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UNITED STATES GENERAL ACCOUNTING OFFICE

GAO SENIOR EXECUTIVE MANAGEMENT MEETING

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4. SUMMARY AND INDEX OF GOALS AND OBJECTIVES

Leesburg, Virginia

November 8-10, 1983

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GENERAL ACCOUNTING OFFICE

GAO SENIOR EXECUTIVE MANAGEMENT MEETING
COMPTROLLER GENERAL'S KEYNOTE ADDRESS

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(This transcript was transcribed from a live tape.)

P R O C E E D I N G S

1
2 MR. FEE: First of all, let me welcome every-
3 body to our meeting this morning.

4 This is the first time I can remember that we
5 have had the top management group of the General
6 Accounting Office all together. And I think that we
7 have an excellent program for ourselves for the next
8 couple of days.

9 The objectives of this meeting are to bring
10 the top management group of GAO together; to bring
11 us all up to date on where we are, what we are doing,
12 and why we are doing it; and to gain a common under-
13 standing, or as best an understanding as we can get,
14 of our goals and objectives and what we must begin doing
15 to accomplish them.

16 We recognize that there are other members
17 of our management team who are not here. But all of you
18 are here because you occupy positions to which we will
19 be turning in order to help us accomplish our goals and
20 objectives.

21 The meeting is geared to addressing many of
22 the issues that you raised with us, and many of the con-
23 cerns that you raised with us, plus some others that we
24 feel we need to talk about in order to accomplish our
25 goals.

1 We are going to be able to answer some of
2 those questions and some of those concerns. We will be
3 able to clarify others. And I hope that we will be able
4 to lay the base and the groundwork for addressing the
5 remaining issues.

6 I think that if we have a theme for this
7 meeting, it is understanding--that we get an understand-
8 ing of what we are about and what we are trying to do.
9 It is communications, so that we can begin a process of
10 talking with each other and understanding what the other
11 person's job is about and what we have to do to help
12 that person accomplish it as well as accomplish our own
13 jobs. And to begin working together better than we have
14 in the past and to make that a continuous process.

15 We have an active agenda. We will start off
16 this morning with some comments by the Comptroller
17 General. After that and after we take a coffee break,
18 we are going to have a panel discussion that will
19 attempt to bridge the comments that Chuck makes in his
20 address and the details that all of you need to under-
21 stand what we are trying to accomplish and how you can
22 begin accomplishing it in your job as well.

23 We will then have a break-out session in the
24 afternoon, where we will be able to go into as much
25 detail as you feel is necessary to fully understand what

1 we have talked about in the morning and what we need to
2 do to produce good-quality work and good-quality
3 products.

4 Our session tomorrow will focus on some of the
5 activities of our staff offices: the Office of Program
6 Planning, the Office of Policy, and General Services and
7 Controller. And concerning that last office, we will
8 talk mostly about our computer activities.

9 The remainder of tomorrow will focus on our
10 personnel management activities, our personnel systems
11 project (what we are doing in that and where we are
12 going), our recruiting efforts, and our training and
13 development efforts.

14 And again, tomorrow afternoon, we will have
15 some break-out sessions where you will be able to delve
16 into each of those issues in as much detail as you need
17 and as much detail as we can cover in a period of time,
18 so that you will be able to go back to your units and
19 jobs knowing what is going on in GAO and why it is going
20 on.

21 On Thursday, we will have some briefings on
22 some special initiatives that we have undertaken, and
23 then we will set a couple of hours aside to try to tie
24 this whole meeting together and to identify where we go
25 starting next Monday morning.

1 With that, I think that I will turn it over to
2 the Comptroller General for his comments. Chuck.

3 COMPTROLLER GENERAL BOWSER: Thank you very
4 much, Frank.

5 I think that Frank has described very well the
6 purpose of the meeting and how we are going to be or-
7 ganized. I hope that you enjoy this meeting, because I
8 hope to have it on an annual basis. I really think that
9 we, the leadership of the GAO, need to get together on
10 an annual basis and talk through what we are trying to
11 do, what we are trying to stress, and what some of our
12 new programs are.

13 And this year, as Frank described, we are
14 going to be concentrating a great deal on some of the
15 changes we are in the process of implementing. In
16 future years, we will probably have a greater emphasis,
17 really, on our program work and on each of the divisions
18 and each of the groups in GAO.

19 One of the big purposes of the annual meeting
20 here of our SES and our other top management people is
21 to try to make sure that we have discussed thoroughly
22 what we are trying to do and that everybody in the
23 senior ranks of GAO understands that.

24 This is not only so that we can work better as
25 a team, but also so that, as we work with the rest of

1 the GAO--our entire organization of 5,000 people--and
2 they ask questions about why are we doing this or why
3 are we doing that, I hope that this annual meeting will
4 be the type of meeting that will allow you to go back
5 and give the explanations and the reasons why we are
6 doing what we are doing.

7 Now, it has been 2 years, as you are all
8 well aware, since I became Comptroller General, and I
9 have visited all of you, I believe, out in the regions,
10 at the audit sites, or here in Washington--the
11 divisions--and I have worked very closely with many
12 of you. I feel very close to the top people here at
13 GAO.

14 So I think that now is a good time to start
15 this annual process, this annual meeting, and bring
16 everybody together.

