

Performance Plan

Fiscal Year 2006

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
SERVING THE CONGRESS AND THE NATION



Contents

Comptroller General's Letter	3
About GAO	4
Mission.....	4
Strategic Goals.....	5
Organizational Structure.....	7
How We Measure Our Performance.....	9
Annual Performance Measures.....	9
Measuring the Results of Our Work	10
Measuring Client Service	11
Measuring the Management of Our People	11
Measuring Our Internal Operations.....	12
Multiyear Performance Goals	12
Data Quality.....	13
Our Planned Performance for Fiscal Year 2006.....	14
Agencywide Performance and Resources Needed	14
Performance Targets and Resource Needs by Goal.....	17
Goal 1	17
Goal 2	19
Goal 3	21
Goal 4	23
Strategies and Means for Achieving Our Goals	25
Strategies for Goals 1, 2, and 3.....	25
Strategies for Goal 4.....	27
Collaboration Efforts	28
Addressing Management Challenges.....	31
The Human Capital Challenge	31
The Information Security Challenge	32
The Physical Security Challenge	33
Mitigating External Factors That Could Affect Our Performance	34
Image Sources.....	36
Obtaining Copies of GAO Products.....	36

Abbreviations

DOD	Department of Defense
FTE	full-time equivalent
GAO	Government Accountability Office
INTOSAI	International Organization of Supreme Audit Institutions
IT	information technology
NASA	National Aeronautics and Space Administration

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Comptroller General's Letter

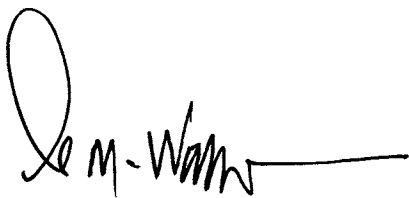
June 2005

I am pleased to present the Government Accountability Office's (GAO) *Performance Plan for Fiscal Year 2006*. In the spirit of the Government Performance and Results Act, this annual plan informs the Congress and the American people about what we expect to accomplish on their behalf in the coming fiscal year. It sets forth our plan to make progress toward achieving our strategic goals for serving the Congress and the American people. The plan is based on our strategic plan for 2004 to 2009, which was prepared in consultation with members of the Congress and other key stakeholders and was issued in March 2004.

This performance plan takes into account that historically the vast majority of our engagement resources are devoted to congressional mandates and requests for our work. As such, this plan includes work related to long-standing national challenges, such as the educational needs of the nation's children, the long-term viability of Social Security and Medicare, the rising cost of health care and the millions of Americans who are uninsured, the vulnerability to sabotage of the government's computer systems, and national defense and homeland security issues. At the same time, we plan to invest a small percentage of our engagement resources in important discretionary work to identify and help the Congress address the emerging issues that may affect the nation's future, such as managing the large and growing long-term fiscal imbalance facing the nation. Consequently, the plan reflects a variety of changes and challenges. In addition, this plan describes the total resources needed to accomplish our work—information that may be useful for appropriations and oversight by the Congress as well as informative for the American public.

Fiscal year 2006 promises to be a challenging year for us, especially given increasing budgetary constraints and increasing demands for our services. Nonetheless, I believe that our planned work will, as in past years, result in an excellent return on the taxpayers' investment in us.

If you have any questions or comments on this plan, please contact Gene Dodaro, Chief Operating Officer, at (202) 512-5600 or dodarog@gao.gov or Sallyanne Harper, Chief Financial Officer, at (202) 512-5800 or harpers@gao.gov.

A handwritten signature in black ink, appearing to read "D. M. Walker", followed by a horizontal line.

David M. Walker
Comptroller General
of the United States

About GAO

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 differ in some ways from executive branch agencies. We are, for instance, exempt from many laws applicable to the executive branch. However, we hold ourselves to the spirit of many of these laws, including the Government Performance and Results Act of 1993.¹ Accordingly, this performance plan for fiscal year 2006 supplies what we consider to be information that is at least equivalent to that supplied by executive branch agencies in their annual performance plans.

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 accomplish our mission by providing reliable information and informed analysis to the Congress, to federal agencies, and to the public; and we recommend improvements, when appropriate, on a wide variety of issues. The three core values that are shown below—accountability, integrity, and reliability—form the basis for all of our work, regardless of its origin.

Core Values		
<i>Accountability</i>	<i>Integrity</i>	<i>Reliability</i>
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.	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 reputation, and the GAO approach to work ensures both.	We at GAO want our work to be viewed by the Congress and the American public as reliable. We produce high-quality reports, testimony, briefings, legal opinions, and other products and services that are timely, accurate, useful, clear, and candid.

¹The Government Performance and Results Act seeks to improve public confidence in federal agency performance by requiring that federally funded agencies develop and implement an accountability system based on performance measurement, including setting goals and objectives and measuring progress toward achieving them.

Strategic Goals

To accomplish our mission, we use a strategic planning and management process that is based on a hierarchy of four elements (see fig. 1), beginning at the highest level with the following four strategic goals:

- Strategic Goal 1: 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
- Strategic Goal 2: Provide Timely, Quality Service to the Congress and the Federal Government to Respond to Changing Security Threats and the Challenges of Global Interdependence
- Strategic Goal 3: Help Transform the Federal Government's Role and How It Does Business to Meet 21st Century Challenges
- Strategic Goal 4: Maximize the Value of GAO by Being a Model Federal Agency and a World-Class Professional Services Organization

Figure 1: GAO's Strategic Planning Hierarchy



Source: GAO.

Our work is primarily aligned under the first three strategic goals, which span both domestic and international issues that affect the lives of all Americans as well as the issues specific to governance that influence how well the nation's current and future interests are served by the U.S. government. The fourth goal is our only internal one and is aimed at maximizing our productivity through such efforts as steady investments in information technology (IT); ensuring the safety and security of our people, information, and assets; pursuing human capital transformation; and leveraging our knowledge and experience. We revisit the focus and appropriateness of these four strategic goals each time that we update our strategic plan.

The four strategic goals are supported by strategic objectives, which are in turn supported by and achieved through numerous performance goals and key efforts. Our strategic planning framework, which lists the strategic objectives under each goal, is depicted on the next page. Complete descriptions of the steps in our strategic planning and management process are included in our strategic plan for fiscal years 2004 through 2009, which is available on our Web site at <http://www.gao.gov>. This site also provides access to our annual performance plans since fiscal year 1999 and our performance and accountability reports since fiscal year 2001.

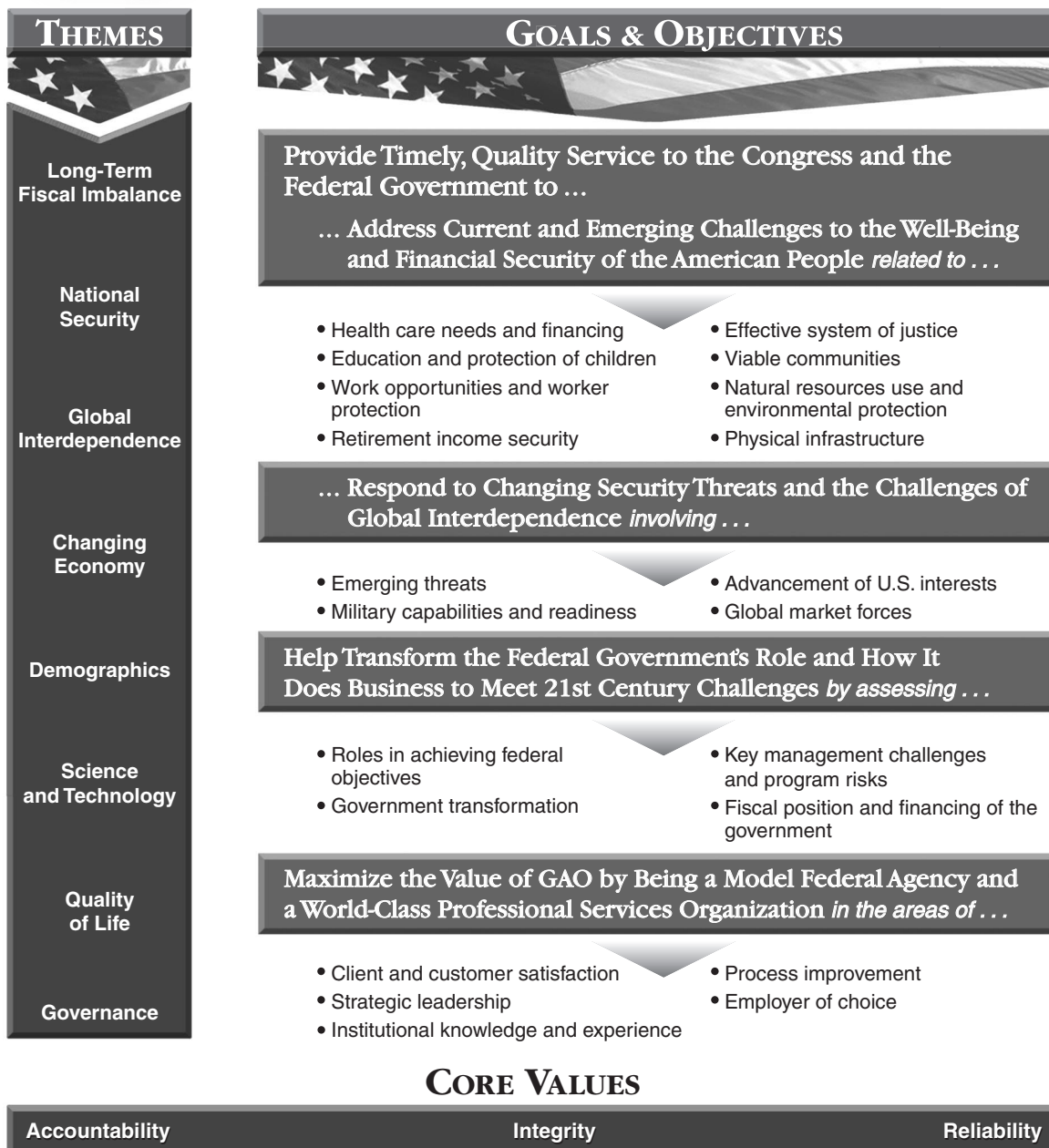


SERVING THE CONGRESS AND THE NATION

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.



