relevant information integral to understanding line items of accrual basis financial statements
  - context or background information regarding the reporting entity and its activities
  - past events, current conditions, and circumstances not previously recognized but that may affect operating performance
  - other information users may need to assess accountability
- Required supplementary information presents certain unaudited information required by Government Accounting Standards which does not appear elsewhere.



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

As of September 30, 2023 and 2022

(Dollars in Thousands)

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Intragovernmental</b>		
Fund balance with Treasury (Note 2)	\$341,995	\$332,752
Accounts receivable	3,119	3,910
Advances and prepayments	6,871	4,744
<b>Total Intragovernmental Assets</b>	<u>351,985</u>	<u>341,406</u>
<b>With the Public</b>		
Property and equipment, net (Note 3)	33,202	19,684
Other assets	407	400
<b>Total Assets With the Public</b>	<u>33,609</u>	<u>20,084</u>
<b>Total Assets</b>	<u>\$385,594</u>	<u>\$361,490</u>
<b>Liabilities (Note 4)</b>		
<b>Intragovernmental</b>		
Employer contributions and payroll taxes payable (Note 5)	\$8,930	\$8,098
Federal Employees' Compensation Act (FECA) liability (Note 6)	1,684	1,802
Other liabilities (Note 7)	1,900	2,371
<b>Total Intragovernmental Liabilities</b>	<u>12,514</u>	<u>12,271</u>
<b>With the Public</b>		
Accounts payable	3,646	14,337
Federal employee benefits payable (Note 6)	61,286	57,893
Other liabilities (Note 7)	43,462	38,151
<b>Total Liabilities With the Public</b>	<u>108,394</u>	<u>110,381</u>
<b>Total Liabilities</b>	<u>120,908</u>	<u>122,652</u>
<b>Net Position</b>		
Unexpended appropriations	152,752	152,415
Cumulative results of operations	111,934	86,423
<b>Total Net Position (Note 13)</b>	<u>264,686</u>	<u>238,838</u>
<b>Total Liabilities and Net Position</b>	<u>\$385,594</u>	<u>\$361,490</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, 2023 and 2022  
(Dollars in Thousands)

	<u>2023</u>	<u>2022</u>
<b>Net Costs by Goal</b>		
<b>Goal 1: Well-being / Financial Security of American People</b>		
Gross costs	\$285,909	\$267,707
Less: reimbursable services	(147)	(460)
Net goal costs	<u>285,762</u>	<u>267,247</u>
<b>Goal 2: Changing Security Threats / Challenges of Global Interdependence</b>		
Gross costs	254,466	181,282
Less: reimbursable services	-	-
Net goal costs	<u>254,466</u>	<u>181,282</u>
<b>Goal 3: Transforming the Federal Government's Role</b>		
Gross costs	222,680	222,106
Less: reimbursable services	(11,338)	(15,382)
Net goal costs	<u>211,342</u>	<u>206,724</u>
<b>Goal 4: Maximize the Value of GAO</b>		
Gross costs	17,286	14,395
Less: reimbursable services	-	-
Net goal costs	<u>17,286</u>	<u>14,395</u>
<b>Other Costs in Support of the Congress</b>		
Gross costs	69,602	71,519
Less: reimbursable services	(2,119)	(1,834)
Net costs	<u>67,483</u>	<u>69,685</u>
Less: reimbursable services not attributable to above cost categories ( <a href="#">Note 8</a> )	<u>(20,230)</u>	<u>(17,318)</u>
<b>Net Cost of Operations (<a href="#">Note 10</a>)</b>	<u><u>\$816,109</u></u>	<u><u>\$722,015</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, 2023 and 2022**  
(Dollars in Thousands)

	<u>2023</u>	<u>2022</u>
<b>Unexpended Appropriations:</b>		
<b>Unexpended Appropriations, beginning of fiscal year</b>	\$152,415	\$141,470
Appropriations received	797,819	744,230
Appropriations used	<u>(797,482)</u>	<u>(733,285)</u>
<b>Net Change in Unexpended Appropriations</b>	337	10,945
<b>Unexpended Appropriations, end of fiscal year</b>	<u>\$152,752</u>	<u>\$152,415</u>
<b>Cumulative Results of Operations:</b>		
<b>Cumulative Results of Operations, beginning of fiscal year</b>	\$86,423	\$46,720
Appropriations used	797,482	733,285
Imputed financing - cost imputed to GAO relating to retirement benefits (Note 5)	44,139	28,426
Transfers in/out and other	(1)	7
Net cost of operations	<u>(816,109)</u>	<u>(722,015)</u>
<b>Net Change in Cumulative Results of Operations</b>	25,511	39,703
<b>Cumulative Results of Operations, end of fiscal year</b>	<u>\$111,934</u>	<u>\$86,423</u>
<b>Net Position</b>	<u>\$264,686</u>	<u>\$238,838</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, 2023 and 2022**  
(Dollars in Thousands)