17 One of the things that I think I would
18 like to do just to begin here is reflect for a minute
19 on what has happened, and why it has happened. First,
20 let me just remind you that in the first year, I really
21 did not make many changes. I went around, talked, lis-
22 tened, and tried to understand the organization.

23 I found that the organization, a lot of the
24 people, had certain concerns. One of the concerns
25 that they seemed to have was the personnel system.

1 In other words, there did not seem to be a lot of satis-
2 faction with the competitive selection process that we
3 had. There was quite a bit of criticism of BARS and
4 some of the other programs.

5 So when I returned to Washington, I got a
6 briefing on the PSDP project, which was started before I
7 got here. But I was impressed by the team and their
8 understanding of what I thought were the problems, the
9 problems that people had been talking to me about.

10 So as I listened more, I became more and more
11 convinced that they had a good sense of the problem and
12 that they had a pretty good idea of what the solutions
13 might be.

14 We met quite a few nights, very long sessions,
15 and brought in some of the top people at GAO, and we
16 discussed the personnel system and what we wanted to
17 achieve here. And finally, we decided on a course of
18 action.

19 And one of the persons who played a major role
20 in those discussions was Greg Ahart, and it was Greg to
21 whom I turned to take the leadership in developing the
22 procedures and the systems that I think we need to train
23 and develop the people at GAO to their fullest capa-
24 bilities.

25 And so we asked Greg to become the new

1 Assistant Comptroller General for Human Resources and to
2 really spearhead our efforts to implement that program.

3 I really truly believe--and you have heard
4 me say this before, and I will say it again today, and
5 you will probably get tired of hearing me say it in the
6 years ahead--that people are our most important re-
7 source. They are the people who are really going to
8 make GAO successful.

9 They are the people who are going to make the
10 Congress happy that it is voting \$300 million a year for
11 our budget, and they are going to be the ones that we
12 must rely upon to do the job.

13 Now in turn, we, the leadership here, have
14 to provide them with a program of training that they
15 feel very good about, the type of training and on-the-
16 job experience that is going to allow them to develop as
17 individuals.

18 And so we must work very hard here in the
19 coming years to make sure that we have a top notch pro-
20 gram of recruiting, training, selecting, and promoting
21 our people and working very closely with them. And we
22 have to this with affirmative action techniques in mind.

23 In other words, we have come a long way, I
24 believe, in trying to make our organization more repre-
25 sentative, you might say, of our country. And we want

1 to continue that program. I think that we have done
2 well, and I think that we can continue to do well, and
3 we will do that.

4 Now, I think also that all of our actions must
5 demonstrate a sense of caring in the training and
6 development of our people, and in helping them achieve
7 their goals and aspirations, and in dealing with their
8 successes and failures.

9 We have to recognize that as our younger
10 people are coming up, they will not always have the
11 right answers. They will not always get all of the
12 information. We have to guide and show them how to
13 do it.

14 Eventually, they will become very good.
15 Eventually, they will take over from us. But what we
16 have to do is have a sense of caring, a sense of dignity
17 in working with our people. And that is very important,
18 and I know that the leadership at GAO shares with me
19 that objective.

20 Now let me tell you a couple of other obser-
21 vations I made during my first year. I thought that we
22 needed to give a little greater attention to our re-
23 ports, and also we had to work together a little
24 better than we had been. So we established the Reports
25 Task Force. And from my observations and discussions

1 with congressional leaders, they also recognized the
2 need to improve our reports.

3 Some of the reports that we were issuing were
4 very good. Others really did not get the message across
5 as clearly as we thought they could and as some of the
6 congressional leaders thought they could. So we asked
7 the task force to examine the quality, the communi-
8 cations, and the timeliness of GAO products and to make
9 recommendations for improvement.

10 Now, several of you here in this audience
11 worked on that task force, and many of you worked with
12 the task force. I want to say again how well I think
13 that task force did and how much I appreciate all of
14 those efforts.

15 We also in the first year created other task
16 forces in the areas of economic analysis, ADP, financial
17 management, and other areas. Generally speaking, we
18 used quite a few GAO people on these task forces. Some-
19 times we added some outsiders, and in a couple of cases,
20 we used all outsiders. It was really kind of a mixed
21 effort, and whatever we thought was most appropriate for
22 each area, we did.

23 But what we did through this process, I think,
24 was get a lot of things out on the table as to where
25 were the areas that we needed to improve.

1 Now, the second year was the year that I
2 really began making some changes. And I started at the
3 top. In other words, I enlarged my office to include
4 two new Assistant Comptrollers General.

5 Some people had recommended to me that I get a
6 general manager, get one person in charge, and have
7 everything come through that one person. I really did
8 not think that that was possible after I had been here
9 and understood the organization.

10 I thought that we needed some division of
11 labor at the top, you might say, so I really wanted an
12 Assistant Comptroller General to concentrate on the work
13 we do, the planning of the work and the issuance of the
14 reports.

15 And I wanted another Assistant Comptroller
16 General to concentrate on the operations, or pretty much
17 everything else.

