Measuring SAI Performance: A Focus on GAO Recommendations and Accomplishments

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WGEPPP FLASH SESSION

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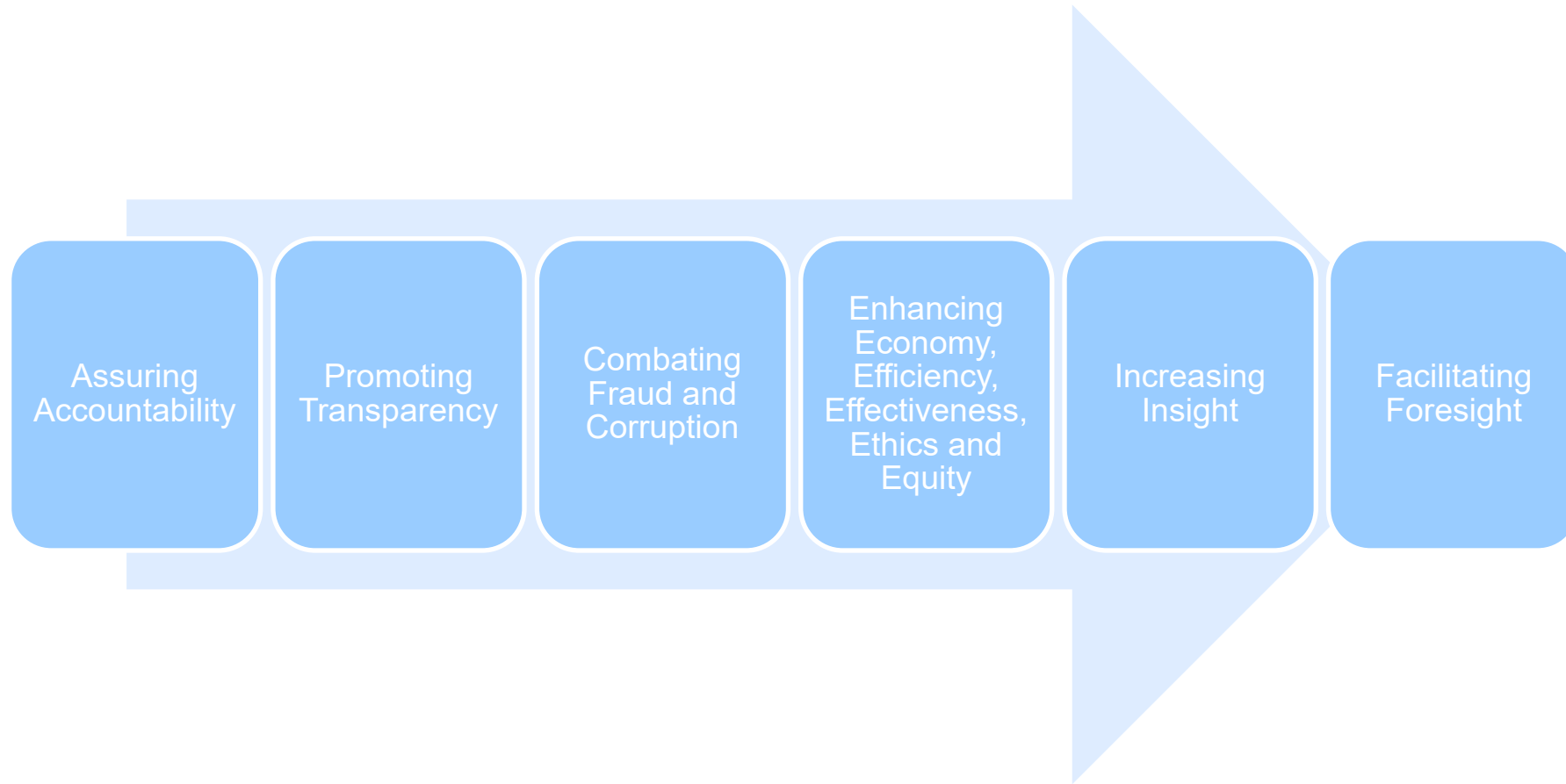
Agenda