Source: GAO.

Fiscal years 2004-2009

Organizational Structure

As the Comptroller General of the United States, David M. Walker is the head of GAO and is serving a 15-year term that began in November 1998. Three other executives join Comptroller General Walker to form GAO's Executive Committee; these executives are Chief Operating Officer Gene L. Dodaro, Chief Administrative Officer/Chief Financial Officer Sallyanne Harper, and General Counsel Anthony H. Gamboa.

To achieve our strategic goals, our staff is organized as shown in figure 2. For the most part, our 13 research, audit, and evaluation teams perform the work that supports strategic goals 1, 2, and 3—our three external strategic goals—with several of the teams working in support of more than one strategic goal. Senior executives in charge of the teams manage a mix of engagements to ensure that the Congress's need for information on quickly emerging issues is met as we also continue longer term work efforts that flow from our strategic plan. To effectively serve the Congress 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. As described below, General Counsel supports the work of all of our teams. In addition, the Applied Research and Methods team assists the other teams on matters requiring expertise in areas such as economics, research design, and statistical analysis. And staff in many offices such as Strategic Planning and External Liaison, Congressional Relations, Opportunity and Inclusiveness, Quality and Continuous Improvement, Public Affairs, and the Chief Administrative Office support the efforts of the teams. This collaborative process, which we refer to as matrixing, increases our effectiveness, flexibility, and efficiency in using our expertise and resources to meet congressional needs on complex issues.

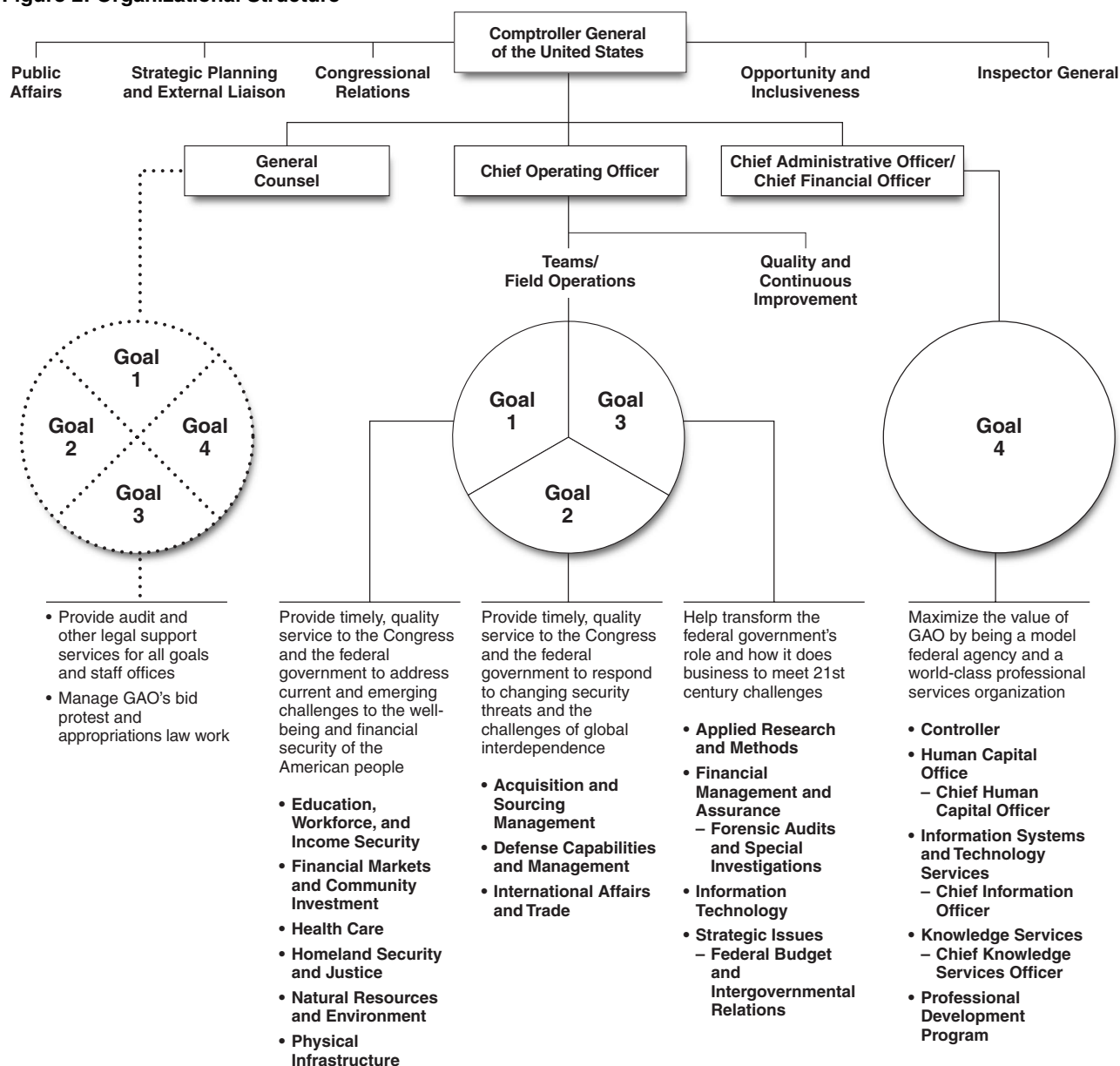
General Counsel is structured organizationally along subject matter lines to facilitate the delivery of legal services. This structure allows General Counsel to (1) provide legal support to GAO and its audit teams concerning all matters related to their work and (2) produce legal decisions and opinions for the Comptroller General. Specifically, the Goal 1, Goal 2, and Goal 3 groups in General Counsel are organized to provide each of the audit teams with a corresponding team of attorneys dedicated to supporting each team's needs for legal services. In addition, these groups prepare advisory opinions to committees and members of the Congress on agency adherence to laws applicable to their programs and activities. General Counsel's Legal Services group provides in-house support to GAO's management on a wide array of human capital matters and initiatives and on information management and acquisition matters and defends the agency in administrative and judicial forums. Finally, attorneys in the Procurement Law and the Budget and Appropriations Law groups prepare administrative decisions and opinions adjudicating protests to the award of government contracts or opining on the availability and use of appropriated funds.

For strategic goal 4—our fourth and only internal strategic goal—staff in our Chief Administrative Office take the lead. They are assisted on specific key efforts by the Applied Research and Methods team and by staff offices such as Strategic Planning and External Liaison, Congressional Relations, Opportunity and Inclusiveness, Quality and Continuous Improvement, and Public Affairs. In addition, attorneys in General Counsel, primarily in the Legal Services group, provide legal support for goal 4 efforts.

Throughout GAO, we maintain a workforce of highly trained professionals with degrees in many academic disciplines, including accounting, law, engineering, public and business administration, economics, and the social and physical sciences. About three-quarters of our approximately 3,200 employees are based at our headquarters in Washington, D.C.; the rest are deployed in 11 field offices across the country. Specifically, we have offices in Atlanta, Boston, Chicago, Dallas, Dayton, Denver, Huntsville, Los Angeles, Norfolk, San Francisco, and Seattle. Staff in these field offices are

aligned with our research, audit, and evaluation teams and perform work in tandem with our headquarters staff in support of our external strategic goals.

Figure 2: Organizational Structure



Source: GAO.

Note: General Counsel's structure largely mirrors the agency's goal structure, and attorneys who are assigned to goals work with the teams on specific engagements. Thus, the dotted lines in this figure indicate General Counsel's support of or advisory relationship with the goals and teams rather than a direct reporting relationship.

How We Measure Our Performance

We measure our performance using annual quantitative performance measures and multiyear qualitative performance goals. Together, these indicators help us to determine how well we are meeting the needs of the Congress and maximizing our value as a world-class organization.

Annual Performance Measures

For several years, we have assessed our performance annually using quantitative performance measures that are related to our work results and the usefulness of those results to our primary client—the Congress. Recently, we have expanded our focus to include a more balanced set of performance measures. Consequently, the measures that we plan to use during fiscal year 2006 reflect our mission and strategic goals for serving the Congress and focus on four key areas: results, clients, people, and internal operations.²

- **Results.** Focusing on results and the effectiveness of the processes needed to achieve them is fundamental to accomplishing our mission. To assess our results, we measure financial benefits, other (nonfinancial) benefits, recommendations implemented, and percentage of new products with recommendations.³
- **Clients.** Our strategy in this area draws upon a variety of data sources to obtain information on the services we are providing to our congressional clients. To judge how well we are serving our clients, we measure the number of times we are asked to present expert testimony at congressional hearings as well as our timeliness in delivering products to the Congress.
- **People.** As our most important asset, our people define our character and capacity to perform. A variety of data sources, including an internal survey, provide information to help us measure how well we are attracting and retaining high-quality staff and how well we are developing, supporting, using, and leading staff.
- **Internal operations.** Our mission and people are supported by our internal administrative services, including information management, building management, knowledge services, human capital, financial management, and other services. Through an internal customer satisfaction survey, we gather information on how well our internal operations help employees get their jobs done or improve employees' quality of work life. Examples of surveyed services include providing secure Internet access and voice communication systems, performance management, and benefits information and assistance.

