

U.S. GOVERNMENT ACCOUNTABILITY OFFICE



GAO: Summary of Performance and Financial Information Fiscal Year 2015

SERVING CONGRESS AND THE NATION

S E R V I N G T H E C O N G R E S S

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.

Accountability

We help the Congress oversee federal programs and operations to ensure accountability to the American people. GAO's analysts, auditors, lawyers, economists, information technology specialists, investigators, and other multidisciplinary professionals seek to enhance the economy, efficiency, effectiveness, and credibility of the federal government both in fact and in the eyes of the American people.

Integrity

We set high standards for ourselves in the conduct of GAO's work. Our agency takes a professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced approach to all activities. Integrity is the foundation of our reputation, and the GAO approach to work ensures it.

Reliability

We at GAO want our work to be viewed by the Congress and the American public as reliable. We produce high-quality reports, testimonies, briefings, legal opinions, and other products and services that are timely, accurate, useful, clear, and candid.

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.



**UNITED STATES
GOVERNMENT ACCOUNTABILITY OFFICE**
Budget, Performance, and Financial Snapshot
Fiscal Year 2015

WHO WE ARE

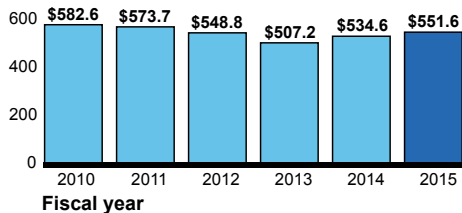
Mission: The Government Accountability Office, the audit, evaluation, and investigative arm of the Congress, exists to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. We examine the use of public funds; evaluate federal programs and policies; and provide analyses, recommendations, and other assistance to help the Congress make informed oversight, policy, and funding decisions.

Organization and Strategic Focus: To fulfill our mission, we organize and manage our resources to support four broad strategic goals. These include three external goals: helping to address challenges to the well-being and financial security of the American people, responding to changing security threats and the challenges of global interdependence, and transforming the federal government to address national challenges. Our fourth strategic goal is an internal goal focused on enhancing our value through improving efficiency, effectiveness, and quality, and resource management.

Human Capital: We maintain a workforce of highly trained professionals across a breadth of disciplines. In fiscal year 2015, about 71 percent of our approximately 3,000 employees were based at our headquarters in Washington, D.C.; the rest were deployed in 11 field offices across the country.

BUDGET AND FINANCIAL SNAPSHOT (DOLLARS IN MILLIONS)

Current year budgetary resources



Fiscal Year 2015

Clean opinion on financial statements	Yes
Clean opinion on internal control over financial reporting	Yes
Timely financial reporting	Yes
Material weaknesses	None
Total assets	\$103.9
Total liabilities	\$79.0

Source: GAO | GAO-16-45P

Note: Current year budgetary resources include appropriations and offsetting collections.

PERFORMANCE SNAPSHOT

Accomplishments: In fiscal year 2015, we exceeded the goals we set for all but two of the areas measured. For example, we reached a record high of \$74.7 billion in financial benefits for the federal government—a return of about \$134 for every dollar we spent—and 1,286 improvements in broad program and operational areas across the government. Seventy-nine percent of our recommendations were implemented by federal agencies or the Congress (1 percentage point short of our target), and about two-thirds (66 percent) of the products we issued contained recommendations. We testified at 109 hearings before the Congress (our target was 130) on a wide variety of topics, nearly a third of which (32 of 109) were on areas considered at high risk for fraud, waste, abuse, and mismanagement. For people measures, we exceeded all seven of our targets, which include the new hire rate, retention rate (with

and without retirements), staff development, staff utilization, effective leadership by supervisors, and organizational climate.

Challenges: In fiscal year 2015, we made progress addressing our three management challenges—human capital, engagement efficiency, and information security—and added telework as a fourth challenge. For human capital, we filled critical positions—primarily hiring new analysts. To improve engagement efficiency, we completed the pilot of our streamlined engagement process and companion new engagement management system and began agency-wide implementation. For information security, we took steps to better protect against inappropriate access to computer resources such as enhancing authentication and updating encryption on mobile devices.

KEY GAO PERFORMANCE RESULTS AND TARGETS FOR FISCAL YEARS 2010-2015

To help determine how well we are meeting the needs of the Congress and the nation and maximizing our value as a leading practices agency, we assess our performance annually using a balanced set of quantitative measures. Below are the key annual performance measures that highlight our performance in significant areas related to the implementation of our mission.

To establish targets for all of our performance measures, we examine our past performance and the external factors that could influence our future work and discuss with our senior executives what could be accomplished in the upcoming fiscal year. We may adjust these targets after we publish our annual performance plan based on changes in planned work or level of funding.

Performance measure	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual	2015 target	2015 actual
Results							
Financial benefits (dollars in billions)	\$49.9	\$45.7	\$55.8	\$51.5	\$54.40	\$46.0	\$74.7
Other benefits	1,361	1,318	1,440	1,314	1,288	1,200	1,286
Past recommendations implemented	82%	80%	80%	79%	78%	80%	79%
New products with recommendations	61%	68%	67%	63%	64%	60%	66%
Client							
Testimonies	192	174	159	114	129	130	109
People							
Staff development	79%	79%	80%	80%	83%	80%	84%
Staff utilization	77%	78%	76%	75%	77%	76%	79%
Effective leadership by supervisors	83%	83%	82%	83%	83%	82%	83%
Organizational climate	79%	80%	78%	77%	79%	76%	80%

Source: GAO | GAO-16-4SP

Notes: See table 1 on page 12 for information on all of our performance measures. Information explaining all of the measures included in this table appears in the Appendix on Data Quality (pages 126-134) of GAO's performance and accountability report for fiscal year 2015 at <http://www.gao.gov/products/GAO-16-3SP>.



Source: GAO | GAO-16-4SP

February 11, 2016

I am pleased to present GAO’s Summary of Performance and Financial Information for fiscal year 2015. Our results demonstrate that GAO continues to effectively fulfill its mission—to support the Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the benefit of the American people. The examples that follow illustrate the wide range of financial and other benefits that GAO achieved.

Financial Benefits: During the past fiscal year, we documented a record high of \$74.7 billion in financial benefits for the government—a return of about \$134 for every dollar invested in us. Examples of key financial benefits that resulted from GAO’s recommendations included (1) auctioning of the commercial spectrum by the Federal Communications Commission (\$32.8 billion in revenue), (2) ending the direct payment program for farmers (\$4.9 billion in cost avoidance), and (3) canceling of the BioWatch Generation-3 acquisition by the Department of Homeland Security (\$2.1 billion in financial benefits).