- SAI and Value Creation

- Measuring and Communicating Value: Performance Accountability Reporting

- Spotlight on Recommendations

Range of GAO (SAI) Work

Assuring Accountability — Promoting Transparency — Combating Fraud and Corruption — Enhancing Economy, Efficiency, Effectiveness, Ethics and Equity — Increasing Insight — Facilitating Foresight

GAO AT A GLANCE

Our research/audits are carried out by 15 teams, covering all federal programs and activities:

Applied Research and Methods (ARM)	Homeland Security & Justice
Contracting and National Security Acquisitions	Information Technology and Cybersecurity
Defense Capabilities and Management	International Affairs and Trade
Education, Workforce, and Income Security	Natural Resources and Environment
Financial Management and Assurance	Physical Infrastructure
Financial Markets and Community Investment	Science, Technology, Assessment, and Analytics
Forensic Audits and Investigative Service	Strategic Issues
Health Care	

GAO/ARM social science methodologist presenting on the role of research in the policy process and techniques for effective communication of research findings

Breadth of Value Created by GAO

Dimensions of GAO's impact

- Improve government efficiency and effectiveness
- Identify emerging risks
- Share knowledge and create information and evidence to inform public policy

GAO's Strategic Goals

- Improve the well-being and financial security of the American people
- Address changing security threats and other global challenges
- Help transform the federal government
- Provide quality, timely service to Congress

Beneficiaries of GAO's work

- Congress
- Federal agencies
- Federal program beneficiaries and service users
- Researchers, the legal community, the news media, and the public

Value Created by GAO

- **Tangible:** impact is discernible and value measurable to some extent
  - **Actual Financial benefits** include budgetary savings, cost avoidance, cost savings, resource reallocation, revenue enhancement, etc.
  - **Other benefits—program and operational improvements throughout the government**

- **Intangible:** some of the impact may be discernible and known but the value is complex and not readily observed or easily quantified
  - These may also have financial impacts, which may or may not be measurable
    - Current indicators of work to ensure the integrity in government contracting.
    - Much of GAO's intangible value is challenging to quantify and is not currently measured

Examples of Significant Intangible Benefits

Legislative impacts and agency actions

- Led several agencies to more fully establish a cybersecurity risk management program and/or conduct an agency-wide assessment to better safeguard their agencies from cyber threats
- Prompted agency to improve oversight of foreign drug manufacturing establishments
- Led agencies to issue guidance to track data that could help address some medical supply chain issues
- Helped ensure agency develops and acquires supplies—estimated to cost almost $15 billion between fiscal years 2015-2024—in a streamlined and more cost-effective manner

Benefits Cut Across Extensive Bodies Of Knowledge

- E.g. *Veterans*: Enhancing federal suicide prevention efforts; improving VA disability claims processing for veterans exposed to Agent Orange; strengthening oversight of state veterans homes; etc.

Part II.1

PERFORMANCE AND ACCOUNTABILITY REPORTING

Annual Targets (Tracking Performance)

- **Set agency-wide and by the three external strategic plan goals.**
  - *Address current and emerging challenges to the well-being and financial security of the American people*
  - *Respond to changing security threats and the challenges of global interdependence*
  - *Help transform the federal government to address national challenges*

- **Presented in annual performance plan, budget, and performance and accountability report**
- **These targets capture value creation directly or indirectly**

Performance Measures

- Results focused
  - **Financial Benefits**
  - **"Other" Benefits**

  - Past Recommendations Implemented
  - New Products with Recommendations

- Client focused
  - Testimonies
  - Timeliness

GAO

By the Numbers: A look at our FY 2023 accomplishments

$70.4 billion
in financial benefits

about $84 return
for each $1 of our budget

1,345
new recommendations

1,220
improvements in federal government operations

671
total products

57
testimonies

about 2,000
bid protests handled

over 700
legal decisions and opinions issued

Source: GAO. | GAO-24-900483

Critical Target: Financial Benefits

- Benefits to the federal government that can be estimated in dollar terms.

- General criteria for claiming:
  1. the actions taken as a result of our work have been completed or substantially completed;
  2. a cause-and-effect relationship exists between the benefits reported and our recommendation or work performed; and
  3. estimates of financial benefits were based on information obtained from non-GAO sources.