	<b><u>2023</u></b>	<b><u>2022</u></b>
<b>Budgetary Resources (Note 11)</b>		
Unobligated balance from prior year budget authority, net	\$208,080	\$179,654
Appropriations	797,819	744,230
Spending authority from offsetting collections	35,992	34,872
<b>Total budgetary resources</b>	<b><u>\$1,041,891</u></b>	<b><u>\$958,756</u></b>
<b>Status of Budgetary Resources</b>		
New obligations and upward adjustments	\$839,611	\$760,352
Unobligated balance, end of year:		
Apportioned, unexpired account	182	207
Unapportioned, unexpired accounts	195,665	193,748
Unexpired unobligated balance, end of year	195,847	193,955
Expired unobligated balance, end of year	6,433	4,449
Total unobligated balance, end of year	202,280	198,404
<b>Total budgetary resources</b>	<b><u>\$1,041,891</u></b>	<b><u>\$958,756</u></b>
<b>Outlays, Net</b>		
Outlays, net	\$788,576	\$693,198
Distributed offsetting receipts	(19)	(79)
<b>Agency outlays, net</b>	<b><u>\$788,557</u></b>	<b><u>\$693,119</u></b>

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 and supplemental appropriations 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 assets 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 and software, 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 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. 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 liabilities associated with these costs are reported by OPM, who administers the plans.

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](#)).

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 reasonably estimable. Management believes that the likelihood of losses from such claims and litigation are 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.

### ***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, 2023 and September 30, 2022, is as follows:

**Dollars in Thousands**

	2023	2022
Fund Balance with Treasury	<u>\$341,995</u>	<u>\$332,752</u>
Status of Fund Balance with Treasury		
Unobligated balance		
Available	\$178,773	\$178,090
Unavailable	6,433	4,449
Obligated balance not yet disbursed	<u>156,789</u>	<u>150,213</u>
Total status of Fund Balance with Treasury	<u>\$341,995</u>	<u>\$332,752</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 CAE.

**Advances and Prepayments**

GAO's advances and prepayments consists primarily of a prepaid interagency agreement 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, 2023, 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	147,489	\$125,912	21,577
Computer and other equipment and software	61,137	51,231	9,906
Leasehold improvements	<u>3,144</u>	<u>2,616</u>	<u>528</u>
Total property and equipment	<u>\$212,961</u>	<u>\$179,759</u>	<u>\$33,202</u>

Depreciation expense for property and equipment for FY 2023 is \$4,599,000.

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 increase in building and improvements in FY 2023 is from the replacement and upgrading of the HQ building infrastructure, primarily building air handling units. 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, 2023 and September 30, 2022 is as follows:

### Dollars in Thousands

	2023	2022
Intragovernmental liabilities—FECA liability**	\$1,684	\$1,802
Liabilities with the public—Federal employee benefits payable		
Comptrollers' General retirement plan*	2,730	2,343
Accrued leave	46,081	43,675
Actuarial FECA liability**	11,136	10,668
Liabilities not covered by budgetary resources	61,631	58,488
Liabilities not requiring budgetary resources	85	87
Liabilities covered by budgetary resources	59,192	64,077
Total liabilities	<u>\$120,908</u>	<u>\$122,652</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. The increase in FY 2023 related primarily to increases in OPM's federal employee benefit cost factors as published. These increased rates were applied to the GAO employee population.

Amounts owed to OPM and Treasury as of September 30, 2023, and September 30, 2022, are \$8,930,000 and \$8,098,000, 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, 2023 and September 30, 2022 is \$45,514,000 and \$43,213,000, respectively.