18 Now, these are the two jobs, of course you are
19 aware, that Henry Eschwege fills on the planning and
20 reports and that Frank Fee fills on the operations. And
21 to get those together with Milt Socolar, we are just in
22 constant communication, constant discussion as to how
23 things are going in the operation of the GAO. And I am
24 very pleased with the way that it has worked out. We
25 have been working together 1 year now, and I could not

1 be more pleased with the individuals and the way that we
2 are able to communicate, to make decisions, and to lead
3 this organization.

4 The next thing that we changed was deciding
5 to get rid of FOD. We wanted to bring the regions and
6 the divisions closer together. We wanted to get the
7 organization working more as one organization. And so
8 we changed that part of the organization.

9 We also then set as an objective getting each
10 of our organizations to somewhat mirror the organization
11 of the top; in other words, to establish focal points in
12 each unit to concentrate on planning and reporting and
13 on operations.

14 And we wanted to establish, really, a network
15 throughout the GAO organization, so that all staff would
16 know who to turn to and who they could go to for help to
17 address any issue that might be coming up on a job.

18 We were also seeking, and will continue to
19 seek, consistency of application of our policies and
20 procedures throughout the organization.

21 So I think that one of the key points I would
22 like to stress with you is that we want to establish an
23 organizational structure here at GAO that will encourage
24 and facilitate coordination and cooperation. In other
25 words, teamwork within and between the parts of GAO.

1 We then also created the Office of Quality
2 Assurance. The Reports Task Force had recommended a
3 number of actions to help us improve our products. So
4 we asked the group to focus in on the ways to carry out
5 that task force report. In other words, how can we im-
6 prove our work and our products?

7 In addition, we asked them to do one other
8 thing, and that was to review all of the reports that
9 were coming up for my signature. We felt that we could
10 not wait until we had all of our improvements in place.
11 We had to take a very hard look at the reports that we
12 were issuing, a harder one, maybe, than we had in the
13 past.

14 I think also that we wanted to make sure, as
15 we implemented and made final decisions on implementing
16 the recommendations of the Reports Task Force, that we
17 actually had the hands-on experience of working with the
18 reports to make sure that we were doing the right thing.

19 And so we have gone off on this program. And
20 I know that it is going to be one of the major areas
21 that we are going to dicuss at this meeting. But I want
22 you to know that there was an important message in that
23 Reports Task Force, and it is one that I am very
24 committed to, and I hope that all of you will be, too.

25 And that is that we cannot rely upon quality

1 control at the end of the job; we have to address qua-
2 lity in all phases of the job. And that is one of the
3 big things that I want to do in the next year.

4 Now, OQA is undertaking a number of projects
5 that are designed to address the quality of our work.
6 Many of you here are involved in those projects. They
7 address, first, identifying the skills we at GAO need in
8 our staff for the future. Second, the development of
9 design teams in each division to help us focus on the
10 planning and methodology of our jobs.

11 Third, the use of report conferences to reach
12 agreement on what the message of the reports ought to
13 be. Many of you, I know, are right now commenting on a
14 concept paper that OQA has put out on that subject.

15 Fourth, we are also going to take a new look
16 at improving our writing skills. We have relied upon
17 the POWER course in the past. I think that it has been
18 a good course. But I think now we ought to see if we do
19 not have to supplement it in some way to really improve
20 the writing skills of our people.

21 Fifth, we are going to look at the criteria
22 for effective report presentation. We are actually
23 going to try to get guidelines out to you that people
24 throughout the organization can follow and develop.

25 Sixth, we are looking at the style and the

1 format of our reports. In other words, the covers of
2 the GAO reports and the various report formats, which
3 really have been the same for a long time, and we be-
4 lieve that we should take a look and see if we cannot
5 modernize and really package our products a little
6 better than they are currently packaged.

7 We actually have a consultant in from New
8 York who is working with us on this subject. And we
9 will test it with a lot of people here at GAO before we
10 make decisions to change. But I think that when you
11 look at the reports of CBO, OTA, and some of the organi-
12 zations in the private sector--some of the think
13 tanks--they have a more modern appearance. They have a
14 better way, maybe, of summarizing some of their work.

15 So I think that we just have to take a very
16 hard look and see if there are not some ways that we can
17 do a better job than we have been. Not that what we
18 adopted years back was not good at the time, and not
19 that it has not been doing the job. But I think that
20 every once in a while, any organization has to look and
21 see how it can modernize, how it can improve, and this
22 is what we are doing.

23 Also, our seventh project is that we are
24 going to be looking, and have now for several months, at
25 alternative forms of the digest, and eventually we will

1 be giving you some guidance on how we want the digest
2 written.

3 I think that the digest is an awfully impor-
4 tant part of the report. I think that it is the one
5 part that the top people in the Congress, the top people
6 in the executive branch, and a lot of people elsewhere
7 read. And I do not think that we can afford to have our
8 reports going out if the digests are not first rate and
9 not good summaries of the overall reports.

10 The last task that we are working on right now
11 is how to improve our publishing process. In other
12 words, once we get the report ready to go, we seem to
13 have some problems in getting it out the door. We would
14 like to see if we cannot do a better job in that area,
15 too.

16 Now, all of these projects are designed to
17 help us produce a higher quality product. Not just
18 OQA--I want to stress that--but within the divisions,
19 the regions, and throughout the whole organization.