Example of a Major Financial Benefit in FY 2023

- **Reducing Costs by Leveraging Federal Buying Power.** We recommended OMB set agency-specific targets for using larger and fewer 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. (GAO-17-164)

- **Saving Billions by Improving Oversight of COVID Funds.** 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. (GAO-20-625)

FY2018-FY2023 Financial Benefits

Dollars in billions

Year	Amount
2018	$75.1
2019	$214.7
2020	$77.6
2021	$66.2
2022	$55.6
2023 Target	$50.0
2023 Actual	$70.4

2018–2022 Actual | 2023 Target | 2023 Actual
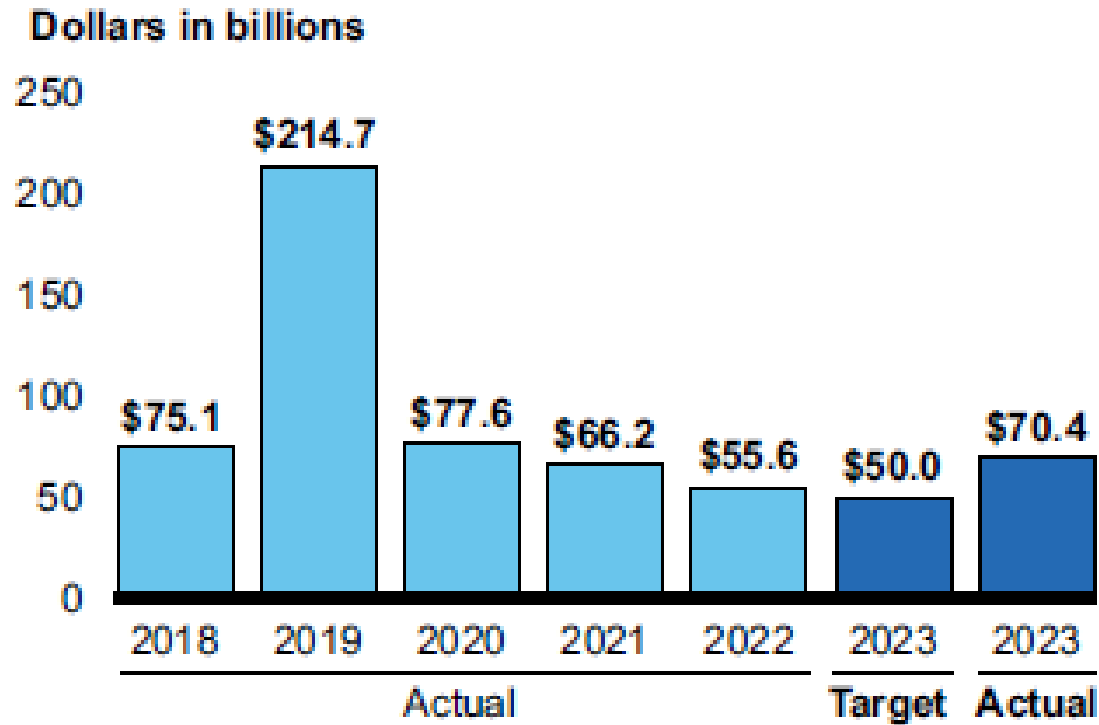
Source: GAO. | GAO-24-900483

Critical Target: Nonfinancial (Other) Benefits

- Benefits to the government that cannot be estimated in dollar terms.

- Spans a Range of Areas
  - Acquisition and contract management
  - Business process and management
  - Program efficiency and effectiveness
  - Public insurance and benefits
  - Public safety and security

Example of a Significant Nonfinancial (Other) Benefit

- **Enhancing Federal Efforts to Reduce Underride Crashes.** We reported in 2019 that "underride crashes" crashes are likely underreported and that the National Highway Traffic Safety Administration (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)

