

A Conversation with J. Christopher Mihm

Managing Director, Strategic Issues Government Accountability Office

Governments today face serious public management challenges that go to the core of effective governance and leadership, testing the very form, structure, and capacity required to meet these challenges head on. These challenges run the gamut—national security, the aging population, mounting fiscal pressures, and a host of others. Given these challenges, government leaders need to reassess and reprioritize how they do business. For these leaders it is ultimately about delivering meaningful results and being solid stewards of the public trust.

In many ways the U.S. Government Accountability Office (GAO) provides the oversight, the insight and the foresight that can assist today's government leaders to better manage resources, enhance program performance, and forge a path to a more sustainable future. What are the fiscal, management and performance challenges facing today's government executive? What is the goal of GAO's High Risk Series? How are performance data being used to drive decisions in the federal government? How can agencies change the way they do business to respond effectively to 21st century governance challenges?

Chris Mihm, GAO's Managing Director for Strategic Issues, joined me on The Business of Government Hour to explore these questions and more. The following provides an edited excerpt from our interview. – Michael J. Keegan

On the History and Mission of GAO

The General Accounting Office was formed in 1921. In 2004, it was renamed the Government Accountability Office to more accurately reflect the work we do today. Our mission is to support the U.S. Congress in meeting its constitutional responsibilities. We are a congressional agency that focuses on helping to improve the performance and ensure the accountability of the American government for the benefit of the American people. In recent years, we have done between 800 and 900 products a year. Most of those are performance audits with probably 90% performed at the request of Congress or written into legislation.



Our audit work falls into three broad areas—oversight, insight, and foresight. Our oversight mission focuses on compliance and making sure that funds are properly expended for their intended purposes. Our work also offers insights into what works, identifying best practices that can be leveraged and adopted, where appropriate, across government. Finally, what we call foresight involves pinpointing emerging trends, making Congress aware of them, and informing them of the possible implications of these trends for public policy and governance.

We pursue our mission with an approximate budget of \$546 million a year. Like most other federal agencies, we have had a decline during the [recent] period of austerity. Our staffing is at about 2,900 today, which is among the lowest since the 1930s. We're organized here in Washington, D.C., with 11 field offices across the country. About 70% of the GAO staff is located in D.C.

On Leading GAO's Strategic Issues Portfolio

There are 14 teams within GAO. For the most part, these teams are programmatically organized. For example, we have a team that focuses on defense issues, another on natural resources, and still another that concerns itself with the physical infrastructure of the U.S. However, some of the teams are crosscutting in nature. The team that I lead, Strategic Issues, is one of the crosscutting teams. Our focus is more functional and less programmatic. We look at functional issues that span across government and programs.

GAO's Strategic Issues team supports the agency's third strategic goal, which is to help transform the federal government to address national challenges. We have responsibility for a broad set of crosscutting governance issues encompassing performance planning, strategic planning, regulatory policy, and strategic human capital management. We're also concerned with how the government funds itself, which entails looking at the tax system in terms of tax policy, administration, as well as budgeting. We perform our own engagements—audits that typically culminate in reports. Just as importantly, we work with and support our colleagues from other teams within GAO. For example, if the GAO Defense Group perhaps identifies a human capital issue, then we are there to provide them the latest thinking and best practices to address this issue.

On Challenges and Changes

We work in a very challenging environment. We face what I refer to as a supply-demand imbalance. Congress' need for independent, objective, and timely information, as well as assessments on how to improve government performance, has grown markedly and continues to grow. At the same time, our budget has been going down. This situation requires us to work very closely with our clients to understand their needs and set clear expectations. The only thing worse than bad news is bad news that comes late or bad news that is unexpected.

I also want our auditing techniques to be top-tier, and that the questions we're asking are suited to the problems we're addressing. For example, when we do a performance audit of a government program, these audits have followed a traditional logic model approach. We would assess a program's inputs (e.g., resources expended) and outputs (e.g., products produced) and determine its effectiveness. Increasingly, the focus is shifting away from program outputs and more towards outcomes. This approach changes the unit analysis, given we are now concerned with an outcome and working back, which is a distinctly different approach than the typical logical model that starts with a program and works through its specific inputs, activities, and outputs.