Details of the major components of GAO's federal employee benefit costs for the FYs ended September 30, 2023 and September 30, 2022 are as follows:

**Dollars in Thousands**

<b>Federal employee benefits costs</b>	<b>2023</b>	<b>2022</b>
Imputed financing – cost imputed to GAO relating to retirement benefits:		
Estimated future pension costs (CSRS/FERS)	\$16,058	\$3,851
Estimated future post-employment health and life insurance (FEHBP/FEGLI)	<u>28,081</u>	<u>24,575</u>
Total	<u>\$44,139</u>	<u>\$28,426</u>
Pension expenses (CSRS/FERS) not including imputed benefit costs	\$83,793	\$77,126
Health and life insurance expenses (FEHBP/FEGLI) not including imputed benefit costs	\$32,345	\$29,996
FICA and Medicare payments made by GAO	\$34,129	\$31,236
Thrift Savings Plan – matching contribution by GAO	\$22,304	\$20,438

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 \$2,730,000 as of September 30, 2023, and \$2,343,000 as of September 30, 2022, 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, 2022	\$2,343
Expense:	
Normal cost	164
Interest on the liability balance	59
Actuarial loss/(gain)	
From experience	402
From assumption changes	<u>(178)</u>
Total expense	447
Less benefits paid	<u>(60)</u>
Actuarial liability as of September 30, 2023	<u>\$2,730</u>

## Note 6. FECA Liabilities

GAO recorded a liability for amounts paid to claimants by DOL as of September 30, 2023, and September 30, 2022, of \$1,684,000 and \$1,802,000, 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, 2023, and September 30, 2022, which is expected to be paid in future periods. This estimated liability of \$11,136,000 and \$10,668,000 as of September 30, 2023 and September 30, 2022, 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, 2023 and September 30, 2022 are as follows:

### Dollars in Thousands

	2023	2022
Intragovernmental		
Other liabilities with related budgetary obligations*	\$1,813	\$2,278
Liability to the General Fund of the U.S. Government for custodial and other non-entity assets	85	87
Other post-employment benefits due and payable	<u>2</u>	<u>6</u>
Total Intragovernmental	1,900	2,371
With the Public		
Accrued funded payroll and leave	32,616	29,266
Other liabilities with related budgetary obligations*	10,834	8,873
Other deferred revenue	<u>12</u>	<u>12</u>
Total with the Public	43,462	38,151
Total Other Liabilities	<u>\$45,362</u>	<u>\$40,522</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 fiscal year.

## Note 8. Building Lease Revenue

In FY 2021, GAO entered into a lease agreement with the U.S. Army Corps of Engineers (USACE) to continue leasing the entire third floor, and part of the sixth floor, of the GAO HQ building with annual options to renew through 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 which they did effective February 28, 2023.

In FY 2022, GAO entered into a lease agreement with the Department of Justice (DOJ) to lease part of the first and sixth floors of the GAO HQ building. This lease agreement currently extends through FY 2032. In FY 2019, 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 2023 was \$14,087,000 (\$13,940,000 federal and \$147,000 non-federal) and FY 2022 \$15,634,000 (\$15,518,000 federal and \$116,000 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 CAE in FY 2023 of \$3,140,000 and FY 2022 of \$1,619,000. 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>
2024	\$12,531	\$109	\$12,640
2025	12,859	112	12,971
2026	13,086	115	13,201
2027	13,427	59	13,486
2028	13,778	61	13,839
2029 and thereafter	<u>32,563</u>	<u>802</u>	<u>33,365</u>
Total	<u>\$98,244</u>	<u>\$1,258</u>	<u>\$99,502</u>

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

## 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 2023 and 2022 amounted to approximately \$6,498,000 and \$6,366,000, 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 8 years. Estimated future minimum lease payments are presented in the table below.

**Dollars in Thousands**

<b>FY ending September 30</b>	<b>Total</b>
2024	\$6,366
2025	6,208
2026	5,022
2027	4,710
2028	4,418
2029 and thereafter	<u>6,291</u>
Total estimated future lease payments	<u>\$33,015</u>



## Note 10. Net Cost of Operations

GAO's total gross cost of operations for FY 2023 and 2022 amounted to \$849,943,000 and \$757,009,000, respectively. The Statements of Net Cost show revenues from reimbursable services of \$33,834,000 in FY 2023 and \$34,994,000 in FY 2022 as an offset against the total cost by goal to arrive at net costs of \$816,109,000 and \$722,015,000 for FYs 2023 and 2022, 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, 2023 and 2022 is as follows:

### Dollars in Thousands

Salary and benefits expense funding	2023	% of total costs of operations	2022	% of total costs of operations
GAO paid salary and benefits	\$667,115	78.5%	\$606,771	80.1%
Benefits paid by OPM	44,139	5.2%	28,426	3.8%
Total salary and benefits expense	<u>\$711,254</u>	<b>83.7%</b>	<u>\$635,197</u>	83.9%