20 I recognize that as we have moved on in this
21 area, it has caused some concern in the organization.
22 It has caused some concern about do we really have to go
23 through all of this to make these improvements? Were
24 not the reports okay as they were, and why cannot he
25 just sign them up there?

1 Let me discuss that for a minute. My concern
2 at the end of the first year was that I was getting a
3 lot of unevenness in the reports that were being sent
4 up. In other words, some of the reports were in good
5 shape, but many were not.

6 And what I was trying to do, and what Milt had
7 done before me for several months, was to cope with this
8 stream of reports coming in, try to meet with the
9 people, and everything like that, and it really was be-
10 yond our capability at the time.

11 In other words, if the reports are not coming
12 up in first-rate shape, we cannot at the last minute
13 read them, meet with each team, change them, and every-
14 thing like that. We have to get them in first-class
15 shape.

16 Now, what is a good report? Many people have
17 asked me that. What do you think is a good report, and
18 what is your concern? Well, I think that a good report
19 starts with the job itself. In other words, what ques-
20 tions are we going to ask, how are we going to do the
21 work, and are we going to put enough effort into it so
22 that we really gather enough evidence to later on be
23 courageous in our recommendations and our conclusions?

24 Other people have said, "Are you just trying
25 to put out safe reports?" Not at all. I would like to

1 stress that. I would like to put out as hard-hitting
2 reports as we can. But I do not want to put out reports
3 if the work that we have done is not sufficient to sup-
4 port the recommendations and the conclusions.

5 And I do not want to put out reports that have
6 bold titles but not much in the content of the report to
7 support those bold titles. In other words, I think that
8 a good report starts with how you start the review, how
9 you do the audit work, how you pull your thoughts to-
10 gether at the end of the field work, and how you write
11 the report.

12 And I tell you that in many of the reports
13 that I read in the first year, I could not get the sense
14 of the major recommendations by reading the digest.
15 Many times I could not get it when I read the report it-
16 self. And sometimes I would get the team up, and very
17 often they could tell me what they had found and what
18 they were really trying to get across. But until I got
19 the team up to meet with us, I really did not understand
20 what that report was saying.

21 Now, it is not just me. I would like to make
22 this very clear--that since the day I started reading
23 these reports, I have had Milt Socolar with me, and for
24 the second year, I have had Henry Eschwege with me. And
25 we do not have any differences on what is a good report.

1 We feel very comfortable as we review these
2 reports. If one of us finds a problem, generally the
3 other one finds a problem. If we think that the report
4 is well done, generally the three of us think that it is
5 well done.

6 Occasionally, we have a question and want to
7 know something more about it or something more about the
8 issue. But generally speaking, we have a pretty good
9 consensus at the top as to what is a good report.

10 How are the reports coming up now? Well, let
11 me tell you. I think they are coming up in pretty good
12 shape. In other words, we make very few changes. We
13 delay them very little once they come up to us. We
14 generally get them out in a day or two.

15 In other words, occasionally we ask a ques-
16 tion, occasionally we want to check something out. But
17 I am very pleased with the reports as they are going out
18 now. What I am concerned about is that we are having to
19 do so much fixing at the end. This is what I want to
20 get away from. This is what I think we have to con-
21 centrate on.

22 In other words, we have to get these jobs done
23 well and these reports written well as they are coming
24 through the system. And so people say, "Well, will he
25 ever be satisfied with the reports?" Yes. In other

1 words, we are not trying for anything that is not
2 possible.

3 We are just asking that the work be done
4 right, that the report be well written, that the digest
5 be a good summary of what that report is all about, and
6 that the title describe the report well--not in a flam-
7 boyant manner, but just describe it well. And that is
8 all we are looking for.

9 I think that the organization can do it, and I
10 think that our big objective this year, this coming
11 year, is to put in place the quality assurance processes
12 to help us produce better quality products and to begin
13 a much bigger portion of these processes in the divi-
14 sions.

15 In other words, we want to move it down. We
16 want to get it further back into the organization. So
17 that is one of the things on which we want to work with
18 everybody here.

19 Now, the deputies and assistants for planning
20 and reporting will be the focal points in the divisions
21 and the regions to help us produce these better quality
22 reports. We are looking to them, and they have been
23 carefully selected. Because we think that they can do
24 that job, but they cannot do it alone.

25 We have to give them adequate staff. We have

1 to give them adequate support. I think that, with this
2 organization that we have set up and the people that we
3 have selected, we can move it down, and we can get the
4 same quality reports we are getting now out of OQA. The
5 big thing is to move that capability further and further
6 down in our organization.

7 I think that eventually the timeliness problem
8 will be solved, if we can do our reports properly. A
9 lot of people are saying, "You are adding time to it."
10 I agree with that right now. We do not want to add time
11 to it. We want to get our reports out on a more timely
12 basis. But I also do not want to issue poorly written
13 reports or reports where the work has not been done
14 well.

15 Now, I would just like to stress a couple of
16 other things here, and then I will move on. And that is
17 that quality is to be the guiding principle in our
18 work. It has to be an overriding concern of everything
19 that we do in GAO. And the concern for quality is
20 everyone's job in all phases of our work.

21 And the pursuit of quality is a continuous
22 one. In other words, over the years, we are going to
23 have to constantly search for excellence. And I think
24 that this is where some of the other people, other or-
25 ganizations in American society, have been caught.