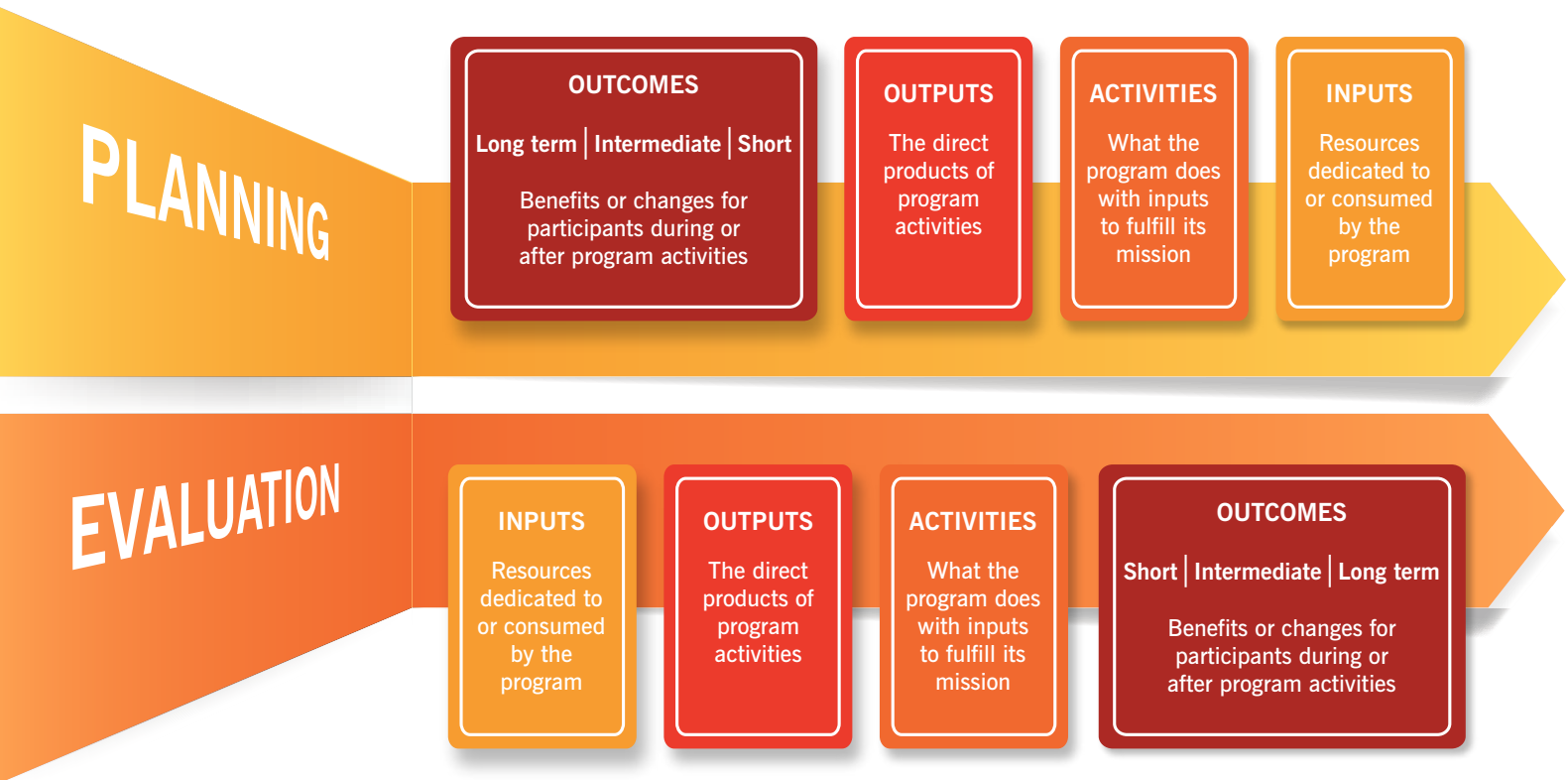
Given that government is confronting increasingly complex, wicked challenges, this shift in focus toward outcomes and results may present a more suitable approach to effective governance. It also rests on the recognition that the outcomes being sought today are not going to be possible by one organization using one program strategy, operating on its own. They are going to be achieved by a variety of programs working together in a coordinated way to achieve results. This notion of complexity and network management is certainly a big change requiring a new way of doing business.