Figure 2: Other Benefits

Source: GAO. | GAO-24-900483
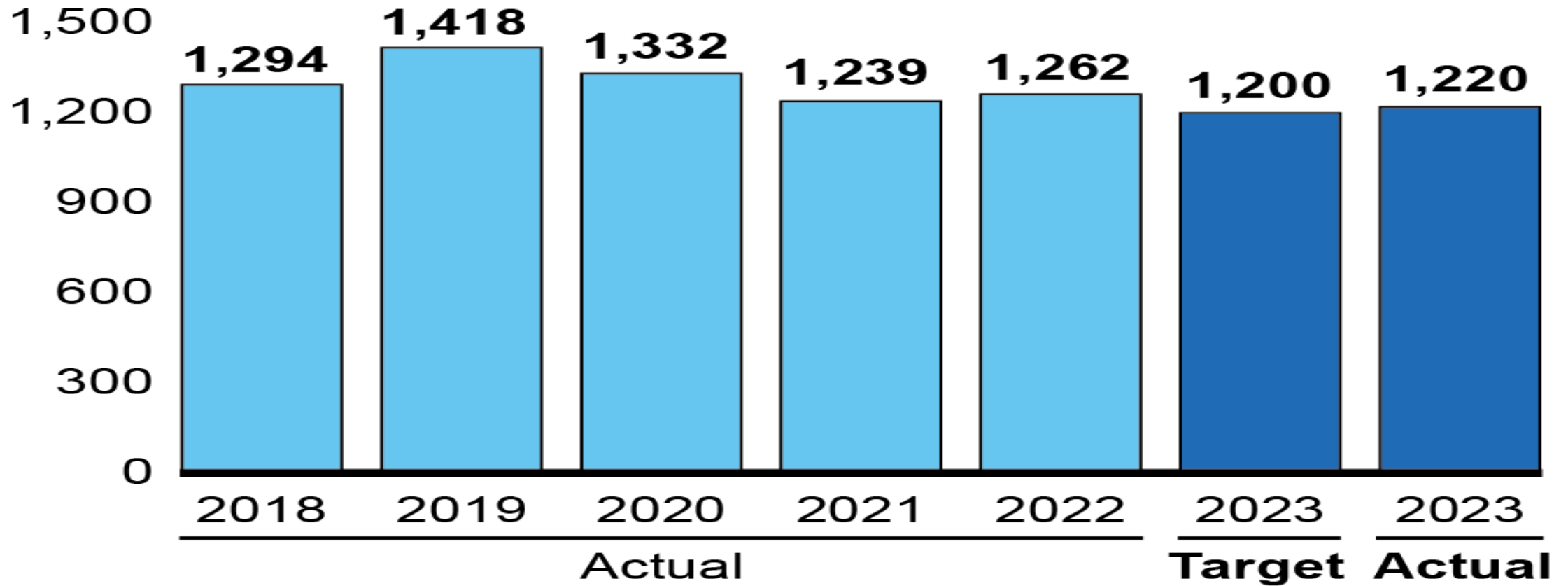
Much of GAO Value Comes Via Informational and Knowledge Products

Fiscal Year	Total Products
2019	678
2020	691
2021	678
2022	659
2023	671
5-year average	**675**