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

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

## Note 11. Budgetary Resources

Budgetary resources available to GAO during FYs 2023 and 2022 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 the Department of Justice (DOJ) for lease of space and related services in the GAO HQ building, fees collected for training and technical assistance services provided by the CAE, 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 2022 Statement of Budgetary Resources with the corresponding information presented in the 2024 President’s Budget, is as follows:

**Dollars in Thousands**

	Budgetary resources	Obligations incurred	Net outlays
<b>FY 2022 Statement of Budgetary Resources</b>	<b>\$958,756</b>	<b>\$760,352</b>	<b>\$693,198</b>
Obligation adjustments, expired accounts	-	(8,034)	-
Unobligated balances, beginning of year (funds activity, expired accounts)	(3,889)	-	-
Recovery of prior year unpaid obligations	(5,961)	-	-
Permanently not available (funds activity, expired accounts)	-	-	-
Recoveries of prior year paid obligations (expired accounts)	(2,633)	-	-
Other – rounding in President’s Budget	(1,273)	(318)	(198)
<b>2024 President’s Budget – FY 2022, actual</b>	<b><u>\$945,000</u></b>	<b><u>\$752,000</u></b>	<b><u>\$693,000</u></b>

As the FY 2025 President’s Budget will not be published until February 2024, a comparison between the FY 2023 data reflected on the statement of budgetary resources and FY 2023 data in the President’s Budget cannot be performed; however, we expect similar differences will exist. The FY 2025 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 2023 and FY 2022 totaled \$104,484,000 and \$90,894,000, respectively. For FY 2023, undelivered orders is comprised of \$8,063,000 unpaid and \$6,871,000 paid with federal trading partners and \$89,550,000 unpaid with the public. For FY 2022, undelivered orders is comprised of \$7,803,000 unpaid and \$4,744,000 paid with federal trading partners and \$78,347,000 unpaid 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**

	2023	2022
Total unobligated balance, end of (prior) year	\$198,404	\$165,306
Adjustments to budgetary resources made during current year:		
Recoveries of prior year unpaid obligations	5,860	6,271
Recoveries of prior year paid obligations	<u>3,816</u>	<u>8,077</u>
Unobligated balance from prior year budget authority, net	<u>\$208,080</u>	<u>\$179,654</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, 2023 and September 30, 2022 are as follows:

### Dollars in Thousands

	2023	2022
<b>Net Operating Cost</b>	<b>\$816,109</b>	<b>\$722,015</b>
<b>Components of Net Operating Cost Not Part of the Net Outlays</b>		
Property and equipment depreciation, disposal and revaluation	(4,767)	(4,965)
Increase/(decrease) in assets:		
Accounts receivable	(791)	(27)
Advances and prepayments	2,127	4,744
Other assets	8	125
(Increase)/decrease in liabilities not affecting net outlays:		
Accounts payable	10,694	(2,977)
Payroll benefits and liabilities	(4,109)	469
Other liabilities	(4,841)	(6,727)
Other financing sources:		
Imputed financing - cost imputed to GAO relating to retirement benefits*	(44,139)	(28,426)
<b>Total Components of Net Operating Cost Not Part of Net Outlays</b>	<b>(45,818)</b>	<b>(37,784)</b>
<b>Components of the Net Outlays That Are Not Part of Net Operating Cost</b>		
Acquisition of capital assets	18,285	8,967
Distributed offsetting receipts	(19)	(79)
<b>Total Components of the Net Outlays That Are Not Part of Net Operating Cost</b>	<b>18,266</b>	<b>8,888</b>
<b>Agency, outlays net</b>	<b>\$788,557</b>	<b>\$693,119</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, 2023, and 2022, are as follows:

### Dollars in Thousands

	2023	2022
Investment in property and equipment, net	\$33,202	\$19,684
Net reimbursable funds activity	140,041	124,914
Supplies inventory and accounts receivable with the public	407	400
Liabilities not covered by, nor requiring, budgetary resources*	<u>(61,716)</u>	<u>(58,575)</u>
Cumulative results of operations	<u>\$111,934</u>	<u>\$86,423</u>

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

## Note 14. COVID-19 Activity

During FYs 2023 and 2022, GAO used resources to prepare for, and respond to, COVID-19. Enacted in FY 2021, the “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 the American Rescue Plan Act 2021 Appropriation, 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. In addition, the “Consolidated Appropriations Act, 2021 and Other Extensions Act” extended the requirement for GAO to reimburse Tiny Findings (a non-profit organization providing childcare services to GAO headquarters employees) on a monthly basis for expenses resulting from measures taken to respond to COVID-19 until the termination of the public health emergency in May 2023. These costs are reflected in GAO’s annual appropriation column in the tables below.