1 I was telling the story the other day about
2 George Romney. George Romney once told a group of us
3 that every leader of the U.S. automobile industry knew
4 that quality was a problem. They talked about it when
5 they got together. And they always said that they were
6 going to get to it, that they were going to emphasize it
7 next year or the following year, or something like that.

8 And then all of a sudden, the Japanese came
9 along and did emphasize it. And they did get it down to
10 their organizations. In other words, they got it right
11 as the car was being produced, as it was being designed.
12 And they did a job that the American public just cannot
13 resist. In other words, Americans can buy a better made
14 car if they buy a car with a Japanese label rather than
15 an American label.

16 Some of us keep buying American cars because
17 we think that it is the patriotic thing to do. But I
18 will tell you, I have been in those showrooms. And
19 every time I buy one of those American cars, I say to
20 myself, "I am making a contribution to Detroit and to
21 the country, which I hope I can continue to afford."

22 I think that we have the same problem. I
23 think that every organization has the same problem. In
24 other words, if we do not modernize, if we do not pro-
25 duce a quality report and produce quality work in our

1 briefings and in all of our other work, people are going
2 to turn to other organizations.

3 We have organizations in being today that were
4 not there 10 to 15 years ago, and they do a lot of work
5 somewhat similar to our work. CBO, CRS, OTA, and the
6 private sector--look at all of the reports that are
7 being produced every month. And they are going to the
8 congressmen and to the senators.

9 So unless we modernize and unless we are
10 willing to make the commitment to this continuing search
11 for excellence and continuing to have GAO up there at
12 the top as the organization that everyone says really
13 produces first-rate work, I think someday we could be in
14 trouble. So I do not think that we can be complacent.
15 I do not think that we can say, "They are accepting our
16 reports now, so what is the concern?"

17 I think the concern is that we know we can do
18 better. We have proven that we can do better. So let
19 us do better. And I think that it will be a lot of fun,
20 and I know that it is not a lot of fun right now. I
21 will be the first to admit that as we go through this
22 transition period, it is tough on a lot of people. But
23 I do not want to turn back from the goal of improving
24 the quality of our reports.

25 You are probably tired of hearing me talk

1 about that. I will move on to policy. We thought that
2 we had to separate our report review function from our
3 policy function. If you remember, that pretty much used
4 to be in the Office of Policy.

5 What we really want to do is have a focal
6 point that concentrates full-time on the development,
7 issuance, and interpretation of GAO's auditing and
8 reporting policies. In other words, its responsibili-
9 ties will be to oversee and assist in implementing and
10 maintaining our report policy manuals--all of our policy
11 manuals--and to implement the new postassignment quality
12 review system.

13 I would like to talk about this system for
14 just a few minutes. It is a system which we have intro-
15 duced to try to make sure that we are following our
16 policies or to point out we should be changing our
17 policies.

18 In other words, we have to be doing our work
19 according to the way we say we are doing our work. But
20 as time moves on, individual people learn how to do that
21 work better; there are different ways of doing it.

22 So that is what we have to be constantly
23 assessing; can we improve our ways of doing work, and
24 should we be changing our policy manuals?

25 We also want to be checking to make sure that

1 our organization as a whole is following our policy
2 manuals. In other words, I do not think that we can
3 rely upon the individual capabilities of everybody in an
4 organization as big as GAO to go out and do the reports
5 any old way that they think best.

6 Because under that kind of a system, you some-
7 times get very good reports from some people, but you
8 run a terrific risk of getting a few bad ones. And if a
9 few bad ones get out of the house, you can undo the
10 reputation and the hard work of a lot of people very
11 quickly.

12 So I think that we can do a much better job in
13 updating our policy manuals and making sure that the or-
14 ganization is following them. Now, these reviews are
15 not to check out individual jobs. In other words, we
16 will share what the teams find with the people who did
17 the jobs, but their findings have no bearing on person-
18 nel appraisals or the future, or anything like that.

19 We are not doing this to check the individual
20 people who led individual jobs. What we are doing this
21 for is to check our organization, to make sure that we
22 have the right policies and to make sure on an overall
23 basis that we are following them.

24 We are going to share the problems that our
25 post review function turns up every year--and it will

1 turn up problems every year--with the overall organi-
2 zation. So that everybody then can be working on those
3 problems.

4 And gradually, I think that we can pull to-
5 gether one of the finest sets of policy manuals. And I
6 might say that I have been up to Canada, which has a
7 first-rate one. The Auditor General's Office up there
8 has been working on this effort for 5 or 6 years, and
9 that was one of the things that impressed me very much,
10 especially when I compared it with our own.

11 I think that ours were good, but they just
12 have not been maintained as well as they should have,
13 and I think they should. And I think also that many or-
14 ganizations come to us for help, and we should be able
15 to share our policy manuals in one form or another with
16 a lot of other auditing organizations.

17 So we have to make sure that they are first
18 rate, and I am sure that we can.

19 We have also changed the planning process a
20 bit. We are going to ask each issue area group to
21 really take a strategic look at its issue area. We are
22 not sure just what time constraints you should put on
23 that. We have given some guidelines, but we will kind
24 of leave that up to each issue area group.