²In addition, we have begun to explore measures that could help us assess how well we develop mutually beneficial relationships with other accountability organizations. Such partnerships are important because they (1) create opportunities for collaboration and cooperation that help all organizations involved address common challenges and enhance their ability to improve government operations and serve the public better, (2) allow us and other organizations to make meaningful changes in our internal accountability processes and policies, and (3) allow us to better leverage available resources. See GAO's *Performance and Accountability Report, Fiscal Year 2004* ([GAO-05-62SP](#)) for more information on the partnerships we have established.

³As announced in our performance and accountability report for fiscal year 2004, beginning in fiscal year 2005, we will stop reporting on the number of new recommendations made. We created this measure to provide performance information related to recommendations. Subsequently, we added a measure for the percentage of new products with recommendations. We now feel that it alone is a sufficient measure to ensure that our work results in beneficial recommendations. However, we will continue to monitor the number of new recommendations made to ensure that teams supporting strategic goals 1 through 3 continue to plan and complete engagements that result in recommendations—the basis for our financial and other benefits for the American people.

To establish targets for these measures, we examined what we have been able to achieve in the past and the external factors that influence our work (those factors are discussed in the section of this report called Strategies and Means for Achieving Our Goals). The teams and offices that are directly engaged in the work discussed their views of what must be accomplished in the upcoming fiscal year with our top executives, who then established targets for the performance measures. Once approved by the Comptroller General, the targets became final and are presented in this annual performance plan. We may adjust these targets after they are initially published when our past performance, expected future work, or level of funding provided warrant doing so. If changes are made, we include the modified targets in later documents, such as a performance and accountability report, and annotate them as having been modified.

Measuring the Results of Our Work

We use four of our annual measures to assess our efforts to provide the kind of information and recommendations that will lead to benefits for the American people. These measures are briefly described in table 1.

Table 1: Annual Measures of the Results of Our Work

Measure	Description
Financial benefits	Benefits to the federal government that can be estimated in dollar terms (e.g., decreased costs, increased revenues, or monetary revenues made available for other purposes) that result in improved services to the public, improved statutes or regulations, or improved government business operations that occurred as a result of work that we completed over the past several years.
Other benefits	Benefits to the federal government that cannot be estimated in dollar terms that result in improved services to the public, improved statutes or regulations, or improved government business operations that occurred as a result of work that we completed over the past several years.
Past recommendations implemented	Of the recommendations made 4 fiscal years prior to the current fiscal year, the percentage of recommendations that were implemented.
Percentage of products with recommendations	Of the written products issued in the fiscal year, the percentage that included at least one recommendation. Not all products that we issue during the fiscal year contain recommendations—some provide the Congress with policy options or are purely informational.

Source: GAO.

For financial benefits and other benefits we first set targets for the agency as a whole and then we set targets for each of the external goals—that is, goals 1, 2, and 3—so that the sum of the targets for the goals equals the agencywide targets. For past recommendations implemented and percentage of products with recommendations, we set targets and report performance for the agency as a whole because we want our performance on these measures to be consistent across goals. We track our performance by strategic goal in order to understand why we meet or do not meet the agencywide 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 in which they need to improve.

Financial benefits and other benefits provide quantitative and qualitative information, respectively, on the outcomes or results that have been achieved from our work. They often represent outcomes that occurred over a period of several years. The remaining measures are intermediate outcomes in that they often lead to achieving outcomes that are ultimately captured in our financial or other benefits.

Measuring Client Service

We use two performance measures—the number of testimonies and the timeliness of our products—as indicators of how well we are meeting our clients’ needs (see table 2). We consider requests to present testimony as an indicator that our clients believe our work can add value to the congressional decision-making process. We set a target at the agencywide level for the number of testimonies and then assign a portion of the testimonies as a target for each of the external goals—that is, goals 1, 2, and 3—based on their expected contribution to the agencywide total. As in measuring the results of our work, we track our progress on this measure at the goal level in order to understand why we met or did not meet the agencywide target.

Table 2: Annual Measures of Client Service

Measure	Description
Testimonies	The number of hearings at which we presented testimony.
Timeliness	Of the products issued in the fiscal year, the percentage that were issued by the date agreed upon with the client or, for work initiated under the Comptroller General’s authority, by the date agreed to internally.

Source: GAO.

We also believe that our ability to provide products by the agreed-upon date means that we have met the clients’ needs for providing information in time for it to be of value to them. We set agencywide targets for timeliness because we want our performance on these measures to be consistent across goals. We 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 in which they need to improve.

Measuring the Management of Our People

Our most important asset is our people, and they determine our capacity to perform. Therefore, we hold our managers accountable for performance measures that will help us determine how well we are attracting, retaining, using, investing in, and leading our human resources. Table 3 describes the measures that we plan to use to assess our performance in this area. We set targets for these measures at the agencywide level. The information needed for these measures comes from a variety of sources, including the Department of Agriculture’s National Finance Center database—which handles payroll and personnel data for GAO and other agencies—and an annual confidential survey of employees.

Table 3: Annual Measures Related to Our People

Measure	Description
New hire rate	The ratio of the number of people hired to the number we planned to hire.
Acceptance rate	The ratio of the number of applicants accepting offers to the number of offers made.
Retention rate	The ratio of the number of people who did not leave GAO during the fiscal year to the average number of people on board during the year. (Retention rate is the inverse of attrition rate.) We present two calculations of retention rate—one that includes retirees in the attrition rate and another that excludes retirees from that calculation.
Staff development	From an annual employee survey, the percentage of people responding favorably to questions on internal, external, and on-the-job training.

Measure	Description
Staff utilization	From an annual employee survey, the percentage of people responding favorably to questions on our use of staff's knowledge and skills.
Leadership	From an annual employee survey, the percentage of people responding favorably to questions about specific qualities of our managers, such as whether leaders treated staff fairly, made timely decisions, demonstrated GAO's core values, implemented change effectively, and dealt effectively with diversity issues.
Organizational climate	From an annual employee survey, the percentage of people responding favorably to questions on teamwork, morale, and overall satisfaction.

Source: GAO.

Measuring Our Internal Operations

Beginning with fiscal year 2006, we plan to add performance measures related to our internal operations. Table 4 describes the measures that we plan to use to assess our performance in this area. The information for these measures will come from an annual survey of employees' satisfaction with our internal administrative services. Our administrative services are divided into two categories. The first service category includes 21 services that help employees get their jobs done, such as Internet access, desktop computer equipment, and voice and video communication systems. The second category includes another 10 services that affect quality of work life, such as assistance related to pay and benefits, building security, and workplace safety and health. Using survey responses, we calculate a composite score for each service category that reflects employee ratings for (1) satisfaction with the service and (2) importance of the service. We plan to set targets for both service categories for fiscal year 2006 after we have completed our analyses of the results of our 2004 survey, which was administered at the end of 2004. These targets will be reported in our fiscal year 2005 performance and accountability report.

Table 4: Annual Measures Related to Our Internal Operations

Measure	Description
Help get job done	From an annual employee survey, we calculate a composite score from questions related to how well internal processes help employees get their jobs done. The composite score represents how employees rated their satisfaction with these services relative to how they rated the importance of those services to them. The importance scores and satisfaction levels are both rated on a scale of 1 (low) to 5 (high).
Quality of work life	From an annual employee survey, we calculate a composite score from questions related to how well internal processes impact employees' quality of work life. The composite score represents how employees rated their satisfaction with these services relative to how they rated the importance of those services to them. The importance scores and satisfaction levels are both rated on a scale of 1 (low) to 5 (high).

Source: GAO.

Multiyear Performance Goals

We use two elements in our strategic planning hierarchy—performance goals and key efforts—as qualitative indicators of our performance. We ask senior managers to determine whether the performance goals established in our strategic plan have been met over a multiyear period. To do this, senior managers examine the amount of work conducted and recommendations made for each key effort supporting each performance goal. Senior managers also consider any other assistance provided to the client or customer that is related to these efforts. These senior executives then judge

whether the work completed collectively for all key efforts actually achieved the performance goal. Our performance and accountability reports include assessments of our progress in meeting these performance goals.

For all four strategic goals, the multiyear, qualitative performance goals included in our current strategic plan describe specific areas of work that we had planned to complete by the end of fiscal year 2005. We will assess our progress toward these multiyear, qualitative performance goals at the end of fiscal year 2005. However, during fiscal year 2004, we decided to revise our strategic plan every 3 years, rather than on a 2-year cycle, which means that we will not set new multiyear performance goals until 2007. To accommodate this change, for fiscal year 2006, we plan to continue to use the current performance goals as a basis for aligning our work with our strategic goals, but we will not assess our progress toward these multiyear performance goals at the end of fiscal year 2006. In preparing our fiscal year 2006 budget submission, we made minor revisions that apply to fiscal year 2006 for some of these performance goals, mainly in the homeland security and justice areas. These revisions are discussed later in this plan. In our next strategic plan update, which will cover fiscal years 2007 through 2012, we will establish revised performance goals and key efforts that cover fiscal years 2007 through 2009.

Data Quality

To assess our performance, we use performance data that are complete and actual (rather than projected) for all of our performance measures. The data come from a variety of internal and external sources, including our internal accomplishment reporting system, document database, and assignment tracking system; staff's responses to annual Web-based surveys; and the Department of Agriculture's National Finance Center database, which handles payroll and personnel data for many agencies, including GAO.

We believe that the data we use are reliable because we follow multiple procedures to ensure the data's quality. In general, internal data are reviewed and approved by more than one person in GAO and by people not associated with the work being reviewed. In addition, our Inspector General either annually or periodically (depending on the data) reviews our compliance with the processes used to compile performance information. For example, during fiscal year 2003, the Inspector General independently tested our process for claiming other benefits and found them to be reasonable. Where appropriate, when we identify data limitations, we have implemented steps to minimize the impact of these limitations. For example, not every financial benefit that results from our work can be readily estimated or documented. Consequently, we do not include those financial benefits, which means that our estimate is a conservative one.