Figure 4: Percentage of New Products with Recommendations
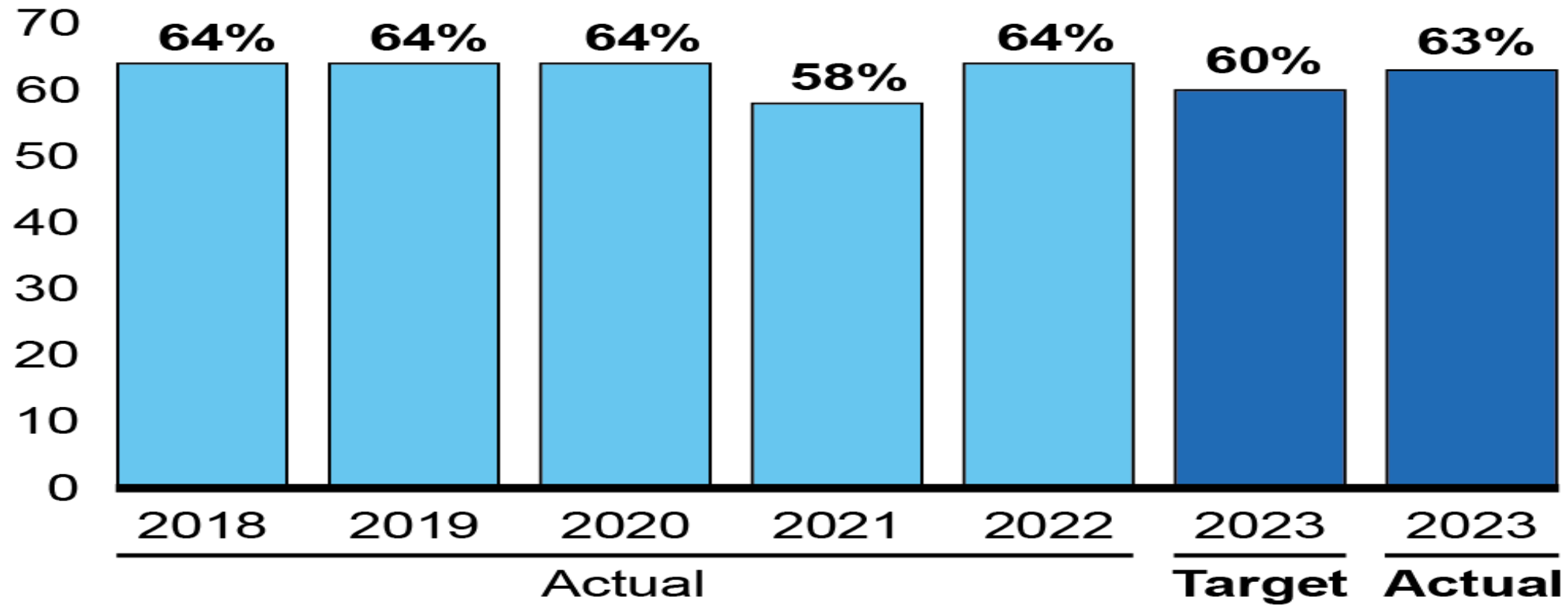
Recommendation Database

- Publicly Available:
  - Searchable by Agency, subject, major topic area

- As of May 24, 2024, there are 5131 open recommendations that still need to be addressed
  - 412 priority recommendations (warrant priority attention)
  - We send letter to heads of key departments and agencies, urging action (Why?)