25 But we know that it is more than 18 months in

1 most cases, and we would like the issue area groups to
2 think longer than that. We would also like them to
3 build an annual plan. And I think that the annual plan
4 is important for just operating the GAO and for working
5 with the other audit organizations, which I think is
6 very important now that we have the IGs and large in-
7 ternal audit organizations. And I suspect that they
8 will get bigger in the years ahead as more problems are
9 found.

10 We have to have an annual plan, so that we can look
11 at other organizations' annual plans and make sure that
12 we are not doing a lot of duplicating in review and
13 auditing work. And I think that the annual plan will
14 also help us in our budgeting and in our personnel work,
15 and everything like that.

16 So what we are really doing--and this December is
17 when we are first going to be looking at the plans you
18 have produced in the last 6 months--is the strategic
19 thinking, the annual plan, and we are also going to be
20 looking at the issue areas themselves.

21 I do not expect a large number of changes in this
22 area, but I think periodically we ought to see if we
23 have the right issue area and if we have any overlap-
24 ping, and that is what we are going to do in December.

25 And Pete McGough is leading that effort. And I

1 appreciate all of the work that I know all of you are
2 doing to work with him.

3 Now let me talk a little about the other or-
4 ganizational changes that we have made here in Washing-
5 ton. What we have really done is consolidate GAO into
6 four large program divisions and three technical divi-
7 sions. We pulled the defense and international areas
8 together in NSIAD under Frank Conahan. We did this,
9 again, after we had a task force, a task force that
10 worked very hard and did, I think, superb work.

11 It went a little differently than I thought it
12 might at the beginning, but I was convinced that the
13 task force was right; that we ought to be emphasizing
14 the military services more and that we ought to have a
15 dual organization, one that has functional emphasis and
16 one that has organizational emphasis.

17 I think this area has an organization today
18 that can really do great work in the future, and we are
19 going to need great work in this defense and inter-
20 national area from GAO. I will talk a bit about that in
21 a little bit.

22 We also then consolidated the energy community
23 and economic development area and put that under Dexter
24 Peach. I think that that is working very well, and I
25 think that some of our finest reports have come out of

1 that division.

2 We have added some groupings to HRD and GGD.
3 Those divisions probably have changed the least. We are
4 asking Dick Fogel to lead HRD. And, of course, I think
5 that the work we do in human resources always has to be
6 first rate and has to build on the work that has been
7 done over the years in this area, because it affects so
8 many people in our country.

9 I think that Bill Anderson does a terrific job
10 in GGD and has everything that we do not have in the
11 other three divisions. We have never had a task force
12 to figure out what Bill really should have, and I doubt
13 that we ever will. We will just keep giving Bill what
14 we do not give the other three. It will be no more
15 scientific than that.

16 We now have three technical divisions. And
17 you will hear more about that, as Frank Fee pointed out,
18 on the last day--about the role of IMTEC, which Warren
19 Reed is heading up. IMTEC, again, is a creation of
20 something that came out one of our task forces.

21 As I went around GAO, I heard a lot of
22 concern, I think is the best way to describe it, about
23 maybe we were not moving ahead at the rate we should be
24 moving ahead on computers and the new modern technical
25 equipment associated with computers in the communica-

1 tions area.

2 I think that these concerns were valid, and I
3 heartily endorse the new effort. And we are going to
4 have to give IMTEC maybe a disproportionate share of our
5 constrained resources in the next few years, to make
6 sure that they get off the ground in a proper fashion.

7 But I truly think that this is an area that we
8 have long needed at GAO, and I think that they will do
9 very fine work for us and complement the program
10 divisions.

11 The Program Evaluation and Methodology
12 Division, under Eleanor Chelimsky, is needed to continue
13 to focus in on the new methodology work that we plan to
14 do in the program area and also to support the program
15 divisions and the new design teams.

16 So I see this group as working very closely
17 with our program division and working on some of our top
18 and more innovative areas.

19 Financial management is the one area which we
20 have not gotten organized the way we want to. We are
21 working on it. I am personally working on it very
22 hard. And we hope maybe in the next month or two to an-
23 nounce the changes there, and that will pretty much com-
24 plete our organizational efforts.

25 But, of course, I see financial management as

1 a very important area. I think that when the Congress
2 passed the Financial Integrity Act last year, what they
3 really said was, "We want the internal controls, the ac-
4 counting systems, of the federal government checked
5 out."

6 And that is what we are going to do, and we
7 are not going to do it on an ad hoc basis. We are going
8 to do it on an annual basis. We are not going to do
9 every agency every year. This year we are doing 20 of
10 the major agencies. We might have to do 20 of the major
11 agencies next year. But eventually, we will have a more
12 rotating approach.

13 But we are going to be able to tell the Con-
14 gress, on an annual basis, how good the internal con-
15 trols of the federal government are and how good the ac-
16 counting systems are. And we are going to do that on
17 the basis of what management says. In other words, they
18 have to issue their reports, and we are going to assess
19 those reports.

20 We are going to work with the IGs, and we are
21 probably going to work with some of the CPA firms in
22 doing this. And I think that this is a major effort
23 that will take a lot of work by our people in the next 5
24 years, but eventually I think that we will have some-
25 thing that no other major country in the world will

1 have, and that is a first-rate audit of our financial
2 management area.