The pace at which decision-makers need and must have information has changed significantly. Where we used to have time to pilot-test something or shake out the bugs, today the impetus has changed. Technology and social media have really pushed this change.

On the Importance of GAO's High Risk Series

In 1990, GAO began a program to report on government operations that it identified as high risk. The High Risk Series was designed to highlight major program areas that are most vulnerable to waste, fraud, abuse, mismanagement or in need of broad-based transformation. Since then, GAO has reported on the progress to address high-risk areas. In our last report, two areas were removed from the high-risk designation: *management of interagency contracting* and *IRS business systems modernization*. Two areas were added: *limiting*

LOGIC MODELS



Logic models can strengthen the development of program outcomes, validate underlying program logic, and explain the purpose and operation of the program to others. Logic model is one among a number of planning and evaluation tools that provide a structured approach to clarifying activities and intended outcomes.

When used as planning tool, the logic model “starts with the end” in mind by focusing on desired outcomes. It then requires the identification of outputs that contribute to those outcomes, activities that produce those outputs, and the inputs necessary to achieve these outcomes.

When used as an evaluative tool, it starts with inputs working through desired outcomes; it identifies measures that will be used to determine whether desired outcomes have been achieved as well as the sources of data required to support the measurement of those outcomes.

the federal government’s fiscal exposure by better managing climate change risks and mitigating gaps in weather satellite data. These changes bring GAO’s 2013 High Risk List to a total of 30 areas. Overall, GAO’s high risk program has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical services to the public.

Our next report is scheduled for release in February 2015 inclusive of updates, additional [high risk areas], and hopefully removals. We do that because it helps shape the congressional oversight agenda. As Justice Brandeis said, sunshine is the best disinfectant. Since the high-risk program began, the government has taken high-risk problems seriously and has made long-needed progress toward correcting them.

On the Promises of the GPRA Modernization Act of 2010

One of the greatest accomplishments of the original GPRA Act of 1993 was putting in place a performance infrastructure that required agencies to do strategic plans, annual performance plans, performance reporting with focus outcomes, and performance measures. It was lacking in two very important areas. The original GPRA was unsuccessful in getting agencies to work effectively on specific issues across organizational boundaries. It also generated volumes of performance information that was available but rarely being used to inform decision-making.

The GPRA Modernization Act of 2010 was designed to address these two limitations and more. It sought to craft a

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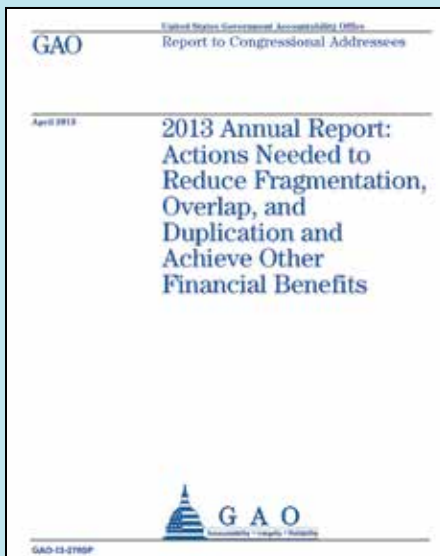
more integrated and crosscutting approach to federal performance and push for the expanded use of performance information. This law established a variety of requirements and mechanisms to make this happen (i.e., the establishment of agency priority goals and cross-agency priority goals).

Under the GPRA Modernization Act, we have a statutory responsibility to do periodic reviews of its implementation among federal agencies. GAO issued its latest report in June 2013 and found that agencies had been pretty successful designating the number two in the agency or the deputies to be the chief operating officers. There are chief performance officers within agencies and goal leaders that have been

designated as well. Putting this infrastructure in place is a positive and important development.

The report did identify weaknesses: agencies need to ensure that performance information is useful and being used by federal managers to improve results, they need to pursue additional opportunities to address crosscutting issues, present performance information that could better meet users’ needs, and provide performance information that is useful to congressional decision-making. We’ve made progress, but we need to keep pushing this crosscutting issue with agencies and OMB. It’s key in realizing greater effectiveness and cost savings.