The tables below detail the composition of our COVID-19 related budgetary resources and obligations incurred for the FYs ended September 30, 2023 and September 30, 2022, as well as budgetary resources remaining available beyond September 30, 2023 and September 30, 2022.



**Dollars in Thousands for FY ended September 30, 2023**

	American Rescue Plan Act of 2021 Appropriation	GAO Annual Appropriation
Budgetary Resources:		
Resources forward	\$32,933	N/A
Resources received	-	
Total Budgetary Resources	\$32,933	
Obligations incurred in FY 2023:		
Salaries and benefits	\$15,138	\$3,271
Tiny Findings Child Care Center	-	229
Other	1,831	447
Obligations incurred* 2023	\$16,969	\$3,947
Budgetary resources remaining as of September 30, 2023	\$15,964	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 for 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.

# Required Supplementary Information

## Deferred Maintenance and Repairs for FY 2023

*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 HQ facility. The HQ facility is predominantly used for office space. GAO is responsible for ensuring the facilities entrusted to its care remain in a safe and suitable condition for the current and future needs of the agency and tenant organizations. GAO defines its acceptable level of condition of property and equipment to be “poor to fair” 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 completed in FY 2023, which included architectural, structural, and electrical items - along with infrastructure elements. GAO facilities staff continue to perform data validation of the information provided by the Architectural Engineering (AE) firm. Also, GAO procured services to assess the condition of HQ windows. In addition, GAO facilities staff and their contractors assess the building on a continuous basis. The FCA and GAO’s continuous assessment has determined that additional deferred maintenance amount is needed for several areas, including interior finishes, windows upgrade, electrical upgrades, and HVAC upgrades. Obsolete electrical vault systems and blast resistant exterior windows upgrades are the main cost drivers.

In FY 2021, GAO refreshed a number of the interior building finishes and completed the design for some of its HVAC upgrades through an AE firm. GAO is executing the construction phase of those HVAC projects and scheduled to complete in FY 2024 barring no delays and unforeseen conditions. 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 latest FCA, ongoing cost validation, and in-house assessments, is approximately \$184,300,000, as of the FY that ended on September 30, 2023.

**Dollars in Thousands**

<b>Deferred Maintenance and Repair Costs</b>	<b>September 30, 2023</b>	<b>September 30, 2022</b>
General property and equipment	\$184,281	\$74,890

**Land for FY 2023**

GAO owns a single 6.4 acre parcel of land in Washington, DC where its HQ 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 6, 2023  
**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".

Each year GAO identifies its management challenges, and the OIG comments on GAO's identification of its management challenges. While GAO's approach is similar in effect to that of executive branch agencies, the requirements under which the executive branch agencies and their OIGs identify management challenges do not apply to GAO. This memo continues our longstanding practice of commenting on GAO's assessment of its management challenges.

GAO serves a critical function in ensuring accountability, integrity, and reliability in the federal government. As a result, it is important that GAO is able to rapidly adapt and adjust its operations and services to fulfill these responsibilities.

For Fiscal Year 2023, GAO identified three management challenges: managing a quality workforce, managing its Information Technology (IT) systems, and improving the efficiency of its engagements. For Fiscal Year 2022, GAO identified similar challenges with its workforce, IT, and the efficiency of its engagements. Going forward, GAO could provide metrics with which to measure progress in meeting these challenges; elaborate on specific improvements that will address these long-term, systemic challenges; and provide data on whether changes have reduced these challenges.

### Managing a Quality Workforce

GAO has been consistently recognized as one of the best places to work among mid-size federal agencies. However, maintaining a quality workforce in a post-pandemic hybrid workplace may be difficult. As with many federal agencies, GAO faces challenges with recruiting and retaining skilled staff. Sharing additional data about how specific efforts and outreach have improved key performance measures could demonstrate how and whether these strategies have been effective.