Legislative Impacts: In fiscal year 2015, the Congress used GAO’s work extensively to inform its decisions on important legislation, which also resulted in financial and other benefits for the government. Examples linked to GAO’s work included:

- *The Consolidated and Further Continuing Appropriations Act, 2015:* which, among other provisions, rescinded or reduced Administration proposals for weapon systems (e.g., an estimated total of \$500 million for the Amphibious Combat Vehicle, Joint Tactical Radio System, and the Kiowa Warrior helicopter program); directed the Department of Defense (DOD) to improve cemetery and burial operations and provide better service to rural veterans; addressed the severe financial difficulties of multiemployer pension plans and the Pension Benefit Guaranty Corporation’s Multiemployer Insurance Program; and withheld funds from agencies (e.g., DOD and the Department of Energy) until problems identified by GAO are addressed.
- *The Medicare Access and Children’s Health Insurance Program (CHIP) Reauthorization Act of 2015:* reauthorized CHIP and mandated the removal of Social Security Numbers from Medicare cards, relying on GAO’s findings.
- *The Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015:* directed DOD to periodically reassess its headquarters requirements to keep growth in check and identify alternative data sources to verify that mandated reductions in contracted services are achieved, reflecting GAO’s recommendations.

- *Federal Information Security Modernization Act of 2014 and Cybersecurity Enhancement Act of 2014 (December 2014)*: included requirements to clarify oversight and improve agencies' responses to data breaches, as recommended by GAO.
- *Federal Information Technology Acquisition Reform Act*: improved several aspects of federal information technology (IT) management, including additional scrutiny and transparency of high-risk IT investments, certification that agencies are implementing incremental system development, and improved management of agencies' IT portfolios, as recommended by GAO.
- *Transportation Security Acquisition Reform Act of 2014 (December 2014)*: required the Transportation Security Agency (TSA) and the Department of Homeland Security (DHS) to reform their approach to identifying technology investments and monitoring performance, as recommended by GAO.
- *Protecting and Securing Chemical Facilities from Terrorist Attacks Act of 2014 (December 2014)*: improved risk assessment procedures for regulated chemical facilities, reflecting GAO's recommendations.

Other Benefits: Many other benefits resulting from our work cannot be measured in dollars, but lead to program and operational improvements across the government. During fiscal year 2015, we recorded 1,286 of these other benefits. Our work led to improvements in numerous areas affecting public safety and security and the efficient and effective functioning of government programs. For example, our work

- strengthened the ability of states' Adult Protective Services to oversee a growing elder abuse caseload by prompting the Department of Health and Human Services to create a nationwide database and resource center for oversight;
- prompted the Federal Aviation Administration to develop a comprehensive model to assess cybersecurity threats to the NextGen air traffic control system;
- led to better management of information technology risks by participants in financial securities markets to help protect consumers' financial information;
- led the State Department to take action to enhance security and mitigate against threats to diplomatic residences, U.S. employees, and other soft targets overseas;
- led DOD to share lessons learned and best practices from implementing the fiscal year 2013 sequestration to better plan for possible future events; and
- referred over 1,000 cases to the Social Security Administration for investigation that we identified of potential overpayments to beneficiaries receiving concurrent payments from disability insurance and the Federal Workers Compensation Act.

Building Bodies of Knowledge: Through the products we issued in fiscal year 2015, we continued to build on bodies of work under our three broad strategic goals to (1) address current and emerging challenges to the well-being and financial security of the American people, (2) help respond to changing security threats and global interdependence, and (3) help transform the federal government to

address national challenges. Work completed in fiscal year 2015 in these areas included:

- Protection of children. We reported on children's health insurance, unregulated custody transfers of adopted children, oversight challenges for the Bureau of Indian Education, and care for unaccompanied alien children in U.S. custody.
- Veterans. We reported on the availability of qualified nursing staff at the Department of Veterans Affairs (VA) medical centers, inconsistencies in processing veterans' disability benefits, improvements needed to support eligibility decisions for veterans' disability benefits, and the need to improve monitoring of veterans' antidepressant use and the accuracy of veterans' suicide data.
- Health care. We reported on the need to address improper payments in the Medicare and Medicaid programs, coordinate federal efforts to address serious mental illness, reduce antipsychotic drug use among older adults in nursing homes, improve the transparency of health care cost and quality information for consumers, and improve oversight of tax provisions for individuals under the Patient Protection and Affordable Care Act.
- Science and technology. We reported on the need to enhance the nation's biosurveillance capabilities, address safety lapses at high-containment laboratories, address potential gaps in environmental satellite coverage, and minimize long-term federal exposure to climate-related risks. Our technical assessments included 3D printing (additive manufacturing) and reducing freshwater use in hydraulic fracturing and thermoelectric power plant cooling.
- Fragmentation, overlap, and duplication. We issued our fifth annual report identifying 66 actions across 24 areas that could reduce fragmentation, overlap, and duplication, as well as other cost savings and revenue enhancement opportunities across the federal government. Executive branch and congressional efforts to address approximately 440 recommendations from our first four reports have resulted in over \$20 billion in financial benefits, with about \$80 billion more anticipated in future years.
- High-risk areas. We issued the biennial update of our high-risk report that focuses attention on government operations that are high risk due to their greater vulnerabilities to fraud, waste, abuse, and mismanagement or due to economy, efficiency, or effectiveness challenges. This report offers solutions to 32 identified high-risk problems. This year, our high-risk work resulted in 162 reports, 32 testimonies, \$17 billion in financial benefits, and 435 other benefits. In 2015, we identified two new high-risk areas—managing risks and improving VA health care and improving the management of IT acquisitions and operations. We also expanded the tax law enforcement area to focus on the prevention of identity theft related to tax refunds and the federal cybersecurity area to include the better protection of personally identifiable information.

Serving Our Clients

In fiscal year 2015, we received requests for work from 97 percent of the standing committees of the Congress and 66 percent of their subcommittees—supporting a broad range of congressional interests. We issued 688 reports and

made 1,680 new recommendations. Of the recommendations that we made in 2011, 79 percent were implemented—we use a 4-year reporting cycle because it generally takes 4 full years to implement some of our recommendations. Our senior executives testified at 109 hearings before 63 separate committees or subcommittees—on topics spanning most federal agencies. Key testimony topics included information security risks facing federal agencies, the timeliness of disaster assistance for small businesses, major challenges for the Medicaid program, electromagnetic threats to the electric grid, improper payments government-wide, and integration of unmanned aerial systems into the National Airspace System. I also continued my regular meetings with Chairs and Ranking Members of congressional committees and subcommittees to obtain their views on GAO’s work, including their priorities, and to discuss challenges and opportunities facing GAO. In addition, I sent letters to the heads of 19 federal departments to call their attention to unimplemented GAO recommendations that we believe warrant priority attention by these departments. We are also sending these letters to the congressional committees of jurisdiction to inform their oversight.