3 Now, I think another thing that is happening
4 is that the Congress wants the auditing of the states
5 and localities done well. We played a major role in
6 that, and I will talk about it in just a minute.

7 So I see the financial management area as a
8 very important part of GAO and one that we have to bring
9 up to speed in the near future.

10 Now I would just like to say a couple of words
11 about this organization of four program divisions and
12 three technical divisions. One is that they have to
13 work together; they have to complement each other as we
14 go through each year.

15 I see the technical divisions also as places
16 where we recruit people, train people, and eventually
17 move them into the program divisions. In other words,
18 it seems to make a lot of sense to me that if we were to
19 hire some people, let us say, who had computer science
20 majors in college and they went into IMTEC for a while,
21 they themselves could decide that they wanted to
22 specialize in the human-resource program areas or in the
defense areas. They could then move out.

24 But I think that the training they would have
25 gotten there would just be superb. I think the same of

1 the Program Evaluation and Methodology Division and the
2 financial management area. I think this internal con-
3 trol work will lead to a great amount of information on
4 the various agencies that will flow right into our plan-
5 ning process and our program work.

6 So I really see a lot of movement from our
7 technical divisions into our program divisions. And I
8 want to say that I hope we now have an organization that
9 can work very well together.

10 I might also add that we on the task force
11 moved the economic analysis function to the program
12 divisions because we felt--and the outsiders whom we had
13 come in to look at it also felt--that we really had to
14 put the emphasis on the program work that we are doing,
15 the economic analysis in that, and that the divisions
16 had probably over the years developed enough capability
17 and enough experience to do it now, rather than continue
18 to have a separate division.

19 But we are always going to need a certain cen-
20 tral group, a certain number in the central economic
21 analysis group. And again, the task force of outsiders
22 agreed with that. And so we have created the Office of
23 Chief Economist.

24 That office's staff will do a certain number
25 of jobs. But one of their big functions will be to work

1 with the divisions to make sure that the economic analy-
2 sis work and the individual program jobs are being done
3 and are being done well.

4 When I first got here, one of the things that
5 I found was a fair amount of concern up on the Hill as
6 to the type of work that GAO was doing--not most of the
7 work, but some of the work. We met with some of the
8 congressmen, some of the chairmen of the key committees,
9 and I think that we understood what they were saying.

10 And I said to them at the time that I would
11 start looking at the job starts. And they thought that
12 that was a pretty big job, but they certainly encouraged
13 me to do so.

14 When I started doing it, I found that it was
15 not really all that big of a job, if we got it organized
16 properly, which Dick Fogel did initially and Peter now
17 does very well. And so we spend an hour and a half, and
18 maybe sometimes 2 hours, on Wednesday morning, and we
19 have continued the process because I think that it is a
20 very good one.

21 One thing that I noticed is when I tell
22 the people on the Hill that I am doing that, they really
23 encourage me to continue. In other words, they like the
24 idea that somebody at the top is looking at the jobs
25 that are going into the pipeline.

1 So I think, and I will tell you this right
2 now, that I will probably continue this process through-
3 out my tenure here as Comptroller General. In other
4 words, I think that it is important to look at what is
5 going into the pipeline, and it is important to look at
6 what is coming out of the pipeline.

7 I spend the afternoons most of the time on in-
8 dividual jobs that are in process, where we might have
9 some unique issue area to be discussed or something like
10 that. And then, of course, on Friday we have OCR, which
11 is our meeting to talk about what is happening on the
12 Hill, what testimonies are coming up, who is handling
13 them, and if there are any problems that we should all
14 be aware of.

15 So that is pretty much what I am doing. Mon-
16 day, Tuesday, and Thursday on jobs that are ready to be
17 signed and to go out of the house. Wednesday, the new
18 job starts. Friday, what is happening on the Hill. The
19 afternoons are pretty much spent on what we have to look
20 at as far as the jobs that are actually being worked on
21 and, of course, some of the things of just
22 running GAO.

23 Now when I am not here, that process goes on.
24 In other words, Milt takes over for me. And if Milt is
25 not here or I am not here, Harry Havens will generally

1 slide into the chair. So we have our management pro-
2 cess, you might say, in place and working every day.
3 And I think that people who have come to these meetings,
4 who have attended them, have been complimentary at least
5 in how it seems to work.

6 One thing, I think, that you can also see is
7 that there is not a lot of individual decision making
8 going on at the top. In other words, I am not making a
9 lot of decisions on reports without consulting with Milt
10 and Henry Eschwege. And Ira is there to represent OQA
11 and to tell us what the strengths and weaknesses of the
12 reports are. And if he is not available, his people
13 come up.

14 So we always have this mechanism working. And
15 it seems to work well. So I want you to know that as we
16 look at these reports, it is not one individual. As we
17 look and make some of the decisions on the operations,
18 it is myself, it is Frank Fee, and it is Milt Socolar.

19 I encourage you to come up and tell me how to
20 improve the operations of GAO anytime you want. And
21 that is one of the reasons that I go out and do a fair
22 amount of traveling. I want to talk to you, I want to
23 listen to you, and everything like that.

24 But I want you to know that my method of
25 changing things and making decisions is pretty much at

1 these top meetings when I am consulting with the key
2 people in GAO. And so what I am going to say later on
3 is that I do not want one person in GAO to make big
4 decisions and get the place in trouble.