GAO has relied on its Professional Development Program to attract and train its employees but recognizes that drawing on expertise and talent with experience outside of GAO, especially in the cybersecurity and data analytic fields, benefits

GAO. Retaining its workforce and institutional knowledge, expertise, and experience may be critical to meet rapidly evolving cybersecurity, science, technology and other needs, as well as new artificial intelligence capabilities.

GAO's Future of Work agreement will take several months to implement and could significantly impact employee retention, recruitment, and morale. GAO's hybrid workplace practices and telework flexibilities may vary across different offices and teams, and the upcoming changes may affect workplace culture and productivity. Providing clear communication and direction to employees could promote transparency and maintain morale. In addition, revamping the use of under-utilized office space in GAO headquarters and field offices could result in greater efficiency.

GAO notes the need to manage its real assets and ensure its property and systems' inventories reflect how and where people are working. In audit report [OIG-23-1](#), which OIG issued during Fiscal Year 2023, the OIG examined GAO's inventory control over certain IT assets during the onset and height of the pandemic. The recommendations in the report ensure that GAO updates its fraud risk profile when circumstances change and uses risk-based assessments to inform future inventory activities. GAO has taken some action with regard to these recommendations, but they remain open as of September 30, 2023.

#### Modernizing IT systems

GAO's modernization of its IT systems demonstrates its commitment to safeguarding GAO information and upgrading and strengthening its IT systems. Ensuring a smooth transition is of paramount importance to ensure efficiency and safeguard GAO information. The ability of more than 3,000 employees to quickly learn and master the new changes may impact GAO's operations and productivity. Educating the workforce on new IT processes and policies may minimize potential delays or interruption of services. In addition, ensuring reliable IT systems can help safeguard GAO information by allowing employees to productively use GAO systems.

GAO also may encounter new challenges working with a contract owned/contractor operated model for its network. Maintaining effective oversight and management of the contractor, the implementation schedule, and the budget may minimize the potential risks and costs of working with a third-party vendor.

GAO coordinated with OIG on strengthening its employee engagement on handling sensitive information through increased outreach to new hires and GAO teams. These efforts will continue to encourage the proper handling of sensitive information and reduce GAO's risks.

Monitoring the reliability, stability, and security of GAO IT systems enhances GAO's ability to defend against cyberattacks and other security threats. The protection

of GAO IT systems and the data that GAO maintains is essential to preserving the integrity of GAO's work and reputation.

#### Improving the Efficiency of Engagements

GAO is focused on efficiently and effectively informing its clients, stakeholders, and the public about its engagements, which may enhance GAO's visibility in an increasingly accessible and connected world. GAO's peer review recently suggested that GAO could consider exploring other opportunities or mechanisms to keep Congress informed about the timing and status of GAO work. The OIG is aware that GAO is currently taking steps to increase its visibility with Congressional members. For example, it is our understanding that GAO is in the process of establishing an office in one of the Congressional office buildings.

GAO's modifications to its engagement processes, such as its move to engagement Project Management and its modernization of its document management system, may serve as a model for transforming processes and providing quality and timely services. Changes, such as adding coaches and experts, may be cost-effective, but without specific data, it may be challenging for GAO to determine what efficiencies or improvements have resulted from these solutions. Having specific data regarding improved timelines or deliverables would enable GAO to fine-tune and streamline its work streams by potentially applying these successful strategies in other ways.

The OIG looks forward to collaborating with GAO to address these challenging areas.

SERVING CONGRESS AND THE NATION



# PART V

## Appendixes



# Appendix I: Abbreviations

AE	Architectural Engineering
AI	Artificial Intelligence
APQA	Audit Policy and Quality Assurance
ATF	Bureau of Alcohol, Tobacco, Firearms, and Explosives
CAE	Center for Audit Excellence
CAO	Chief Administrative Office
CARES Act	The Coronavirus Aid, Relief, and Economic Security Act
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
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
ECM	Enterprise Content Management
EES	Employee Experience Survey
EIDL	Economic Injury Disaster Loan
EPA	Environmental Protection Agency
ERM	Enterprise Risk Management
FAIS	Forensic Audits and Investigative Service
FASAB	Federal Accounting Standards Board
FCA	Facility Condition Assessment
FCC	Federal Communications Commission
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
FEMA	Federal Emergency Management Administration
FERS	Federal Employees' Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FICA	Federal Insurance Contributions Act
FISMA	Federal Information Security Modernization Act
FMFIA	Federal Managers' Financial Integrity Act
FTE	full-time equivalents
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAGAS	Generally Accepted Government Auditing Standards
GAO	Government Accountability Office
GDP	Gross Domestic Product
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
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
MCC	Millennium Challenge Corporation
MOU	Memorandum of Understanding
NASA	National Aeronautics and Space Administration
NCUA	National Credit Union Administration
NFC	National Finance Center
NHTSA	National Highway Traffic Safety Administration
NSF	National Science Foundation
NTIA	National Telecommunications and Information Administration
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
OSTP	Office of Science and Technology Policy
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
SWO	Surface Warfare Officers
UI	Unemployment Insurance
U.S.	United States
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture
USEC	U.S. Enrichment Corporation
USPS	U.S. Postal Service
VA	Department of Veterans Affairs