Supporting Our People

The hard work and dedication of our professional, diverse, and multidisciplinary staff positioned GAO to achieve a 98 percent on-time delivery of our products in 2015. Our fiscal year 2015 performance continues to indicate that we provide staff with the necessary support to produce high-quality work. We exceeded the annual targets for all of our people measures—staff development, staff utilization, effective leadership by supervisors, organizational climate, new hire rate, and retention rates (with and without retirements). Further, GAO maintained its status as an employer of choice—ranking second among mid-sized federal agencies after the Federal Deposit Insurance Corporation on the Partnership for Public Service’s “best places to work” list and first for our diversity and inclusion efforts.

Managing Our Internal Operations

In fiscal year 2015, we continued efforts to support our fourth strategic goal—to maximize our value by enabling quality, timely service to the Congress and being a leading practices federal agency. Specifically, we made progress addressing our three internal management challenges—human capital management, engagement efficiency, and information security—and added telework as a fourth challenge. For human capital management, we filled critical positions—primarily building our cadre of new analysts to meet current work demands and future leadership needs—a pressing concern as 35 percent of our executives are eligible to retire. We filled 195 positions and reached 2,989 full-time equivalents—bringing us closer to our optimal level of 3,250. To improve engagement efficiency, we completed the pilot of our streamlined engagement process and companion new engagement management system and began agency-wide implementation. For information security, we took steps to better protect against inappropriate access to computer resources, including enhanced authentication and updated encryption on mobile devices.

We again received from independent auditors an unmodified or “clean” opinion on our financial statements for fiscal year 2015 and on our internal control over financial reporting. The detailed performance and financial information in this report is complete and reliable, and meets our high standards for accuracy and transparency.

This fiscal year, we continued to make significant contributions to the domestic and international auditing community, including standards setting and capacity building for our accountability counterparts in other nations; developed a new tool to assist federal program managers in combatting fraud; and delivered presentations to more than 7,500 participants to help strengthen implementation of revised internal control standards for the federal government (GAO's Green Book). In addition, our Office of General Counsel made progress in establishing an electronic protest docking system, handled about 2,600 bid protests, issued over 500 decisions on the merits, and released an update of the third edition of *Principles of Federal Appropriations Law* (GAO's Red Book)—the primary resource for appropriations law guidance in the federal community. We also positioned ourselves to open a new Center for Audit Excellence in October 2015 to build institutional auditing capacity by providing training and other services to domestic and international audit organizations.

In fiscal year 2016, we will continue to focus our attention on identifying options for the Congress in addressing the debt limit; closing the tax gap; reducing improper payments across the government; meeting the government's short-term financing needs; and placing the nation on a more sustainable, long-term fiscal path, among other pressing matters. We look forward to continuing to serve the Congress and the public in the coming years 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 large, stylized initial "D".

Gene L. Dodaro
Comptroller General
of the United States

ABOUT GAO

Source: GAO | GAO-16-4SP

GAO is an independent, nonpartisan professional services agency in the legislative branch of the federal government. Commonly known as the investigative arm of the Congress or the “congressional watchdog,” we examine how taxpayer dollars are spent and advise lawmakers and agency heads on ways to make government work better. As a legislative branch agency, we are exempt from many laws that apply to the executive branch agencies; however, we generally hold ourselves to the spirit of many of the laws, including the Federal Managers’ Financial Integrity Act (FMFIA) also referred to as FIA, the Government Performance and Results Act (GPRA), as amended, and the Federal Information Security Management Act (FISMA).¹ Accordingly, our performance and accountability report for fiscal year 2015 provides what we consider to be information comparable to that reported by executive branch agencies in their annual performance and accountability reports.² This report also fulfills our requirement to report annually on the work of the Comptroller General under 31 U.S.C. 719.

Mission

Our mission is to support the Congress in meeting its constitutional responsibilities and to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. The strategies and means that we use to accomplish this mission are described in the following pages. In short, we provide objective and reliable information and analysis to the Congress, to federal agencies, and to the public, and we recommend improvements, when appropriate, on a wide variety of issues. Three core values—accountability, integrity, and reliability—form the basis for all of our work, regardless of its origin. These values are described on the inside front cover of this report.

GAO’s History

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

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

¹ FMFIA was enacted to strengthen internal controls and accounting systems in the federal government and requires the Comptroller General to issue standards for internal control in the federal government. GPRA seeks to improve public confidence in federal agency performance by requiring that federally funded agencies develop and implement accountability systems based on performance measurements that include goals and objectives and measure progress toward them. The GPRA Modernization Act of 2010 incorporates additional requirements for reporting and transparency. FISMA requires federal agencies to implement policies and procedures to cost-effectively reduce information technology risks.

² This product, GAO: Summary of Performance and Financial Information: Fiscal Year 2015 ([GAO-16-4SP](#)), summarizes the key information presented in GAO’s performance and accountability report for fiscal year 2015 ([GAO-16-3SP](#)).

Figure 1: GAO's Strategic Plan Framework



Serving the Congress and the Nation

GAO's Strategic Plan Framework

MISSION

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

Trends Shaping the United States and Its Place in the World

National Security Trends	Fiscal Sustainability and Debt Challenges	Global Interdependence	Science and Technology Trends	Communication Networks and Information Technologies	Shifts in Governance and Government	Demographic and Societal Changes
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Goals	Objectives
<p>Provide Timely, Quality Service to the Congress and the Federal Government to...</p> <p>Address Current and Emerging Challenges to the Well-being and Financial Security of the American People related to...</p>	<ul style="list-style-type: none"> ■ Health care needs ■ Lifelong learning ■ Challenges facing an aging population ■ Effective system of justice ■ Housing finance and viable communities ■ Stable financial system and sufficient consumer protection ■ Natural resources and the environment ■ National infrastructure ■ Benefits and protections for workers, families, and children
<p>Respond to Changing Security Threats and the Challenges of Global Interdependence involving...</p>	<ul style="list-style-type: none"> ■ Homeland security ■ Military capabilities and readiness ■ Foreign policy and international economic interests
<p>Help Transform the Federal Government to Address National Challenges by assessing...</p>	<ul style="list-style-type: none"> ■ Government's fiscal position and approaches to address current and projected fiscal gaps ■ Federal government audit and internal control standards ■ Major management challenges and program risks ■ Fraud, waste, and abuse, and improvements in internal controls
<p>Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency by focusing on...</p>	<ul style="list-style-type: none"> ■ Efficiency, effectiveness, and quality ■ Diverse workforce and inclusive work environment ■ Networks, collaborations, and partnerships ■ Human, information, fiscal, technological, and physical resources

CORE VALUES

Accountability	Integrity	Reliability
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Source: GAO | GAO-16-4SP

Figure 2: How GAO Assisted the Nation • Fiscal Year 2015

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

- Led the Congress to mandate the removal of Social Security Numbers from Medicare cards to reduce the vulnerability of Medicare recipients to identity theft
- Prompted the Securities and Exchange Commission to mandate that participants in financial securities markets better manage their information technology (IT) risks (e.g., from IT outages and cyberattacks)
- Led the Department of Energy to address long-standing difficulties it has had with completing projects within cost and on schedule by revising its cost-estimating procedures and requiring root cause analyses for projects experiencing costs increases and schedule delays
- Prompted the Congress and the President to extend the expiration date of the Federal Communications Commission's auction authority—resulting in net federal revenues exceeding \$32.8 billion
- Led the Centers for Medicare & Medicaid Services to provide states with additional training and guidance to help ensure that the federal government recovers its full share of overpayments made under Medicaid