Tracking the Status of Recommendations

Figure 3: Percentage of Past Recommendations Implemented

Four-year implementation rate

Year	Rate
2018 Actual	77%
2019 Actual	77%
2020 Actual	77%
2021 Actual	76%
2022 Actual	77%
2023 Target	80%
2023 Actual	75%
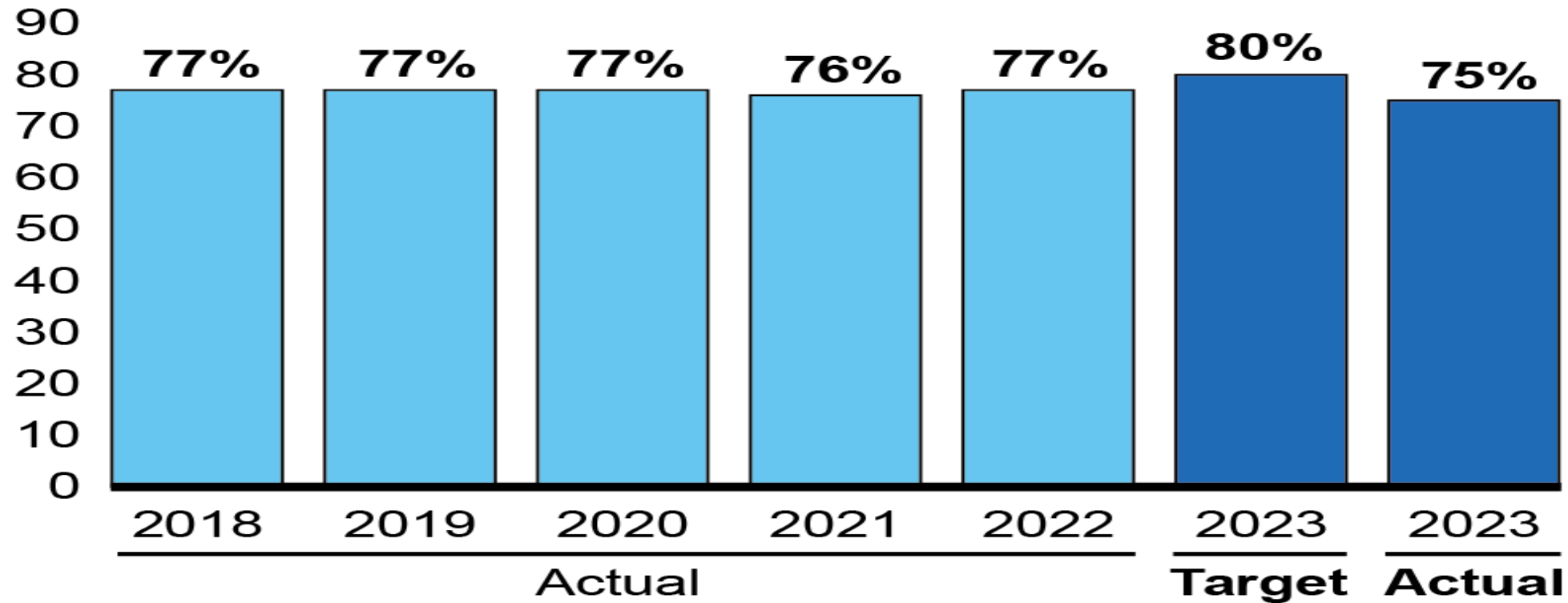
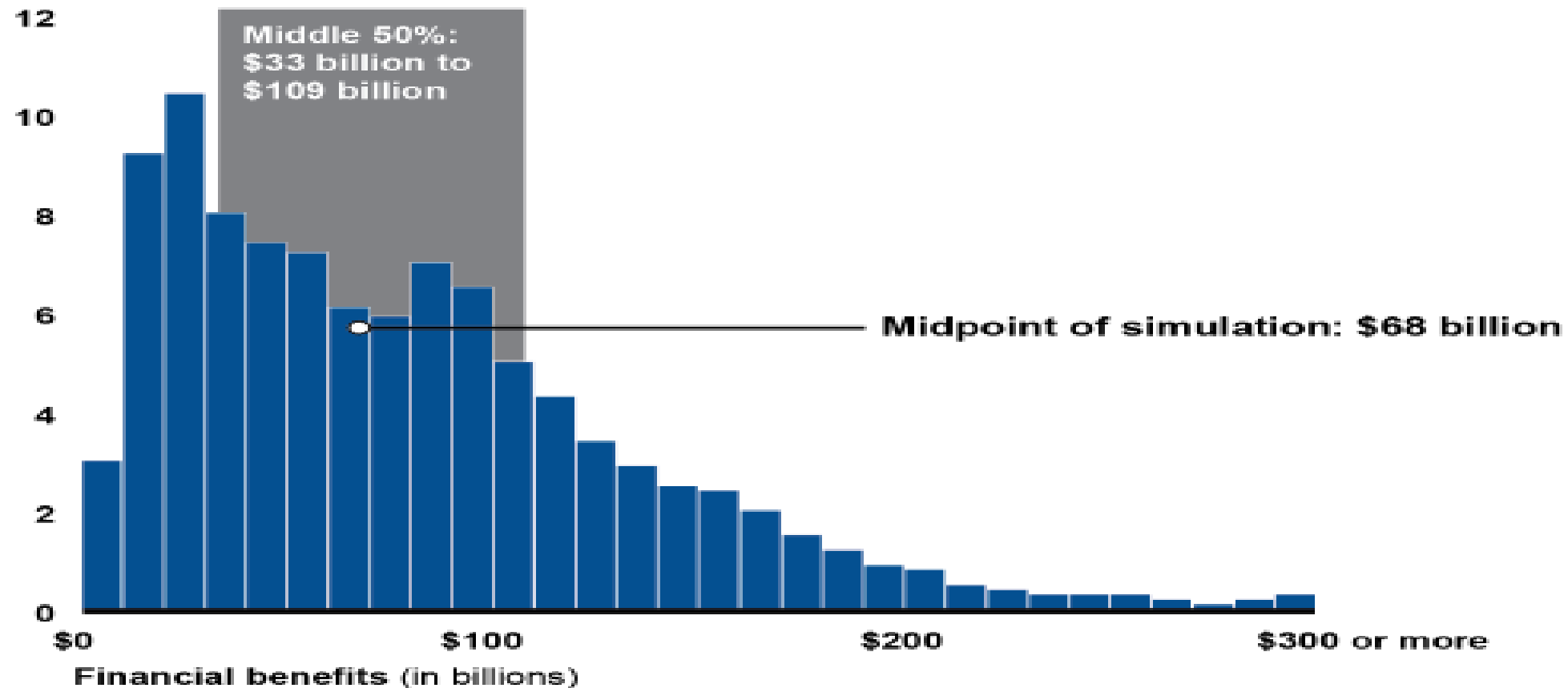# Value Created by GAO: Actions Have Not Yet Occurred (Potential Financial Benefits)