# 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 measures, 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, (1) 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; (2) changes in tax laws, program terminations, or sales of government assets are limited to 5 years; and (3) multi-year reductions in long-term projects are generally limited to 5 years unless total benefits are known. 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 2023, APQA approved accomplishment reports covering about 99 percent of the dollar value of financial benefits we reported.</p> <p>In FY 2023, 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 2023 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. 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.</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>	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 2023 implementation rate is the percentage of recommendations made in FY 2019 products that were implemented by the end of FY 2023).
<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 <a href="#">database</a> with the status of open recommendations, which is updated daily.</p>

<b>Data limitations</b>	This data may be underreported because 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.
<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 an important form of communication with the Congress. 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>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. However, we do not count statements (1) as separate when two GAO teams provide a joint statement and (2) for the record when our witness does not appear.</p>
<b>Data sources</b>	The data on testimonies are compiled in our Engagement Management System managed by staff in our mission teams.
<b>Verification and validation</b>	The team responding to a request for a testimony is responsible for entering data into the Engagement Management System. After a team has testified at a hearing, the team records the date the hearing took place in the Engagement Management System. CR provides weekly status reports to unit managers, who check to make sure that the data are complete and accurate.
<b>Data limitations</b>	This measure does not include statements for the record that we prepare for congressional hearings. Also, this measure may be influenced by factors other than the quality of our performance in any specific 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.
<b>Timeliness</b>	
<b>Definition and background</b>	<p>Timeliness enhances the likelihood that the Congress and agencies will use our products. To determine whether our products are timely, we use an electronic survey to solicit feedback from our clients. Beginning in FY 2023, we changed our survey process. First, we changed the format of the survey questions. Respondents selected either “agree” or “disagree” to the question of “whether the product was delivered on time.” Second, we enhanced the automated system for sending surveys for all GAO products issued to the Congress, except legal products.</p> <p>Due to the transition to our new survey system in 2023, we sent surveys for over 96 percent of these products. Because our products often have multiple congressional clients, in some cases, surveys were sent to more than one congressional staff person per product. We computed the proportion of favorable responses to a question related to timeliness for surveys that were returned. Previously, we surveyed congressional requesters of testimonies and engagements that required an expected investment of 500 staff days or more and those engagements that senior management designated as high interest.</p>

<b>Data sources</b>	The data source for the survey has three parts: (1) a system for tracking engagements; (2) a system for distributing products; and (3) a survey database that sends surveys and stores responses. In the system for tracking engagements, engagement teams enter the date the product was issued. They also identify which Hill staff should receive a survey and enter that information in the system for distributing products. The survey database uses this data to automatically generate and send an email with a link to the designated recipients of the appropriate products. The e-mail message contains a unique client identifier to ensure that a recipient is linked with the appropriate response. Our Client Feedback database creates a record for every survey invitation sent out and captures the responses to every survey sent back to us electronically.
<b>Verification and validation</b>	CR staff review released GAO products to check the accuracy of the addressee information in the Product Distribution System. They also check the congressional staff directory to ensure that survey recipients listed in this system appear there. In addition, our CR staff review the list of survey recipients entered by the engagement teams and identify the most appropriate congressional staff persons to receive a survey for each product.
<b>Data limitations</b>	Increasing our survey to include all GAO products issued to Congress (except legal products) decreased our overall response rate. This was expected as the population of survey recipients grew. The response rate for the FY 2023 survey was 3.4 percent, and 100 percent of those who responded answered the timeliness question. We received at least one survey response for 14.8 percent of the products for which we sent a form in FY 2023. The client feedback survey is only one of multiple methods we use to solicit feedback from our clients regarding our products and services.

### People measures

<b>New hire rate</b>	
<b>Definition and background</b>	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.
<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 the 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.
<b>Retention rate</b>	
<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> .
<b>Staff development</b>	
<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 2023, the EES response rate was about 75 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>	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.