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

- Prompted the Department of Homeland Security to improve the consistency of its screening decisions for unaccompanied alien children and to improve the reliability of the data kept on the care of these children
- Led the Department of State to begin overhauling its management of foreign affairs grants to help ensure that the nearly \$2 billion it spends annually is used as intended to achieve foreign policy goals
- Prompted the Congress to require the Department of the Treasury to collect data on the terrorism risk insurance market to help ensure that coverage is available and affordable—potentially improving the program's effectiveness and assessments of the federal government's fiscal exposure
- Led the Department of Defense to make significant progress in developing performance measures and refining cost estimates to improve its implementation of the Defense Health Agency—part of its efforts to reform the Military Health System, which costs nearly \$50 billion annually

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

- Led the Department of Homeland Security to begin addressing oversight gaps in its major acquisitions (only 2 of the 22 programs we assessed were on track to meet cost and schedule parameters), including improving the quality of information available to decision makers for all of its major acquisitions
- Recorded a total cost reduction of about \$3.3 billion attributable to actions taken by the Department of Health and Human Services to reduce its improper overpayment error rate in fiscal year 2015
- Referred over 1,000 cases to the Social Security Administration for investigation that we identified of potential overpayments to beneficiaries receiving concurrent payments from disability insurance and the Federal Workers Compensation Act
- Assessed the potential of additive manufacturing (3D printing) to fundamentally change how we produce and distribute goods and services by providing a method for creating objects without casts or molds
- Identified six key drivers associated with higher employee engagement that provide a starting point for federal agencies embarking on efforts to improve organizational performance through increased employee engagement
- Assisted the Congress in enacting legislation to improve federal cybersecurity (on our high-risk list since 1997), by, among other actions, improving the effectiveness of agencies' responses to data breaches

Goal 4: Maximize the Value of GAO by Enabling Quality, Timely Service to the Congress and Being a Leading Practices Federal Agency

- Completed the pilot of our updated engagement process and companion new engagement management system and began agency-wide implementation
- Deployed a virtual desktop infrastructure agency-wide, enabling employees to securely access their "virtual desktop" on a variety of personal devices, from any location
- Completed a comprehensive internal review of our telework program to identify strengths and weaknesses, recommend improvements, and inform decision making for expanding telework in headquarters
- Enhanced our leadership training by revising our senior leader transition promotion seminars, designing a 2-day course for new leaders, and creating and piloting a 2-year leadership training curriculum

Source: GAO | GAO-16-4SP

Note: Additional information on accomplishments by goal is highlighted in Part II of GAO's performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>).

Fiscal Year 2015 Performance Summary

The results of our efforts are reflected in our solid performance in fiscal year 2015 (see [table 1](#)).

Results:

We exceeded our target of \$46 billion in financial benefits by \$28.7 billion—reaching a record high of \$74.7 billion. This represents a \$134 return on every dollar the Congress invested in us. We also exceeded our target of 1,200 other benefits by 86 benefits, accomplishing 1,286 other benefits. We fell short of meeting our target of 80 percent for past recommendations implemented by 1 percentage point—finishing the fiscal year at 79 percent. We exceeded our target of 60 percent for new products with recommendations by 6 percentage points, with 66 percent of new products containing recommendations.

Clients:

We exceeded our target of 90 percent for delivering our products and testimonies in a timely manner by 8 percentage points—reaching 98 percent on-time delivery for fiscal year 2015. We were asked to testify at 109 hearings, falling 21 hearings short of our fiscal year 2015 target of 130 hearings. This was due to fewer-than-anticipated hearings being held, which is a factor not in our control. We were asked to testify before 63 separate committees and subcommittees on topics spanning most federal agencies.

People:

We exceeded our annual targets for our people measures, including staff development, staff utilization, effective leadership by supervisors, organizational climate, and retention rates (with and without retirements). In addition, we exceeded our new hire rate target by 3 percentage points—reaching 83 percent. We fell short of our hiring target of 236, yet we recruited for and filled 195 critical positions and made important strides toward meeting our optimal full-time equivalent (FTE) staffing level of 3,250.

Internal Operations:

We will be measuring staff satisfaction with our three internal operations for fiscal year 2015 through our internal customer satisfaction (CSAT) survey, scheduled for January 2016. In this survey, we will assess how well our administrative services (e.g., computer support, student loan repayment program, building maintenance, etc.) help employees get their jobs done and improve quality of work life, and how satisfied employees are with IT tools. We continued our efforts to maintain staff satisfaction with our internal measure for “helping staff get the job done” (82 percent in fiscal year 2014) and are working to improve the other two services that did not meet our goal of 80 percent in fiscal year 2014—“Improve the quality of work life” (78 percent) and “IT Tools” (65 percent).

Table 1: Agency-wide Summary of Annual Measures and Targets

Performance measure	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual	2015 target actual		Met/not met	2016 target
Results									
Financial benefits (dollars in billions)	\$49.9	\$45.7	\$55.8	\$51.5	\$54.4	\$46.0	\$74.7	Met	\$50.0
Other benefits	1,361	1,318	1,440	1,314	1,288	1,200	1,286	Met	1,200
Past recommendations implemented	82%	80%	80%	79%	78%	80%	79%	Not Met	80%
New products with recommendations	61%	68%	67%	63%	64%	60%	66%	Met	60%
Client									
Testimonies	192	174	159	114	129	130	109	Not Met	120
Timeliness	95%	95%	95%	94%	95%	90%	98%	Met	90%
People									
New hire rate	95%	84%	76%	66%	88%	80%	83%	Met	80%
Retention rate									
With retirements	94%	92%	93%	93%	94%	90%	94%	Met	92%
Without retirements	96%	96%	96%	96%	97%	94%	96%	Met	96%
Staff development	79%	79%	80%	80%	83%	80%	84%	Met	80%
Staff utilization	77%	78%	76%	75%	77%	76%	79%	Met	76%
Effective leadership by supervisors	83%	83%	82%	83%	83%	82%	83%	Met	82%
Organizational climate	79%	80%	78%	77%	79%	76%	80%	Met	76%
Internal operations									
Help get job done	3.94%	80% (3.98)	N/A ^a	82%	82%	80%	N/A ^b	N/A ^b	80%
Quality of work life	3.94	80% (3.99)	N/A ^a	78%	78%	80%	N/A ^b	N/A ^b	80%
IT Tools	N/A	N/A	N/A ^a	68% ^c	65%	80%	N/A ^b	N/A ^b	80%

Source: GAO | GAO-16-4SP

Note: Information explaining all of the measures included in this table appears in GAO's performance and accountability report for fiscal year 2015, Appendix on Data Quality (<http://www.gao.gov/products/GAO-16-3SP>).