- An additional benefit of the recommendation database* is that it allows use to assess potential financial benefits

- The ability to identify and measure potential benefits faces the same challenges as actual benefits, multiplied by uncertainty about whether, when, and how our recommendations will be implemented.
  - "As of May 8, 2023, 5,226 GAO recommendations and matters were open. Implementing all of those recommendations and matters could produce $92 billion to $182 billion of measurable, future financial benefits, according to a simulation model."
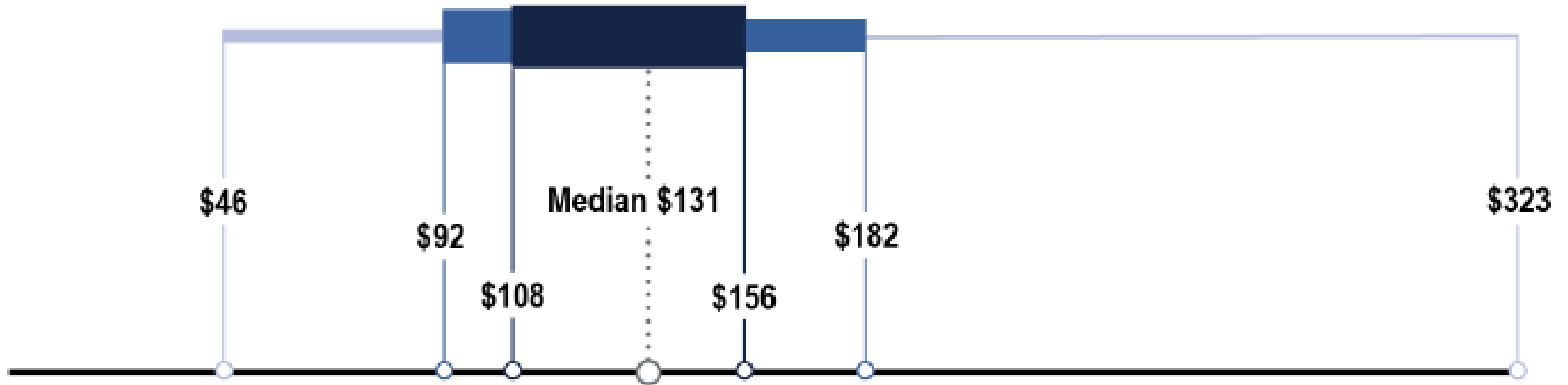
Figure 1. Simulated Total Financial Benefits for Unimplemented Recommendations, as of May 2022

Figure 2: Simulated Financial Benefits of Implementing All Open GAO Recommendations and Matters

$46 $92 $108   Median $131 $156 $182 $323

Financial benefits (dollars in billions)

Full range of simulated values

Middle 80 percent of simulated values

Middle 50 percent of simulated values

Source: Analysis of GAO data on recommendations and realized financial benefits. | GAO-23-106598

Value and Missing Metrics

- **Reports without recommendations**
  - e.g. GAO Fraud Risk Framework
- **Bodies of Knowledge**
  - Duplication Overlap and Fragmentation
  - High Risk List
- **Informal products and knowledge transfer**

- **Contributions outside of GAO research and audit activity**

Questions?