<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>	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>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 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 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> .

Organizational climate	
<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, Verification and validation</a> .
<b>Data limitations</b>	See <a href="#">Staff development, 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 self-administered, web-based CSAT survey. The survey asks employees to indicate how much they agree with the effectiveness of services that help them get their jobs done, services that affect their quality of work life, and IT tools. We administered the survey for 3 weeks, starting in late November 2022. We included all employees in addition to those in the Personnel Appeals Board, FASAB, and the OIG as they also rely on our administrative services to do their jobs.
<b>Data sources</b>	<p>To determine our employee's perceived effectiveness of internal administrative services, we calculate composite scores for three measures. No weighting nor other adjustments were made. The composite score calculation is made by adding all the 'Strongly Agree' and 'Agree' ratings across all the relevant services and dividing it by the number of respondents who provided any agreement rating. Between the 2021 and 2022 CSAT surveys, we updated the response options from satisfaction ("very satisfied" to "very unsatisfied") to agreement ("strongly agree" to "strongly disagree") and removed "generally," e.g., "generally agree/disagree."</p> <p>Of the three composite scores that we calculate, one measure reflects perceived effectiveness with the services that help employees get their jobs done, such as records management, IT customer support, mail services, and travel support services. The second measure reflects perceived effectiveness 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 document management system, tools for working remotely, and the intranet.</p>

<b>Verification and validation</b>	<p>The survey is conducted by GAO's Business Process Analytics Group in the CAO - Immediate Office. While this unit can access individual responses, it complies 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.</p> <p>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. 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.</p>

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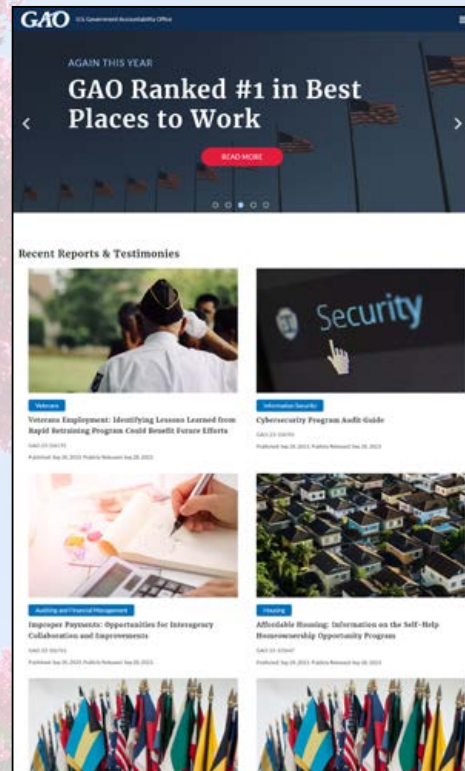
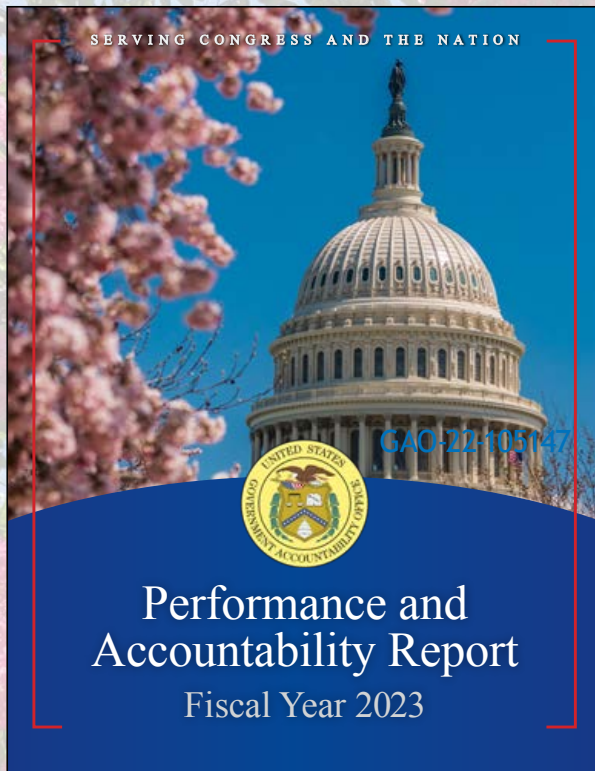
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