^aNo survey was conducted in calendar year 2012 (denoted by N/A).

^bThe survey will be conducted in January 2016 (denoted by N/A).

^cIn 2013, we added the IT performance measure to better gauge and track satisfaction with GAO's IT services. In prior survey years, IT services were covered under one of the other performance measures (years prior to addition of performance measure are denoted by N/A).

Our fiscal year 2016 targets for 12 of 16 of our performance measures are the same as those targets we reported in our fiscal year 2016 performance plan issued in March 2015. Three of the remaining 4 targets (financial benefits, retention rate with retirements, and retention rate without retirements) have been increased and 1 (testimonies) has been decreased to what we believe are challenging yet realistic targets for fiscal year 2016.

Financial Benefits and Other Benefits

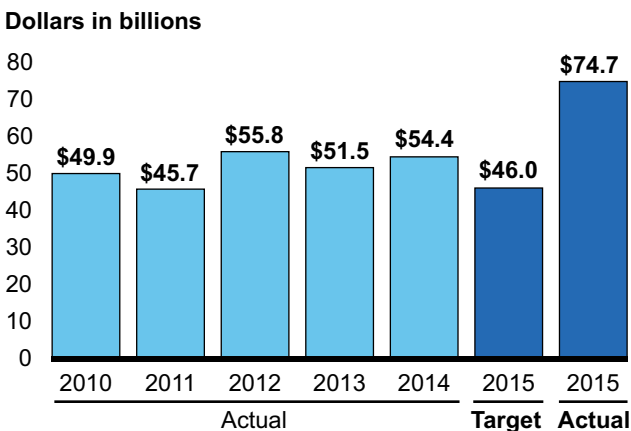
We generally describe the positive outcomes resulting from our work as either financial or other benefits. In many cases, the benefits we claimed in fiscal year 2015 are based on work we did in past years because it often takes the Congress and agencies time to implement our recommendations or to act on our findings.

Financial Benefits

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

In fiscal year 2015, our work generated about \$74.7 billion in financial benefits (see [fig. 3](#)). We exceeded our target by 62 percent due to one unexpectedly large accomplishment of \$32.8 billion. Part II of GAO's performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>) provides more information on these accomplishments by goal. We have set our fiscal year 2016 target for financial benefits at \$50 billion based on our past, ongoing, and expected work. This is \$4 billion above the fiscal year 2015 target, but lower than our actual performance in fiscal year 2015, because we do not anticipate a similarly high level of financial benefits in fiscal year 2016.

Figure 3: Financial Benefits GAO Recorded



Source: GAO | GAO-16-4SP

The financial benefits that we report in our performance measures are net benefits—that is, estimates of financial benefits that have been reduced by the estimated costs associated with taking the action that we recommended. We convert all estimates involving past and future years to their net present value and use actual dollars to represent estimates involving only the current year. We can claim financial benefits over multiple years, but we limit the period over which benefits from an accomplishment can accrue to no more than 5

years. Additional examples of financial benefits can be found in Part II of GAO’s performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>).

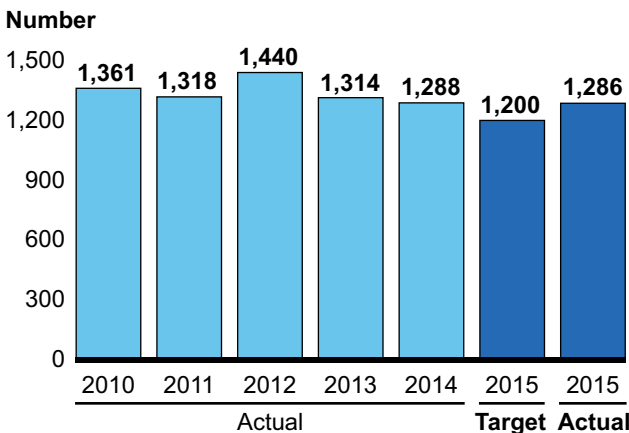
Selected Fiscal Year 2015 Financial Benefits

- Increasing Federal Communications Commission Auction Proceeds – \$32.8 billion
- Reducing Improper Payments by the Department of Health and Human Services - \$3.3 billion
- Cancelling of the BioWatch Generation-3 Acquisition - \$2.1 billion
- Cancelling of the Standard Missile Block IIB Program - \$1.7 billion

Other Benefits

Many of the benefits that result from our work cannot be measured in dollar terms, which we refer to as other benefits. During fiscal year 2015, we recorded a total of 1,286 other benefits (see fig. 4). We exceeded our target by 86 benefits largely because of a number of accomplishments we documented for public safety and security issues, business process improvement, and program efficiency and effectiveness. In fiscal year 2015, we documented actions taken across federal programs—about 42 percent of the total other benefits were in the area of public safety and security, including programs such as homeland security and justice programs and critical technologies. About 29 percent of these other benefits resulted from improvements in business process and management, such as federal information systems, business systems modernization, and financial management. Part II of GAO’s performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>) provides more information on these other benefits by goal. We have set our 2016 target for these benefits at 1,200 again based on our past, ongoing, and expected work.

Figure 4: Other Benefits



Source: GAO | GAO-16-4SP

Selected Fiscal Year 2015 Other Benefits
Public Insurance and Benefits <ul style="list-style-type: none"> ■ Led several banking regulators to begin sharing information that servicemembers need to receive foreclosure protections due to them under the Servicemembers Civil Relief Act
Public Safety and Security <ul style="list-style-type: none"> ■ Led the Transportation Security Administration to improve its rail security incident data system to better detect and assess important rail security trends, patterns, and potential threats
Acquisition and Contract Management <ul style="list-style-type: none"> ■ Led the Congress to enact legislation to improve several aspects of federal information technology (IT) management, including additional scrutiny of high-risk IT investments, enhanced transparency of these investments, and improved management of agencies' IT portfolios
Program Efficiency and Effectiveness <ul style="list-style-type: none"> ■ Prompted the Department of Transportation to improve its accountability for \$4 billion in discretionary surface transportation grants by clearly linking projects' performance to the program's long-term outcomes—helping the Congress to make more informed funding decisions
Business Process and Management <ul style="list-style-type: none"> ■ Led the Internal Revenue Service to improve its methodology for calculating fraudulent claims resulting from identity theft (IDT), increasing its understanding of how agency defenses were bypassed and where to improve its IDT filters

Past Recommendations Implemented

One way we measure our effect on improving the government's accountability, operations, and services is by tracking the percentage of recommendations that we made 4 years ago that have since been implemented. We use a 4-year reporting window because it generally takes 4 full years to implement our cycle for recommendations. The 79 percent implementation rate for fiscal year 2015 fell just short of our target of 80 percent for the year. We assess recommendations implemented after 4 years based on our experience that recommendations remaining open after that period of time are generally not implemented in subsequent years.