GAO Featured Reports



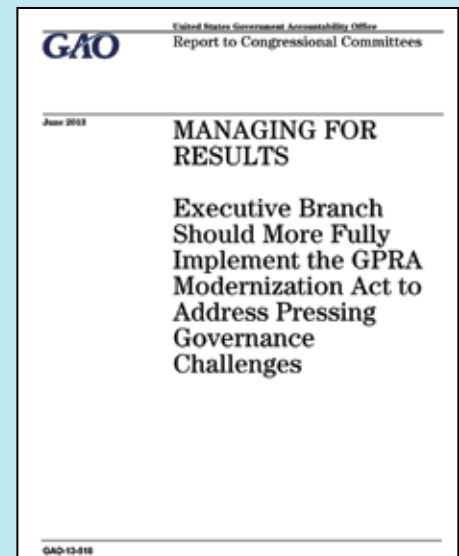
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GAO’s yearly report on areas where the federal government could reduce duplication and achieve cost savings.



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GAO’s list of programs that need continued attention due to high risk factors.



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On Opportunities to Reduce Fragmentation, Overlap, and Duplication

GAO issues an annual report on overlap, duplication, and fragmentation in government programs. We have identified over 380 actions that the administration and Congress can take to address fragmentation, overlap, and duplication. GAO's 2013 annual report identifies 31 new areas where agencies may be able to achieve greater efficiency or effectiveness; 17 involve fragmentation, overlap, or duplication.

The number of program areas where there's pure overlap—same programs, same tools, going to the same beneficiary or target population—is relatively infrequent. Far more frequent is overlap, which is the same population, but use of different tools or program strategies. Even more frequent is fragmentation, which is a variety of different programs using different strategies that are all trying to achieve a common outcome. On duplication and overlap, we'll find success when we eliminate low-performing or ineffective programs and move money to better-performing programs that will net better outcomes. Regarding fragmentation, the solution is very often getting agencies to work better together; this is absolutely essential.

We also found other cost savings or revenue enhancement opportunities. For example, we should do a better job reducing the net tax gap of \$385 billion. The tax gap is the annual difference between what is legally owed and what is actually collected by IRS. Over the last few years, my group has focused on how the IRS can pursue the right mix of enforcement strategies and citizen service strategies to reduce that tax gap.

Addressing fragmentation, overlap, and duplication will require continued attention by the executive branch agencies and targeted oversight by Congress.

On the Future

The country faces long-term fiscal issues requiring some fundamental decisions. We support the Congress as it ponders reprioritization and rethinking to address these fiscal issues. Since we're fundamentally interested in improving performance of government, the way we're going to do it is by improving the connections across organizations more than simply eking out another one or two percent of productivity out of any individual agency.

I think the Center's special report, *Six Trends Driving Change in Government*, contributes to a better understanding. I was very pleased to have participated in some of the initial brainstorming associated with its development. When we're looking at drivers such as risk, innovation, mission, performance, efficiency, and leadership, there are certainly things individual organizations need to do in each of those areas.

Fundamentally, at the end of the day, to improve the way organizations work across boundaries, we must recognize that risk management is more than how I manage my risk in my four walls. It also includes how my partners, whom I am absolutely dependent upon, manage their risk; how do we foster innovation across a network? What does leadership look like across a network? What does performance look like across a network? Individual agency improvement efforts are paying real dividends, but huge improvements are going to come in working better across organizations.

We're working on very difficult issues. Given budget realities, this may require GAO to perform fewer jobs, but the quality of our work will never be sacrificed; that is nonnegotiable. Given the speed of the decision-making, we need to make sure the work we're doing is sufficient to answer the questions posed, so that we get the information to the decision-makers in the time and format they need. A beautiful, well-crafted report that comes in one day after the decision was made is essentially an historical document. With the speed of decision-making, social media, and all the rest, we need to find ways to radically streamline how we get our information out. We have an initiative underway in GAO that's designed to do just this. ■

To learn more about the Government Accountability Office, go to www.gao.gov.



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