The specific sources of the data for our annual performance measures and multiyear qualitative performance goals, procedures for independently verifying and validating these data, and the limitations of these data are described in the data verification and validation table that begins on page 67 of our performance and accountability report ([GAO-05-62SP](#)). This table does not include the two new measures for internal operations. We expect to include information on those two measures in our fiscal year 2005 performance and accountability report.

Our Planned Performance for Fiscal Year 2006

On the pages that follow, we present agencywide and goal-level targets for our performance for fiscal year 2006. Where applicable, we report revisions to the fiscal year 2005 targets that were presented in our fiscal year 2005 performance plan.

Agencywide Performance and Resources Needed

While much of our performance is planned, managed, and tracked at the goal level, to gauge our collective performance, we set targets for the agency as a whole for all of our annual performance measures. Table 5 reflects our agencywide performance during the last 6 fiscal years for these measures, where available, along with the agencywide targets for fiscal years 2005 and 2006.

To achieve our strategic goals and objectives, we must ensure that we have the appropriate human capital, fiscal, and other resources to carry out our responsibilities. Consequently, our budget request will allow us to achieve our fiscal year 2006 performance targets, which support the Congress as outlined in our most recent strategic plan. During fiscal year 2006, we plan to maximize the productivity of our workforce and to continue addressing our three major management challenges: human capital, information security, and physical security. We will continue to take steps to “lead by example” within the federal government in these and other critical management areas.

In developing our fiscal year 2006 budget, we have taken into consideration the overall federal budget constraints and the committee’s desire to lead by example. Accordingly, we have requested \$493.5 million, which represents a modest increase of 4 percent over fiscal year 2005. This increase is primarily for mandatory pay costs and price level changes. This budget request will allow us to continue to maximize productivity, operate more effectively and efficiently, and maintain the progress we have made in technology and other areas, but it does not allow us sufficient funding to support a staffing level of 3,269—the staffing level that we requested in previous years. Even as we are tempering our budget request, it needs to be acknowledged that there are increasing demands on our resources. For example, the number of congressional mandates for studies, such as our reviews of executive branch and legislative branch operations, has increased more than 15 percent since fiscal year 2000. While we have reduced our planned staffing level for fiscal years 2005 and 2006 in order to keep our request modest, we believe that the staffing level we requested in previous years is a more optimal staffing level for GAO and would allow us to better meet the needs of the Congress and provide the return on investment that both the Congress and the American people expect. We will be seeking your commitment and support to provide the funding needed to rebuild our staffing levels over the next few fiscal years, especially as we approach a point where we may be able to express an opinion on the federal government’s consolidated financial statements.

Table 5: Agencywide Annual Performance Results and Targets

Performance measures	1999 actual	2000 actual	2001 actual	2002 actual	2003 actual	2004 actual	2005 target ^a	2006 target
Results								
Financial benefits (billions of dollars)	\$20.1	\$23.2	\$26.4	\$37.7	\$35.4	\$44.0	\$37.5	\$39.0
Other benefits	607	788	799	906	1,043	1,197	1,000	1,050
Past recommendations implemented	70%	78%	79%	79%	82%	83%	80%	80%
New products with recommendations	33%	39%	44%	53%	55%	63%	55%	55%
Client								
Testimonies	229	263	151	216	189	217	185	210
Timeliness	96%	96%	95%	96%	97%	97%	98%	98%
People								
New hire rate ^b	N/A	N/A	N/A	96%	98%	98%	97%	97%
Acceptance rate ^b	N/A	N/A	N/A	81%	72%	72%	75%	75%
Retention rate ^b								
Includes retirements	N/A	91%	91%	91%	92%	91%	90%	90%
Excludes retirements	N/A	94%	95%	96%	96%	95%	94%	94%
Staff development ^{bc}	N/A	N/A	N/A	71% ^d	67% ^e	70%	72%	74%
Staff utilization ^{bc}	N/A	N/A	N/A	67%	71%	72%	74%	75%
Leadership ^{bc}	N/A	N/A	N/A	75%	78%	79%	80%	80%
Organizational climate ^{bc}	N/A	N/A	N/A	67%	71%	74%	75%	75%
Internal operations								
Help get job done ^f	N/A	N/A	N/A	N/A	3. 98	4. 01	N/A	TBD
Quality of work life ^f	N/A	N/A	N/A	N/A	3. 86	3. 96	N/A	TBD

Source: GAO.

^aOn the basis of our performance in fiscal year 2004, we increased many of these targets after our fiscal year 2005 performance plan was issued. Specifically, the targets were increased from \$35 billion for financial benefits; from 950 for other benefits; from 79 percent for past recommendations implemented; from 50 percent for percentage of products with recommendations; from 180 for testimonies; from 70 percent for staff development, staff utilization, and organizational climate; and from 75 percent for leadership. In addition, we decided to set targets for retention rate with and without retirements; consequently, the 94 percent target for retention rate excluding retirees was not included in the fiscal year 2005 performance plan.

^bWe set targets for these performance measures for the first time in fiscal year 2005. N/A indicates that the data are not available.

^cThese measures are based on employees' responses to selected questions from an annual survey that we began administering in 2002.

^dThis percentage does not include employees' responses to questions about our computer-based training courses that were added to our curriculum of in-house training in April 2004.

^eThis percentage includes employees' responses to questions about our computer-based training courses. We recomputed the fiscal year 2003 number after we had issued our fiscal year 2005 performance plan; the percentage decreased from 72 percent as a result. The targets for future years assume that we will continue to include in our survey questions about our computer-based training.

^fThese measures are based on employees' responses to questions from an annual survey that we began administering in 2003 and are based on a scale of 1 (low) to 5 (high). We will set targets for these performance measures for the first time in fiscal year 2006 after we complete our analysis of the results from the 2004 survey. N/A indicates that the data are not available or not applicable. TBD indicates that the targets are to be determined.

Table 6 summarizes GAO’s requested fiscal year 2006 budgetary resources and the associated human capital resources (in terms of full-time equivalent (FTE) positions) by strategic goal. Centrally funded administrative services and support costs have been appropriately allocated across the goals.

Table 6: Fiscal Year 2006 Requested Resources by Strategic Goal

(Dollars in millions)

Strategic goal	Amount	FTEs
Goal 1 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.	\$198	1,287
Goal 2 Provide timely, quality service to the Congress and the federal government to respond to changing threats and the challenges of global interdependence.	135	877
Goal 3 Help transform the federal government’s role and how it does business to meet 21st century challenges.	138	900
Goal 4 Maximize the value of GAO by being a model federal agency and a world-class professional services organization.	23	151
Total	\$494	3,215

Source: GAO.

In addition to paying for salaries and expenses, we intend to invest resources in addressing our key management challenges—human capital, information security, and physical security—which are discussed in more depth later in the plan. On the human capital front, to ensure our ability to attract and retain high-quality staff, we plan to continue staff recruitment, succession planning, retention, and recognition programs. We also plan to continue efforts to update our training curriculum to strengthen performance in the competencies contained in our performance management systems, address organizational and technical needs, and maximize staff productivity and effectiveness. In addition, we will continue efforts to implement new human capital authorities included in legislation recently enacted by the Congress. Similarly, we will continue to take steps to ensure that our staff have the IT resources needed to perform their work and that those resources are secure from internal or external threats.

Performance Targets and Resource Needs by Goal

The following sections describe the strategic objectives of each of our strategic goals. In addition, performance targets are presented for goals 1, 2, and 3—our external goals—for the three annual measures that we assess at the goal level. For the agencywide measures, each of the teams and units is expected to contribute toward meeting the agencywide targets. These are accompanied by the resources—in terms of FTEs and requested budgetary dollars—needed for each goal.

Goal 1

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

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 and American communities. Our multiyear (fiscal years 2004-2009) strategic objectives under this goal are to provide information that will help address

- the health needs of an aging and diverse population;
- the education and protection of the nation's children;
- the promotion of work opportunities and the protection of workers;
- a secure retirement for older Americans;
- an effective system of justice;
- the promotion of viable communities;
- responsible stewardship of natural resources and the environment; and
- a safe, secure, and effective national physical infrastructure.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at <http://www.gao.gov>. The work supporting these objectives is performed primarily by headquarters 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. Table 7 shows the budgetary and human capital resource allocations for this goal for fiscal years 2004 through 2006.

Table 7: Goal 1's Resources by Fiscal Year

Resource type	2004 actual	2005 estimated	2006 requested
Dollars	\$183,265,000	\$190,147,000	\$197,573,000
FTEs	1,291	1,287	1,287

Source: GAO.

To accomplish our work under these strategic objectives, we plan to conduct engagements, audits, analyses, and evaluations of programs at major federal agencies and develop reports and testimonies on the efficacy and soundness of those programs. We anticipate that much of our work will be initiated in response to congressional responses and mandates and that it will be similar to the work we performed during fiscal year 2004, which is highlighted in the box below.

Goal 1 Results in Fiscal Year 2004	
Our past work produced \$26.6 billion in financial benefits that were predominantly related to work on the Consumer Price Index, the Medicare and Medicaid programs, the Department of Housing and Urban Development's budget request for fiscal year 2001, and Department of Defense (DOD) programs.	
Other tangible benefits resulting from our work included 252 actions taken by federal agencies to improve their services and operations or by the Congress to make statutory or regulatory changes, including	
• outreach to notify low-income Medicare beneficiaries of the availability of new subsidies to assist with drug costs, • changes in food stamp program options that will help ease the reporting burden for almost all participating households, and • shoring up systemic weaknesses and reducing the risks that underground storage tanks will leak and cause significant environmental and health risks.	
We made recommendations on	
• airliner cabin air quality, • decommissioning nuclear power plants, • improved coordination on managing endangered species, • federal funding of public television, • election-related voting irregularities, and • improving the accuracy of responses to policy-oriented inquiries from Medicare providers.	
We testified on topics such as	
• student loan programs, • Social Security reform, • Medicare spending, • private health insurance, • farm program payments, and • transportation security.	