New Products Containing Recommendations

In fiscal year 2015, about 66 percent of the 556 written products we issued contained recommendations. We track the percentage of new products with recommendations because we want to focus on developing recommendations that, when implemented by the Congress and agencies, produce financial and other benefits for the nation. We exceeded our target of 60 percent by 6 percentage points. However, we are maintaining the 60 percent target for 2016 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.

Client Measures

To fulfill the informational needs of the Congress, we plan to deliver the results of our work orally as well as in writing at a time agreed upon with our client. Our performance this year indicates that we assisted the Congress well, by striving to respond to all congressional requests for testimony and delivering almost all of our products when promised based on the feedback from our clients. We issued 754 total products and completed work for 150 clients in fiscal year 2015.

Testimonies

Our clients often invite us to testify on our current and past work as it relates to issues that committees are examining through the congressional hearing process. During fiscal year 2015, our senior executives testified at 109 congressional hearings and fell 21 hearings short of our target (see [table 1](#)). This measure is client-driven based on invitations to testify; therefore we cannot always anticipate clients' specific subject area interests. The 109 hearings at which the Congress asked our executives to testify in fiscal year 2015 covered the scope of our mission areas (See [fig. 5](#) for selected topics we testified on by strategic goal in fiscal year 2015.) Twenty-nine percent of the hearings at which our senior executives testified were related to high-risk areas and programs, which are listed on page 35 of GAO's performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>). We have set our fiscal year 2016 target for testimonies at 120 hearings and believe this should be a reasonable estimate given recent trends and the Congress's continuing interest in such matters as national and homeland security, health care, information security, public safety, and natural resources.

Timeliness

To be useful to the Congress, our products must be available when our clients need them. In fiscal year 2015, we exceeded our timeliness target of 90 percent by 8 percentage points. We outreach directly to our clients through several means, including an electronic feedback form. We use the results of our client feedback form as a primary source and barometer for whether we are getting our products to our congressional clients when they need the information. We have again set our fiscal year 2016 target at 90 percent because we believe that this is realistic given current staffing levels and workload demands.

People Measures

Our highly professional, multidisciplinary, and diverse staff were critical to the level of performance we demonstrated in fiscal year 2015. Our ability to hire, develop, retain, and lead staff is a key factor to fulfilling our mission of serving the Congress and the American people. In fiscal year 2015, we exceeded all seven of our 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 [table 20](#), which begins on page 126 of GAO's performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>).

New Hire Rate

Our new hire rate is the ratio of the number of people hired to the number we planned to hire. Our annual workforce planning process helps to identify the human capital resource requirements needed to accomplish our mission. The workforce plan takes into account strategic goals, projected workload requirements, and other changes, such as retirements, attrition, promotions, and skill gaps and 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. In fiscal year 2015, our new hire rate was 83 percent. We exceeded our target by 3 percentage points. We planned to hire 236 new staff, but filled 195 positions (83 percent of our target) by year-end.

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. Our retention rate 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. In fiscal year 2015, we exceeded our target rate of 90 percent for retention with retirements by 4 percentage points at 94 percent. We also exceeded our retention rate target of 94 percent without retirements by 2 percentage points at 96 percent.

Staff Development and Utilization, Effective Leadership by Supervisors, and Organizational Climate

One way that we measure how well we are supporting our staff and providing an environment for professional growth is through our annual employee feedback survey. This 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 immediate supervisors on key aspects of their leadership styles. (See Part V of GAO's performance and accountability report for fiscal year 2015 for additional information about these measures (<http://www.gao.gov/products/GAO-16-3SP>). This fiscal year, 68 percent of our employees completed the survey, and we exceeded all four targets (see [table 1](#)). Our performance on staff development exceeded our target of 80 percent by 4 percentage points. Staff utilization exceeded our target of 76 percent by 3 percentage points, organizational climate exceeded our target of 76 percent by 4 percentage points, and leadership exceeded our target of 82 percent by 1 percentage point. Given our performance on these measures in recent years, we have decided to keep these targets for fiscal year 2016.

Figure 5: Selected Testimony Topics • Fiscal Year 2015**Goal 1: *Address Current and Emerging Challenges to the Well-being and Financial Security of the American People***

- Indian Education Management Challenges
- Railroad Retirement Board: Reducing Fraud and Improper Payments
- VA Health Care: Monitoring of Antidepressant Use and Accuracy of Suicide Data
- Management Challenges Facing the National Nuclear Security Administration
- Improving Oversight of Motor Carrier Safety
- Rural Housing Service: Managing Loan Risks
- Sustaining Indian Irrigation Projects
- Managing Federal Real Property
- Public Safety Communications: Establishing a Nationwide Broadband Network
- Improving Oversight of HUD Public and Indian Housing Programs
- Extending Federal Funding for Children's Health Insurance

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

- Observations on the State Department's Bureau of Counterterrorism
- DOD Strengthens Support of Civil Authorities
- Nuclear Nonproliferation: Minimizing Reporting Delays That May Affect Trade Sanctions
- Defense Acquisitions: F-35 Joint Strike Fighter Program Progress
- Afghanistan: Embassy Construction Faces Cost Increases and Schedule Delays
- Addressing IT Cyber Threats and Security Breaches at Federal Agencies
- Strengthening Oversight for International Cash-Based Food Assistance
- International Space Station: Utilization and Cost-effectiveness
- Improving Oversight of IT Acquisitions
- Improving Oversight of VA Contracting
- Border Security: Monitoring High-Risk Travelers and Maritime Cargo
- Enhancing National Capacity for Biosurveillance

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

- DATA Act Implementation Challenges
- Monitoring Government-wide Improper Payments
- Reducing Fragmentation, Overlap, and Duplication in Federal Programs
- Patient Protection and Affordable Care Act Enrollment Controls
- Improving Medicaid's Fraud Controls
- High-Risk Update: Fiscal Year 2015
- Federal Retirement System IT Modernization
- Homeland Security Acquisitions: Gaps in Oversight and Information
- Using Security Clearances Process to Aid Federal Tax-Debt Collection
- Addressing Biosafety Lapses in High Containment Laboratories
- Environmental Satellites: Addressing Potential Gaps
- Cybersecurity Challenges Facing Federal Systems

Source: GAO | GAO-16-4SP

Note: Additional information on selected testimonies can be found in Part II, pp. 66-67, 75-76, and 81-82 of GAO's performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>).

Other Ways GAO Served the Congress and the Nation

GAO's High-Risk Program

Every 2 years at the start of a new Congress, we issue a biennial update of our High-Risk report.

This report focuses attention on government operations that are at high risk of fraud, waste, abuse, and mismanagement, or need transformation to address economy,

efficiency, or effectiveness challenges. This report, which was updated in 2015, offers solutions to 32 identified high-risk problems and the potential to save billions of dollars, improve service to the public, and strengthen the performance and accountability of the U.S. government. In 2015, we identified two new high-risk areas—managing risks and improving VA health care and improving the management of IT acquisitions and operations. We also expanded the tax law enforcement area to focus on the prevention of identity theft related to tax refunds and the federal cybersecurity area to include the better protection of the privacy of personally identifiable information.

The major cross-cutting High-Risk program areas range from transforming DOD business operations and managing federal contracting more effectively, to assessing the efficiency and effectiveness of tax law administration and modernizing and safeguarding insurance and benefit programs. Our 2015 High-Risk work produced 162 reports, 32 testimonies, \$17 billion in financial benefits, and 435 program and operational benefits. The high-risk areas with the largest amount of financial benefits were DOD Weapon Systems Acquisitions, Tax Law Administration, and Medicaid. The 2017 update will report on progress made and what remains to be done to address each of the high-risk areas. A complete list of high-risk areas is shown in Table 4 of GAO's performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>). Details on each high-risk area can be found at <http://www.gao.gov/highrisk/overview>.

Our 2015 High-Risk area work:

- 162 reports
- 32 testimonies
- \$17 billion in financial benefits
- 435 other benefits

Opportunities to Reduce Fragmentation, Overlap, and Duplication, Achieve Savings, and Enhance Revenue

In April 2015, we issued our fifth report ([GAO-15-404SP](http://www.gao.gov/products/GAO-15-404SP)) to the Congress in response to a statutory provision that calls for us to identify federal programs, agencies, offices, and initiatives that have duplicative goals or activities and report annually to the Congress on our findings, as well as actions to reduce such duplication. Given the current fiscal condition, we also identify additional opportunities to achieve greater efficiency and effectiveness by means of cost savings or enhanced revenue collection. Our 2015 annual duplication report identified 66 new actions that executive branch agencies and the Congress could take to improve the efficiency and effectiveness of 24 areas of government. GAO identified 12 new areas in which there is evidence of fragmentation, overlap, or duplication. For example, GAO suggests that the Congress repeal the statutorily required U.S. Family Health Plan—a decades-old component of DOD's Military Health System—because it duplicates the efforts of DOD's managed care

support contractors by providing the same benefit to military beneficiaries. GAO also identified 12 areas where opportunities exist either to reduce the cost of government operations or enhance revenue collections. For example, GAO suggests that the Congress update the way Medicare has paid certain cancer hospitals since 1983, which could save about \$500 million per year.

In addition to identifying new areas, we continued to monitor the progress the Congress and executive branch agencies have made in addressing issues we previously identified. As we reported in April 2015, the Congress and executive branch agencies have addressed or partially addressed 76 percent of approximately 440 areas we identified in our first four reports. We estimate that congressional and executive branch efforts to address these nearly 440 actions government-wide over the past 4 years have resulted in over \$20 billion in cost savings, with \$80 billion more in cost savings anticipated in future years from these actions. Policymakers and the public can track the status of congressional and executive branch efforts to address the issues we have previously identified on GAO's Action Tracker located on our website under the "Duplication and Cost Savings" collection (www.gao.gov/duplication/action_tracker).

Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 was intended to address regulatory gaps and oversight failures in the U.S. mortgage, securities, and financial markets. In fiscal year 2015, we issued six reports (with one recommendation) on issues the act mandates GAO to review. The reports covered:

- legislative proposals and international coordination related to financial company bankruptcies ([GAO-15-299](#));
- the Securities and Exchange Commission's oversight activities of the operations of the Financial Industry Regulatory Authority (FINRA) ([GAO-15-376](#));
- views on the merits of a professional organization for credit rating analysts of nationally recognized statistical rating organizations and the challenges of creating such an organization ([GAO-15-591](#));
- information from company filings in response to the Securities and Exchange Commission's conflict minerals disclosure rule and actions taken by agencies to implement the U.S. conflict minerals strategy ([GAO-15-561](#)); and
- audits of the financial statements of the Securities and Exchange Commission ([GAO-15-166R](#)) and the Consumer Financial Protection Bureau ([GAO-15-146R](#)).

In addition to work mandated by the act, GAO also responded to requests from the Congress on topics such as the impact of the Dodd-Frank Act on community banks and credit unions and the effects of new regulations related to mortgage reform. Overall, our work provided the Congress with information that helped it oversee the financial markets and understand the effects of new regulations.

The Patient Protection and Affordable Care Act

The Congress passed the Patient Protection and Affordable Care Act (PPACA) in 2010 to increase the accessibility and affordability of health coverage for Americans. Key provisions of PPACA were implemented starting in 2014, including the establishment of health insurance exchanges—new marketplaces for individuals and small employers to purchase qualified health plans—and requirements affecting insurers' premium rates and benefits. In fiscal year 2015, we issued six products to assist the Congress in monitoring the implementation of PPACA, including

- the need for the Internal Revenue Service to strengthen oversight of tax provisions for individuals ([GAO-15-540](#)),
- observations on 18 undercover tests of enrollment controls for health care coverage and consumer subsidies under PPACA ([GAO-15-702T](#)),
- progress made, despite delays, by the Centers for Medicare & Medicaid Services (CMS) programs to limit health insurer risk ([GAO-15-447](#)),
- trends in reported net sales and profits for medical device companies before and after implementation of PPACA ([GAO-15-635R](#)),
- the range of private health insurance premiums and plan availability for individuals in 2014 and 2015 ([GAO-15-687](#)), and
- the need for CMS to improve oversight of states' IT projects used to support their health insurance marketplaces ([GAO-15-527](#)).

We also studied several issues related to CMS's website, Healthcare.gov, and its underlying systems. Specifically, we found that CMS has taken steps to address problems with initial deployment of Healthcare.gov and its supporting systems that led to consumers encountering widespread performance issues when trying to create accounts and enroll in health plans. Since the initial launch, CMS has taken steps to address inadequate capacity planning, software coding errors, and lack of functionality, which significantly reduced performance issues affecting Healthcare.gov. The initial launch of Healthcare.gov and its supporting systems also experienced problems because CMS did not apply recognized best practices for system development—requirements were not effectively managed, systems testing was inconsistent, and project oversight was not effective. As it has undertaken further development, CMS has made improvements in some of these areas, by, for example, establishing new requirements management processes and improving test documentation. However, weaknesses remain in its application of requirements, testing, and oversight practices ([GAO-15-238](#)).

Managing Our Resources

Resources Used to Achieve Our Fiscal Year 2015 Performance Goals

Our financial statements for the fiscal year ending September 30, 2015, were audited by an independent auditor, CliftonLarsonAllen, LLP, and received an unmodified opinion. The auditor found our internal controls to be effective—which means that no material weaknesses or significant deficiencies were

identified—and reported that we substantially complied with the applicable requirements for financial systems in FFMIA. In addition, the auditor found no instances of noncompliance with the laws or regulations in the areas tested. In the opinion of the independent auditor, our financial statements are presented fairly in all material respects and are in accordance with accounting principles generally accepted in the United States. The auditor's report, along with the statements and their accompanying notes, begins on page 97 of GAO's performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>).