For the annual performance measures for which we report our progress at the goal level, table 8 shows, for goal 1, our actual performance for fiscal years 2000 through 2004 and our performance targets for fiscal years 2005 and 2006.

Table 8: Strategic Goal 1's Annual Performance Results and Targets								
Performance measure	1999 actual	2000 actual	2001 actual	2002 actual	2003 actual	2004 actual	2005 target ^a	2006 target
Financial benefits (billions of dollars)	\$13.8	\$14.1	\$8.9	\$24.1	\$23.6	\$26.6	\$19.6	\$19.5
Other benefits	140	182	210	226	217	252	240	255
Testimonies	123	131	73	111	80	85	78	89

Source: GAO.

^aOn the basis of our performance in fiscal year 2004, we revised these targets after our fiscal year 2005 performance plan was issued. The targets were increased from \$18.8 billion for financial benefits, from 215 for other benefits, and from 74 for testimonies.

At the close of fiscal year 2004, we were on track to meet all but one of our performance goals for this strategic goal. We were not on track to meet the goal of assessing the administrative efficiency

and effectiveness of the federal court and prison systems because we did not receive requests to perform work in this area and could not undertake self-initiated work because we needed resources for work requested by the Congress in other areas. For fiscal year 2006, we are planning to replace this performance goal with one on improving the administration of the nation's election system, a goal that better reflects the interests of our congressional clients.

Goal 2

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

The federal government is working to promote foreign policy goals, sound trade policies, and other strategies to advance the interests of the United States and its allies while also seeking to anticipate and address emerging threats to the nation's security and economy. Given the importance of these efforts, our second strategic goal focuses on helping the Congress and the federal government respond to changing security threats and the challenges of global interdependence. Our multiyear (fiscal years 2004-2009) strategic objectives under this goal are to support the congressional and federal efforts to

- respond to emerging threats to security,
- ensure military capabilities and readiness,
- advance and protect U.S. international interests, and
- respond to the impact of global market forces on U.S. economic and security interests.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at <http://www.gao.gov>. The work supporting these objectives is performed primarily by headquarters and field staff in the following teams: Acquisition and Sourcing Management, Defense Capabilities and Management, and International Affairs and Trade. In addition, the work supporting some performance goals and key efforts is performed by headquarters and field staff from the Information Technology, Homeland Security and Justice, Financial Markets and Community Investment, and Natural Resources and Environment teams. Table 9 shows the budgetary and human capital resource allocations for this goal for fiscal years 2004 through 2006.

Table 9: Goal 2's Resources by Fiscal Year

Resource type	2004 actual	2005 estimated	2006 requested
Dollars	\$123,639,000	\$128,283,000	\$134,632,000
FTEs	879	877	877

Source: GAO.

To accomplish our work under these strategic objectives, we plan to conduct engagements and audits that involve fieldwork related to federal programs that will often take us across multiple continents, including Europe, Africa, Asia, South America, and North America. As in the past, we will develop reports, testimonies, and briefings on our work, often in response to congressional requests and mandates. We anticipate that this work will be similar to the work we performed during fiscal year 2004, which is highlighted in the box below.

Goal 2 Results in Fiscal Year 2004	
The financial benefits reported for this goal in fiscal year 2004 totaled \$9.7 billion, exceeding the target of \$7.0 billion by over 39 percent. Most of the financial benefits (66 percent of the total) were attributable to four accomplishments valued at \$500 million or more each. These accomplishments stemmed from engagements that improved funding of DOD's activities or reduced costs associated with DOD operations.	
The other tangible benefits reported for goal 2 in fiscal year 2004 included 343 actions taken by federal agencies to improve their services and operations in response to our work and another 26 in which information we provided to the Congress resulted in statutory or regulatory changes. Among these actions are • improving the tracking of in-transit munitions shipments, • improving trade advisory committee operations, and • clarifying guidance restricting the promotion of tobacco in other countries.	
We made recommendations on • continuity-of-operations plans for ensuring the delivery of essential governmental services, • preventing foreign countries from obtaining classified spare parts or unclassified items containing military technology, and • U.S. assistance to Afghanistan.	
We testified on topics such as • international broadcasting, • use of Reserve forces, • defense personnel clearances, • unmanned aerial vehicles, • terrorist financing, • oversight of government-sponsored enterprises, • mutual funds, and • security at nuclear facilities.	

For the annual performance measures for which we report our progress at the goal level, table 10 shows, for goal 2, our actual performance for fiscal years 2000 through 2004 and our performance targets for fiscal years 2005 and 2006.

Table 10: Strategic Goal 2's Annual Performance Results and Targets								
Performance measure	1999 actual	2000 actual	2001 actual	2002 actual	2003 actual	2004 actual	2005 target ^a	2006 target
Financial benefits (billions of dollars)	\$3.0	\$5.5	\$10.5	\$8.4	\$7.1	\$9.7	\$9.4	\$9.1
Other benefits	80	129	188	218	273	369	300	275
Testimonies	37	56	34	38	48	70	52	58

Source: GAO.

^aOn the basis of our performance in fiscal year 2004, we revised these targets after our fiscal year 2005 performance plan was issued. The target for financial benefits was increased from \$9.2 billion, the target for other benefits was increased from 275, and the target for testimonies was increased from 50.

At the close of fiscal year 2004, we were on target to meet 22 of our 23 performance goals for fiscal years 2004 and 2005 for this strategic goal. We were not on track to meet the performance goal of

identifying opportunities to embed homeland security concepts in ongoing national initiatives because our homeland security resources were needed for other work requested by the Congress and we did not have resources in the homeland security area to undertake self-initiated work related to this performance goal. For fiscal year 2006, we plan to drop this performance goal and concentrate our resources on the remaining homeland security efforts.

Goal 3

Help transform the federal government's role and how it does business to meet 21st century 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 achieve national goals. Our multiyear (fiscal years 2004-2009) strategic objectives under this goal are to

- reexamine the federal government's role in achieving evolving national objectives;
- support the transformation to results-oriented, high-performing government;
- support congressional oversight of key management challenges and program risks to improve federal operations and ensure accountability; and
- analyze the government's fiscal position and strengthen approaches for addressing the current and projected fiscal gap.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at <http://www.gao.gov>. The work supporting these objectives is performed primarily by headquarters and field staff from the Applied Research and Methods, Financial Management and Assurance, Information Technology, and Strategic Issues teams. In addition, the work supporting some performance goals and key efforts is performed by headquarters and field staff from the Acquisition and Sourcing Management and Natural Resources and Environment teams. This goal also includes our bid protest and appropriations law work, which is performed by staff in General Counsel, and our fraud investigations, which are conducted by staff from the Financial Management and Assurance team. Table 11 shows the budgetary and human capital resource allocations for this goal for fiscal years 2004 through 2006.

Table 11: Goal 3's Resources by Fiscal Year

Resource type	2004 actual	2005 estimated	2006 requested
Dollars	\$128,285,000	\$133,103,000	\$138,162,000
FTEs	903	900	900

Source: GAO.

To accomplish our work under these four objectives, we plan to conduct audits, evaluations, and analyses in response to congressional requests and to carry out work initiatives under the Comptroller General's authority. As in the past, we will develop reports, testimonies, and briefings on our work. We anticipate that this work will be similar to the work we performed during fiscal year 2004, which is highlighted in the box below.

Goal 3 Results in Fiscal Year 2004	
The financial benefits reported for this goal in fiscal year 2004 totaled \$7.6 billion, exceeding our target of \$4.7 billion by over 62 percent. Our financial benefits under this goal stemmed from our work on core government business processes and governmentwide management reform.	
The other tangible benefits reported for goal 3 in fiscal year 2004 included 553 instances in which agencies' core business processes were improved or governmentwide management reforms were advanced as a result of our work. In addition, there were 23 instances in which information we provided resulted in statutory or regulatory changes. The larger number of other benefits occurred mainly in our financial management and IT areas, where we tend to make multiple, specific recommendations for change to more than one entity. Examples of other benefits under this goal were	
• addressing shortfalls in foreign language capabilities, • influencing federal acquisition rules, and • addressing workforce challenges at the National Aeronautics and Space Administration (NASA).	
We made recommendations on	
• controlling costs of the 2010 Census; • improving controls over DOD's travel cards to decrease losses related to unused airline tickets; and • reducing vulnerability to improper, wasteful, and questionable government purchase card transactions.	
We testified on topics such as	
• Army Reserve and Army National Guard pay, • tax system abuses by DOD contractors, • fraudulent diplomas from diploma mills, • federal purchase and travel cards, • NASA's shuttle program, and • DOD contract management.	

For the annual performance measures for which we report our progress at the goal level, table 12 shows, for goal 3, our actual performance for fiscal years 2000 through 2004 and our performance targets for fiscal years 2005 and 2006.

Table 12: Strategic Goal 3's Annual Performance Results and Targets								
Performance measure	1999 actual	2000 actual	2001 actual	2002 actual	2003 actual	2004 actual	2005 target ^a	2006 target
Financial benefits (billions of dollars)	\$4.5	\$5.1	\$7.0	\$5.2	\$4.7	\$7.6	\$8.5	\$10.4
Other benefits	414	503	401	462	553	576	460	520
Testimonies	100	105	42	65	56	60	55	63

Source: GAO.

^aOn the basis of our performance in fiscal year 2004, we revised two of these targets after our fiscal year 2005 performance plan was issued. The target for financial benefits was increased from \$8.0 billion and the target for testimonies was decreased from 56.

At the close of fiscal year 2004, we were on target to meet all of our performance goals for fiscal years 2004 and 2005 for this strategic goal.

Goal 4

Maximize the value of GAO by being a model federal agency and a world-class professional services organization

The focus of our fourth strategic goal is to make GAO a model organization. For us, this means that our work is driven by our external clients and internal customers, our managers exhibit the characteristics of leadership and management excellence, our employees are devoted to ensuring quality in our work process and products through continuous improvement, and our agency is regarded by current and potential employees as an excellent place to work. Our multiyear (fiscal years 2004-2009) strategic objectives under this goal are to

- continuously improve client and customer satisfaction and stakeholder relationships;
- lead strategically to achieve enhanced results;
- leverage GAO's institutional knowledge and experience;
- continuously enhance GAO's business and management processes; and
- become a professional services employer of choice.

These objectives, along with the performance goals and key efforts that support them, are discussed fully in our strategic plan, which is available on our Web site at <http://www.gao.gov>. The work supporting these objectives is performed under the direction of the Chief Administrative Office with assistance on specific key efforts being provided by staff from the Applied Research and Methods team and from offices such as Strategic Planning and External Liaison, Congressional Relations, Opportunity and Inclusiveness, Quality and Continuous Improvement, and Public Affairs. Table 13 shows the budgetary and human capital resource allocations for this goal for fiscal years 2004 through 2006.

Table 13: Goal 4's Resources by Fiscal Year

Resource type	2004 actual	2005 estimated	2006 requested
Dollars	\$28,017,000	\$23,032,000	\$23,182,000
FTEs	151	151	151

Source: GAO.

To accomplish our work under these five objectives, we plan to perform internal studies and complete projects that further the strategic goal. We anticipate that this work will be similar to the work we performed during fiscal year 2004, which is highlighted in the box below.

Goal 4 Results in Fiscal Year 2004

- Strengthened communication with our congressional clients by refining and issuing protocols that govern our work for the Congress and reflect congressional feedback.
- Measured congressional satisfaction with our work by administering a client feedback survey to the staff of congressional committees and members that requested work resulting in a product.
- Published GAO's human capital strategic plan for fiscal years 2004 through 2006 that includes key efforts, expectations, measures, and initiatives for improving our human resources.
- Implemented provisions of the Human Capital Reform Act of 2004 that, among other things, give us permanent authority to offer voluntary early retirement opportunities and allow us to create an executive exchange program with the private sector.
- Convened a number of forums, symposia, and other meetings to provide opportunities for an exchange of knowledge between accountability and professional organizations.
- Redesigned our Web site to enhance usability and facilitate access to our information products and services.
- Implemented numerous initiatives that resulted in more efficient and cost-effective processes, such as our Web-based travel and time and attendance systems.
- Launched a Web-based customer satisfaction survey to get feedback internally on product production and other services provided by goal 4.
- Continued to upgrade IT tools and capabilities.
- Implemented online access 24 hours a day to more than 900 training courses.
- Launched a telework program that allows staff to work from home when feasible.

At the close of fiscal year 2004, we were on track to meet all but one of the performance goals for this strategic goal. We were not on track to meet our performance goal of maximizing the collection, use, and retention of essential organizational knowledge. While we have performed substantial work for this performance goal, we plan to complete this work after fiscal year 2005. Specifically, our work has been slower than we anticipated because anticipated funding was rescinded in fiscal year 2004 and some essential steps—such as developing prototypes and conducting pilot tests—have taken longer than we initially anticipated. We now plan to complete efforts under this performance goal during fiscal year 2006.

Strategies and Means for Achieving Our Goals

We plan to accomplish our strategic goals primarily by providing the information from our work to the Congress and the public in a variety of forms and continuing and strengthening our internal operations. For all four strategic goals, the multiyear, qualitative performance goals included in our current strategic plan describe specific areas of work that we plan to complete by the end of fiscal year 2005. For fiscal year 2006, we plan to continue to use the current performance goals as a basis for aligning our work with our strategic goals. In preparing our fiscal year 2006 budget submission, we made minor revisions that apply to fiscal year 2006 for some of these performance goals, mainly in the homeland security and justice areas. In our next strategic plan update, which will cover fiscal years 2007 through 2012, we will establish revised performance goals and key efforts that cover fiscal years 2007 through 2009.

Our strategies also emphasize the importance of two overarching approaches: (1) working with other organizations on crosscutting issues and (2) effectively addressing the challenges to achieving our agency's goals and recognizing the internal and external factors that could impair our performance. Through these strategies, which have proven successful for us for a number of years, we plan to achieve the level of performance that is needed to meet our annual performance measures and our multiyear performance goals and that, in turn, will allow us to achieve our strategic goals.

Strategies for Goals 1, 2, and 3

Attaining our three external strategic goals (goals 1, 2, and 3) and their related objectives rests, for the most part, on providing professional, objective, fact-based, nonpartisan, nonideological, fair, and balanced information to support the Congress in carrying out its constitutional responsibilities. We develop and present this information in a number of ways, including

- evaluating federal policies and the performance of agencies;
- overseeing government operations through financial and other management audits to determine whether public funds are spent efficiently, effectively, and in accordance with applicable laws;
- investigating whether illegal or improper activities are occurring;
- analyzing the financing for government activities;
- conducting various constructive engagements in which we work proactively with agencies, when appropriate, to provide advice that may assist their efforts toward positive results;
- providing legal opinions that determine whether agencies are in compliance with applicable laws and regulations;
- conducting policy analyses to assess needed actions and the implications of proposed actions; and
- providing additional assistance to the Congress in support of its oversight and decision-making responsibilities.

Staff from our 13 research, audit, and evaluation teams and General Counsel perform the work that supports the three external strategic goals. These staff plan and implement engagements, audits, investigations, and other activities that often involve meeting with agency officials and representatives of other organizations to gather information. Our work is based on original research and analysis, rather than reliance on third-party source materials. Additionally, in conducting our work, we have high standards that require an objective approach. This usually means that we take responsibility for gathering all the relevant data and, to ensure accuracy and objectivity, more than one person attends interviews with agency officials. In addition, travel, both national and international, is essential to completing our audit and evaluation work, which must be sufficiently

representative in scope and in the number and type of locations covered to ensure the validity of our conclusions and recommendations.

The information we collect and analyze is, more often than not, documented in a product that is made available to the public. In some cases, we develop products that contain classified or sensitive information that cannot be made available publicly. We generally issue around 1,200 to 1,300 products each year, including the following:

- letter reports, which are written in a letter format and are issued with our traditional blue cover;
- chapter reports, which are written in a chapter format and are also issued with the blue cover;
- correspondence, which is a written letter that does not have the blue cover;
- testimony and statements for the record, where the former are presented at a hearing by one or more of our senior executives and the latter are submitted for the record;
- briefing reports, which consist mainly of briefing slides with some explanatory material; and
- oral briefings, which are usually given directly to congressional staff members.

Collectively, our products contain information, conclusions, and recommendations that allow us to achieve our external strategic goals.

Another means of ensuring that we are achieving our goals is to examine the impact of our past work and use that information to shape our future work. Consequently, we evaluate actions taken by federal agencies and the Congress in response to our past recommendations. The results of these evaluations are reported in terms of the financial benefits and other benefits that reflect the value of our work. We actively monitor the status of our open recommendations—those that remain valid but have not yet been implemented—and report our findings annually to the Congress and the public (<http://www.gao.gov/openrecs.html>). We use the results of that analysis to determine the need for further work in particular areas. For example, if an agency has not implemented a recommended action that we consider to be worthwhile, we may decide to pursue further action with agency officials or congressional committees, or we may decide to undertake additional work on the matter. Similarly, we will use our biennial high-risk report that was issued in January 2005 to provide a status report on major government operations that we consider high risk because they are vulnerable to waste, fraud, abuse, and mismanagement or are in need of a broad-based transformation. And we will use our report on 21st century issues, which was issued in February 2005, to alert the nations' leaders to current and emerging challenges facing the nation, including the long-range budget challenge, the human capital crisis, postal reforms, and the federal government's financial management efforts. These reports are valuable planning tools because they help us to identify those areas where our continued efforts are needed to maintain the focus on important policy and management issues that the nation faces.

During fiscal year 2006, we will adjust our processes, as needed, to accommodate changes that stem from the conclusions of external peer reviews of our financial and performance audits. For example, in a comment letter accompanying the clean opinion report that resulted from the financial audit peer review, the auditor included a suggestion for clarifying our quality control policies and procedures. We have begun to implement this suggestion. In addition, the review for our performance audits—which was led by the Office of the Auditor General of Canada—assessed whether our quality assurance policies and procedures were suitably designed and operating effectively and resulted in a clean opinion. The April 2005 audit report cited a number of exemplary practices at GAO and offered us some suggestions for improvement, including streamlining certain requirements for low-risk assignments, a suggestion that we are already working to implement.

Strategies for Goal 4

Our fourth strategic goal, which is an internal one, is under the direction of our Chief Administrative Office. This office takes the lead in helping us accomplish our fourth and only internal strategic goal with assistance on specific key efforts being provided by staff from the Applied Research and Methods team and from offices such as Strategic Planning and External Liaison, Congressional Relations, Opportunity and Inclusiveness, Quality and Continuous Improvement, and Public Affairs. These units work together and include the teams, as needed, to plan and implement activities that will help us remain a model federal agency.

To attain our fourth strategic goal and the five related objectives, we will build on our groundwork efforts of fiscal years 2004 and 2005. In those years we conducted surveys of our congressional clients and internal customers to obtain feedback on our products, processes, and services, and performed studies and evaluations to identify ways in which to improve them. In fiscal year 2006 we will utilize the feedback from our surveys and the results and recommendations of our studies and evaluations to implement enhancements to current operations. We intend to measure the success of these efforts by conducting additional surveys and comparing their results to the results from prior years.