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

In fiscal year 2015, our budgetary resources included new direct appropriations of \$522.0 million, and \$30.7 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 in fiscal year 2015 were \$588.3 million.

Total assets were \$103.9 million, consisting mostly of funds with the U.S. Treasury and property and equipment (including the headquarters building, land and improvements, and computer equipment and software), and substantially the same as total assets at the end of fiscal 2014.

Total liabilities were \$79.0 million, composed largely of employees' accrued annual leave, employees' salaries and benefits, amounts owed to other government agencies, and nongovernmental accounts payable. The balance of total liabilities at the end of fiscal year 2015 remains substantially the same as total liabilities at the end of fiscal 2014.

Internal Management Challenges

The Comptroller General, the Executive Committee, and other senior executives identify management challenges through the agency's strategic planning, management, internal controls, and budgetary processes. We monitor our progress in addressing these challenges through our annual performance and accountability process, and ask our Inspector General (IG) each year to comment on management's assessment of these challenges. In fiscal year 2015, we made notable progress addressing our three internal management challenges—human capital management, engagement efficiency, and information security—and added telework as a fourth challenge. See GAO's performance and accountability report for fiscal year 2015 for additional information on these challenges (<http://www.gao.gov/products/GAO-16-3SP>).

Human Capital Challenge

GAO depends on a diverse, engaged, motivated, and high-performing workforce to effectively deliver on its mission to support the Congress. Attracting and retaining this workforce, requires strategic management of several human capital challenges in a budget-conscious environment. In fiscal year 2015, we

filled 195 critical positions—primarily building our cadre of new analysts to meet current work demands and future leadership needs—reaching 2,989 full-time equivalents and bringing us closer to our optimal level of 3,250. We also pursued fuller use of HR Connect—the federal government’s primary human resource processing system to enhance customer service and make better use of human capital data to inform decision making. In addition, we were again ranked first among mid-sized federal agencies by the Partnership for Public Service for our efforts to promote a diverse and inclusive work environment.

Engagement Efficiency

In the fourth year of our focus on the engagement efficiency management challenge, we made notable progress. Specifically, we completed the pilot of our updated engagement management process and companion new engagement management system (EMS) to streamline the way in which we conduct our work and began agency-wide implementation. In addition, we continued our efforts to acquire technology to match our work-flow-process needs to introduce greater efficiencies into the way in which we develop and distribute our products.

Information Security

We continued our efforts to improve the management and oversight of our information security systems and processes. For example, we took steps to better protect against inappropriate access to computer resources through enhanced authentication and updated encryption on mobile devices.

Telework (new this year)

In last year’s report, we identified managing a mobile workforce as one of several human capital challenges. Due to increased attention government-wide on the effective implementation of agency telework programs and GAO’s ongoing efforts to manage its field office enhanced telework pilot and expand that pilot to headquarters, we are electing this year to add telework as a separate management challenge.

GAO’s IG concurred with these reported management challenges based on its audits, evaluations, and investigations, completed in fiscal year 2015 and in prior years. The IG also found that GAO has ongoing efforts intended to mitigate the risks to the agency presented by each challenge and to improve its operating controls and efficiency. See Part IV of GAO’s performance and accountability report for fiscal year 2015 (<http://www.gao.gov/products/GAO-16-3SP>).

Mitigating External Factors

In addition to the resource constraints and uncertainty of the budget for fiscal year 2016, which directly affect our internal management challenges, other external factors that could affect our performance and progress toward our goals include shifts in congressional interests, the ability of other agencies to make improvements needed to implement our recommendations in a constrained budget environment, and access to agency information. We mitigate these factors in several ways.

Demand for our work is very high as demonstrated by the 813 congressional requests and new mandates in fiscal year 2015. To be prepared to address timely

and relevant issues, we communicate frequently with our congressional clients to stay abreast of their interests. We strive to maintain flexibility in deploying our resources in response to shifting priorities and have successfully redirected our resources when appropriate and maintained broad-based staff expertise. We devoted 33 percent of our audit resources to mandates in fiscal year 2015. We continue to work with the Congress to modify or repeal recurring statutory requirements which have already been fully analyzed, thereby freeing up resources for higher congressional priorities.

The extent to which we can obtain access to agency information also plays a role in our ability to serve the Congress. While we generally receive very good cooperation, over time we have experienced access issues at certain departments and agencies. We actively pursue access issues as they arise, and we are engaged in discussions and efforts with the executive branch to enhance our access to information.

As we reported in fiscal year 2014, as a result of the difficulty GAO was having in obtaining copies of documents deemed to be Sensitive But Unclassified (SBU) from the State Department and U.S. Agency for International Development (USAID), GAO had engaged in ongoing discussions with senior officials from both agencies to seek changes to this practice. As a result of these discussions, which continued well into fiscal year 2015, both the State Department and USAID modified their practices in ways that should significantly improve GAO's ability to obtain copies of SBU documents going forward. These changes should also bring the State Department and USAID practices more in line with those of the other executive branch agencies, which routinely provide copies of SBU documents to GAO, and greatly enhance our ability to effectively and efficiently carry out our mission. We will be monitoring how both agencies respond to GAO access requests to ensure they are effectively implementing these new practices.

Another issue relating to our access to information is in the context of the Intelligence Community. As we have reported for the past several years, the Director of National Intelligence, in consultation with the Comptroller General, issued a written directive in 2011 governing our access to information in the possession of an element of the Intelligence Community, Intelligence Community Directive (ICD) 114. In fiscal year 2015, we successfully worked through a number of issues with various elements of the Intelligence Community related to obtaining information we requested. We will continue to monitor the implementation of ICD 114 moving forward (see pages 61-62 of GAO's performance and accountability report for fiscal year 2015 <http://www.gao.gov/products/GAO-16-3SP>).

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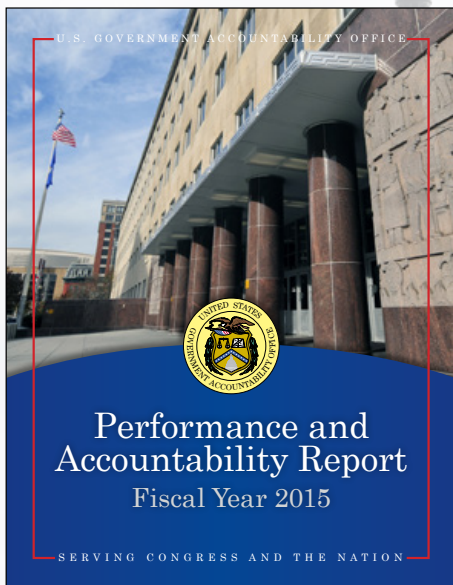
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