Among the efforts upon which we will focus in fiscal year 2006 to help us attain the following five strategic objectives for goal 4 are

- Improve client and customer satisfaction and stakeholder relationships by
 - identifying means to communicate our work results more effectively and efficiently using enhanced technology and media;
 - applying technology solutions to enhance the quality of timeliness of service; and
 - identifying and implementing ways to increase the accessibility of GAO products to the press, the public, and other stakeholders.
- Lead strategically to achieve enhanced results by
 - continuing our integration effort for planning, budgeting, and performance measurement to achieve enhanced results by working with our enterprise architecture staff to align our strategic plan, budget, performance plan, workforce plan, and performance and accountability reporting processes;
 - enhancing our competency-based performance system, increasing the user-friendliness of the system, and providing training to staff in end-of-cycle appraisals;
 - implementing a newly procured financial management system;
 - developing and implementing an IT work management system incorporating IT life cycle, enterprise architecture and development methodologies, and other IT management processes; and
 - completing implementation of centralized auditing of network servers and devices, refining our network monitoring procedures including use of products to automate the detection of potentially harmful threats, and implementing planned improvements to our disaster recovery operations.
- Leverage GAO's institutional knowledge and experience by
 - establishing an electronic records management system infrastructure to support E-audits and knowledge repositories,
 - increasing the frequency of our speakers series on 21st Century challenges,
 - implementing an Executive Exchange Program, and
 - hosting the biennial forum of the Intergovernmental Audit Forum.
- Continuously enhance GAO's business and management processes by

- streamlining and simplifying the engagement management process;
- revising our annual internal inspection processes to reflect lessons learned from the peer review and previous inspections;
- assessing staff skills in developing and implementing structured interviews; and
- automating and redesigning our mission and administrative processes and systems, such as developing a Web-based suggestion program.
- Become the professional services employer of choice by
 - evaluating our telework program;
 - providing a streamlined, user-friendly guide to government and nongovernment professional development opportunities;
 - expediting and coordinating our new hire process;
 - conceptualizing a development program for new hires at the Band IIA level and implementing the program, if warranted; and
 - redesigning the Professional Development Program Web site.

Collaboration Efforts

All of our strategic goals benefit from coordinating with other organizations that have similar or complementary missions, with experts outside of our organization, and with our own internal experts. Consequently, collaborative efforts are a large part of our strategy for achieving our goals. For example, we use advisory panels and other bodies to inform our strategic and annual work planning. We also initiate and support collaborative national and international audit, technical assistance, and other knowledge-sharing efforts. These two types of strategic working relationships allow us to extend our institutional knowledge and experience, to leverage our resources, and in turn improve our service to the Congress and the American people.

Our office of Strategic Planning and External Liaison takes the lead and provides strategic focus for the work with external partner organizations, while our research, audit, and evaluation teams lead the work with most of the issue-specific organizations. As in past years, we will gather information and perspectives for our strategic and annual performance planning efforts through a series of activities such as forums, advisory boards, panels, and speakers' series.

GAO-wide advisory boards and panels support our strategic and annual work planning by alerting our managers and staff to issues, trends, and lessons learned across the national and international audit community that we should factor into our own work. These groups include

- the Comptroller General's Advisory Board, whose 40 members from the public and private sectors have broad expertise in areas related to our strategic objectives, from which we obtain views on our strategic direction and specific initiatives;
- the National Intergovernmental Audit Forum, chaired by the Comptroller General, and its 10 regional intergovernmental audit forums, through which we consult regularly with federal inspectors general and state and local auditors; and
- the Domestic Working Group, composed of the Comptroller General and the heads of 18 federal, state, and local audit organizations, which facilitates the exchange of information and opportunities for collaboration.

A number of issue-specific and technical panels will continue to work with us to improve our strategic and annual work planning, including the following:

- The Advisory Council on Government Auditing Standards provides us guidance on promulgating auditing standards. These standards articulate auditors' responsibilities when examining government organizations, programs, activities, or functions and government assistance received by contractors, nonprofits, and other nongovernmental organizations.
- The Accountability Advisory Council, made up of experts in the financial management community, advises us on audits of the U.S. government's consolidated financial statements and emerging issues involving financial management and accountability reporting.
- The Executive Council on Information Management and Technology, whose 19 members are experts from the public and private sectors and representatives of related professional organizations, help us to identify high-risk and emerging issues in the IT arena.
- The Comptroller General's Educators' Advisory Panel, composed of deans, professors, and other academics from prominent universities across the United States, advises us on recruiting, retaining, and developing staff and strategic planning matters.

During fiscal year 2006, we plan to convene various experts from the public, private, and nonprofit sectors in a series of forums and panels intended to enhance our understanding of emerging issues and to identify opportunities for action. In the past, these activities included forums on metrics, means, and mechanisms for achieving high performance in the 21st century public management environment; human capital and civil service reform; unsustainable trends that necessitate comprehensive and fundamental reforms to control spending and improve value; changing labor force dynamics and the role of government policies; and financial literacy. In addition, we plan to continue our speakers' series on Conversations on 21st Century Challenges, wherein prominent leaders discuss emerging themes and their implications for public policy.

We anticipate that our staff will be involved in other collaborative activities during fiscal years 2005 and 2006 that are like the following activities undertaken during 2004:

- Conferring with the Private Sector Council, a nonprofit, nonpartisan, public service organization committed to helping the federal government improve its efficiency, management, and productivity through the cooperative sharing of knowledge. Council members have assisted us on a number of engagements. For example, the council assisted a GAO team that is examining best practices used by private sector companies to plan for, acquire, and manage telecommunications services. Late in fiscal year 2004, the Private Sector Council merged with the Partnership for Public Service, which is another of our external partner organizations.
- Actively participating in five efforts that involved the Domestic Working Group and federal, state, and local audit officials and that are aimed at addressing issues regarding access to records, grants management, long-term fiscal challenges, information used by water utilities to conduct vulnerability assessments, and governance.
- Leading the effort to develop the National Intergovernmental Audit Forum's first-ever strategic plan, which will help maximize the organization's effectiveness in promoting good government and accountability at all levels of government. The task force working on the plan is composed of federal, state, and local auditors and an independent public accountant. The forum adopted a strategic plan framework, and it is anticipated that a final plan will be adopted during fiscal year 2005.

Internationally, we will continue to participate in the International Organization of Supreme Audit Institutions (INTOSAI)—the professional organization of the national audit offices of 184 countries. During 2004, we led a 10-nation task force that developed INTOSAI's 5-year strategic plan—the first in INTOSAI's 50-year history. The plan was unanimously endorsed by INTOSAI's Governing Board and unanimously adopted by the INTOSAI Congress this fall. It provides a blueprint for a major

transformation of INTOSAI and a structure and rationale that will facilitate member institutions' strategic engagement in INTOSAI in a way that maximizes contributions while minimizing resources. In other work with INTOSAI, we chair the accounting and reporting committee and we are an active member of INTOSAI's auditing standards, internal control standards, and other technical committees. We also publish INTOSAI's quarterly *International Journal of Government Auditing* in five languages to further the global understanding of standards, best practices, and technical issues. We plan to continue to be similarly involved with INTOSAI's activities during fiscal year 2006.

To continue to build capacity in national audit offices around the world, we will conduct an international fellows training program during fiscal year 2006 for mid- to senior-level staff from other countries. In 2004, 22 fellows from Africa, Asia, Latin America, the Caribbean, and Eastern Europe participated in this program and spent about 4 months at GAO learning how we are organized to do our work, how we plan work, and what methodologies we use, particularly for performance audits. As part of our strategy to promote continuous learning and sustainability once the fellows return to their countries, we are working with major donors—such as the World Bank and the U.S. Agency for International Development—to identify or support relevant capacity-building projects for the institutions in which the fellows work. Also, current and former auditors general and deputy auditors general of many nations, including the current chair of INTOSAI, are graduates of this program.

Finally, we coordinate extensively within our own organization on our strategic and annual performance planning efforts, as well as on the preparation of our performance and accountability reports, in order to take full advantage of the expertise of our staff. Our efforts are completed under the overall direction of the Comptroller General and the Chief Operating Officer. We rely on our Chief Administrative Officer/Chief Financial Officer and her staff to provide key information, such as the resource information that is included in this plan. Her staff also coordinated with others throughout the agency to provide the information on goal 4's results and provided input on other efforts dealing with issues that include financial management, budgetary resources, training, and security. We obtain input on all aspects of our strategic and annual performance planning and reporting efforts from each of our engagement teams and organizational units through their respective managing directors, as well as other staff responsible for planning or engagement activities in the teams. Staff in our Quality and Continuous Improvement office prepared this plan, ensuring, among other things, that it reflects our planned activities for fiscal year 2006. In short, we involved virtually every part of GAO and used our internal expertise in our planning and reporting efforts.

Addressing Management Challenges

At GAO, management challenges are identified by the Comptroller General and the agency's senior executives through the agency's strategic planning, management, and budgeting processes. Our progress in addressing the challenges is monitored through our annual performance and accountability process. Under our strategic goal 4, we establish performance goals focused on each of our management challenges, track our progress in completing the key efforts for those performance goals quarterly, and report each year on our progress toward meeting the performance goals. Each year, we ask our Inspector General's office to examine management's assessment of the challenges and the agency's progress in addressing them, and the assessment made by the Inspector General's office can be found in our performance and accountability report in the section entitled From the Inspector General.

For fiscal year 2006, we will continue to address three management challenges—human capital, information security, and physical security. While we anticipate that we will always make improvements in these areas, at some point, we may decide that they are no longer sufficiently critical to be considered major management challenges for us. For now, we anticipate that these areas will remain challenging for us for the better part of this decade because they are evolving and will require us to continuously identify ways to adapt and improve. Also, the solutions to these challenges often can take months or years to design and implement. Nonetheless, we revisit the challenges each year and refine them, when appropriate. We will report any changes in the challenges as we monitor and report on our progress in addressing the challenges through our annual performance and accountability process. The following sections describe our recent and planned efforts to address these challenges.

The Human Capital Challenge

Given our role as a key provider of professional and objective information and analyses to the Congress, maintaining the right mix of technical knowledge and expertise as well as general analytical skills is vital to achieving our mission. We spend about 80 percent of our resources on our people, but without excellent human capital policies and management practices, we could run the risk of being unable to meet the expectations of the Congress and the American people. In fiscal year 2006, we will continue to focus on strategic transformation as it relates to business processes, alignment of staff for greater productivity, and talent acquisition.

We continue to manage talent and implement flexibilities provided by the GAO Human Capital Reform Act of 2004. For example, with assistance from a contractor, we completed a market-based compensation study for our analyst community in fiscal year 2005 and plan to implement the resulting new pay ranges early in fiscal year 2006. Similarly, we are working with the same contractor to perform a market-based compensation study for our administrative and professional support staff community this summer and plan to implement the resulting pay ranges when we implement them for our analysts. The goal of these studies is to design a competitive, fair, and equitable market-based compensation system aligned with the competitive labor markets in which we compete for talent.

On the basis of the results of the market-based compensation study performed by a contractor at our request, we have initiated a project to restructure our band IIs—the middle band for our analysts. The project, which is scheduled to be completed during fiscal year 2006, is being implemented by task teams of analysts and specialists under the direction of two senior executive project leaders. This project will result in the placement of band II staff into two different pay ranges and will better align the roles and responsibilities of the persons in these two ranges in a manner consistent with the

market-based study. As with other such initiatives, the approach to this project is designed to facilitate interaction between the task teams, the Executive Committee, and the employees who will be affected. The latter will be accomplished primarily through listening sessions held by the task teams, “town hall” meetings held by the Executive Committee, and a 30-day employee review and comment period for each phase of the project.

To meet challenges associated with recruiting, rewarding, and retaining a highly qualified and high-performing workforce, we will implement a number of the human capital flexibilities authorized by the Congress and for which we are drafting, revising, and issuing regulations for comment in fiscal year 2005. In addition, we will implement a streamlined, user-friendly guide to government and nongovernment professional development opportunities; develop and implement an expedited and coordinated new hire process; determine the feasibility of implementing a development program for new hires with previous experience; and enhance our competency-based performance systems.

During fiscal year 2006, we will continue our recruitment efforts, which have proven successful in recent years. Our objective is to attract and retain a diverse workforce with the knowledge, skills, and abilities to meet the new century’s challenges. As in the past, we expect to hire college graduates—including interns—with records of superior academic achievement. We will continue to hire graduates from master and doctoral degree programs and plan to use alternative recruiting strategies—such as hiring at the bachelor degree level and providing opportunities for postgraduate work while working at GAO—in order to help us obtain specific skills and enhance our diversity. We will continue to use direct-hire, short-term, and time-limited appointing authorities, such as the Visiting Fellows Program, to fill gaps identified during our workforce planning effort. Two of our major concerns for fiscal year 2006 are hiring and retaining entry-level staff in the financial auditing and information technology occupations. To address these areas, we will expand use of new student employment initiatives such as the Student Career Experience Program—an undergraduate co-op program—and fall and spring internships in addition to the summer program currently offered.

To further strengthen the skills, knowledge, and expertise of our workforce, we will significantly expand our core analytic skills curricula to provide just-in-time courses, job aids, and performance support tools on the desktop. For more experienced staff, we will implement curricula focusing on more effectively managing engagements, leading teams, and providing coaching and feedback to more junior staff. We will invest in developing the learning infrastructure needed to author and deliver Web-based courses as well as to conduct synchronous learning programs for both headquarters and field staff.

In fiscal year 2006, we will complete a study of market-based compensation ranges for our administrative professional and support staff positions. We will also be developing criteria and a process for placing current senior analyst staff in the appropriate salary ranges as we prepare for full implementation of market-based compensation ranges for our analysts and specialists.

The Information Security Challenge

Information system security is a critical activity in ensuring our information system assets are safe and free from compromise. Our inability to respond to the needs of the Congress due to compromised information or information systems is not an acceptable risk for GAO. In light of these increasing threats, and in keeping with our goal of being a model federal agency, we have a wide range of initiatives under way to strengthen and protect the security of our information systems and data, including our financial systems.

During fiscal year 2006, we will complete implementation of centralized auditing of network servers and devices in order to better secure our computing assets within GAO. In addition, we are

continually refining our network monitoring procedures to include the use of correlation products to automate the detection of potentially harmful threats to the GAO network. Also, planned improvements to our disaster recovery operations will provide a smooth transition during a time of crisis. As we refine our operational processes and improve our services during fiscal years 2006 and 2007, we will implement additional technologies to lessen risks to GAO and improve response and recovery in the event of a disruption.

During fiscal years 2006 and 2007, in support of the requirements in the Federal Information Security Management Act, we also will act on the results of audits of our security practices and controls that are conducted each fiscal year. These assessments are designed to analyze the effectiveness of our IT security program and assist management in determining how to best utilize resources to protect our information assets and systems. They are critical on-site examinations and analysis of the program to ascertain the present program status, to identify potential weaknesses, to determine the protection required, and to make recommendations for improvement.

The Physical Security Challenge

The challenge to provide a safe and secure work environment for employees remains a constant in light of international events that can have a profound impact on the way we conduct business in and around the world. Protecting our people and our assets is paramount to agency operations.

We continue to devote time and resources to the assessment of security operations as we further enhance our security posture. For fiscal year 2006, these enhancements and emergency preparedness efforts will include completing the Integrated Electronic Security System, which includes installing turnstiles at headquarters, implementing smart card technology, and upgrading access control and intrusion detection systems for headquarters and field offices. Additional efforts involve procuring an emergency notification system; conducting tests, training, and exercises in support of our continuity-of-operations plan; updating our emergency preparedness plans and documents, such as the Shelter-in-Place plan, the emergency response handbook, and a trifold brochure summarizing the Shelter-in-Place plan; holding an annual security fair; and instituting a more robust security education and awareness program for the headquarters and field offices.

Mitigating External Factors That Could Affect Our Performance

Several external factors could affect the achievement of our performance goals, including the amount of resources we receive, shifts in the content and volume of our work, and national and international developments. Limitations imposed on our work by other organizations or limitations on the ability of other federal agencies to make the improvements we recommend are additional factors that could affect the achievement of our goals.

We are experiencing heavy demand from the Congress for work in a number of subject areas, especially in the health care area. Our ability to effectively manage this demand could have an impact on our ability to meet our performance targets. We will continue to manage these requests in order to minimize any negative impact they may have on our ability to meet the needs of the Congress and the American people. Given large current federal budget deficits and the nation's long-range fiscal imbalance, the Congress is likely to place increasing emphasis on fiscal constraint. While it is unclear how GAO will ultimately be affected, it is reasonable to assume that any attempt to exercise additional budgetary discipline in the legislative branch will include our agency. As a result, while we believe that we submit reasonable and responsible budget requests and we know that the return on investment that we generate is unparalleled, we must plan and prepare for the possibility of significant and recurring constraints on the resources made available to the agency. In addition, because over 80 percent of our budget is composed of people-related costs, any serious budget situation will have an impact on our human capital policies and practices. This, in turn, will have an impact on our ability to serve the Congress and meet our performance targets. While, as noted above, the nature and extent of any such budget constraints cannot be determined at the present time, GAO's executive team is engaged in a range of related planning activities. It is both appropriate and prudent for us to engage in such planning. At the same time, we are hopeful that the Congress will recognize that performance-based budgeting concepts would support providing additional resources to entities with prudent budget requests and proven performance results. If the Congress employs such an approach, GAO should be in a good position to continue to provide a high rate of return on the resources invested in the agency.

A growing area for us involves our work on bid protests. As required by law, our General Counsel's office prepares Comptroller General procurement law decisions that resolve protests filed by disappointed bidders. These bidders challenge the way individual federal procurements are being conducted or how the contracts were awarded. In recent years, we have experienced an increase in the number of bid protests that have been filed. A further increase in our workload is likely if federal employees or their representatives are granted the right to appeal outsourcing decisions. We will continue to monitor our workload in this area to ensure that we meet our statutory responsibilities with minimal negative impact on our other work.

As the Congress focuses on unpredictable events—such as the global threat posed by sophisticated terrorist networks, international financial crises, or natural disasters—the mix of work we are asked to undertake may change, diverting our resources from some strategic objectives and performance goals. We can and do mitigate the impact of these events on the achievement of our goals in various ways. For example, we

- stay abreast of current events and communicate frequently with our congressional clients in order to be alert to possibilities that could shift the Congress's priorities or trigger new priorities;
- quickly redirect our resources, when appropriate, so that we can deal with major changes as they occur;

- maintain broad-based staff expertise so that we can readily address emerging needs; and
- initiate research under the Comptroller General's authority on a limited number of selected topics.

Another external factor is the extent to which we can obtain access to certain types of information. With concerns about operational security being unusually high at home and abroad, we may have more difficulty obtaining information and reporting on sensitive issues. Historically, our auditing and information gathering have been limited whenever the intelligence community is involved. In addition, we have not had the authority to access or inspect records or other materials held by other countries or, generally, by the multinational institutions that the United States works with to protect its interests. Consequently, our ability to fully assess the progress being made in addressing national and homeland security issues may be hampered. Also, we anticipate that more of our reports may be subject to classification reviews than in the past, which means that the public dissemination of these products may be limited. We plan to work with the Congress to identify both legislative and nonlegislative opportunities for strengthening our access authority as necessary and appropriate.

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