5 Not because that person is out to get the GAO
6 into trouble--not at all. It is just that sometimes an
7 individual judgment is not good enough on these big sub-
8 jects and on these big issues. I am not doing it at the
9 top, and I do not want anybody down throughout the orga-
10 nization taking that responsibility on their shoulders.

11 I want to produce our products and I want to
12 make our decisions on these very big issues facing our
13 country in a collective manner. And I think that we
14 will come out with a lot better decision making and
15 decisions that we can all be proud of as we work to-
16 gether here.

17 Now another person I would like to talk about
18 in our group here is Harry Havens. Harry is the person
19 to whom we turn lots of times to handle the extra
20 effort, you might say.

21 One of the things that impressed me when I was
22 at the Pentagon in the late 1960's during the Vietnam
23 War was that most of the Chiefs on the Joint Chiefs and
24 the heads of the services were running around doing one
25 briefing after another, just absolutely worn out by

1 their individual responsibilities, except one service,
2 and that was the Marine Corps.

3 The Marine Corps had three people at the top.
4 It had the Commandant, it had the Assistant Commandant,
5 and it had the Chief of Staff. The Chief of Staff was
6 always there. His job was to be there to take the tele-
7 phone calls from anybody who had a problem around the
8 world and to give guidance. And he also ran the head-
9 quarters.

10 The Commandant did everything that he thought
11 he should do--if he had to be at the White House or if
12 he had to be at the Joint Chiefs' meeting every Thurs-
13 day. But if he could not be some place, the Marines
14 were well represented. They always had the Assistant
15 Commandant. He was always a well-respected individual
16 in the organization, and he could go.

17 I always had the feeling that General Chapman,
18 who was the Commandant during those 4 years, was on top
19 of his organization, on top of the problems, because he
20 was not trying to handle every ceremonial
21 thing or every possible meeting that everybody wants the
22 top person to attend.

23 I have often seen in industry the same prob-
24 lem. So one of the things that I said to myself when I
25 came into this job was that eventually I would have an

1 organization at the top that could handle a lot of
2 things and not wear us all out.

3 And that is one of the key roles of Harry
4 Havens. This past week we had the Auditor General, or
5 the Comptroller General, of Venezuela here. And so we
6 had some meetings where I had to take him over to see
7 Paul Volker and Don Regan, and things like that.

8 Milt had to testify, so we had Harry right
9 there to fill in. It could easily have been that maybe
10 Harry would have given the testimony and Milt would have
11 stayed back and run the office.

12 But we look to Harry Havens to handle some
13 very difficult testimony from time to time, especially
14 in the economic area; to work on special projects; and
15 to just help us run the GAO at the very top. And that
16 is his function. I hope that you will all understand
17 it, because it is not quite as clear as some of the
18 other areas.

19 I think that you are also very much aware that
20 when it comes to people, I turn to Greg Ahart. I think
21 that when Greg makes his presentation tomorrow, you will
22 see that the efforts he has made in recruiting and in
23 this new personnel system are moving us down the road
24 where we want to be, and I am very pleased about it.

25 In my opening remarks I expressed how impor-

1 tant I think this whole effort in the personnel system
2 is, and the effort that we are going to be making--a
3 renewed effort, you might say--in recruiting, which I
4 think everyone is aware of, and a good deal of emphasis
5 on training here at the GAO.

6 And this I do in consultation with Greg
7 Ahart. I do not do a lot of this on my own.

8 All right. That is pretty much what we have
9 done. I have tried to explain to you why we have done
10 it. I know that some of you are hearing it for the
11 third or fourth time, and you are probably tired of
12 hearing it.

13 But I wanted to speak to the whole group here,
14 to make sure that you heard from me why we made these
15 changes and what we are hoping to get out of them. And
16 I hope that it has been understandable to you. If you
17 have any questions at the end, I would be happy to take
18 them.

19 Now, where do we go from here? Well,
20 organizationally, I think we are set. As I pointed out
21 earlier, I think that we have to make some changes in
22 the financial management area. Will Campbell has done a
23 terrific job of holding that together and giving it
24 leadership in the last 3 years since Don Scantlebury's
25 passing. But we eventually want to pull together a new

1 team there and get that going.

2 Once we have done that, we pretty much have
3 our organizational setup. In other words, I see no
4 changes in the regions. We are going to stay with the
5 regional setup that we have. I think that the four pro-
6 gram divisions, the three technical divisions, and the
7 way we are organized at the top are pretty much the way
8 we will be here for several years.

9 So I think if you have any questions on our
10 organization, that is the answer there.

11 I think that we have to, as I said earlier,
12 spend a lot of time this year on our reports. We want
13 to work to give you the additional guidance, and we want
14 to move that report review down into the divisions. And
15 we want to get the quality assurance procedures that we
16 spoke of earlier down throughout the organization.

17 When I first started traveling around, I said
18 that one of the things I wanted to do was to centralize
19 the accountability and authority a little more than we
20 had. A lot of people have seen the OQA and some of the
21 other things as going just the opposite way. Let me
22 talk about that.

23 I really do not see it as going the opposite
24 way. I see it only as a temporary measure, a temporary
25 measure that I thought we had to put in place. But I

1 think that the original thought is still the same; I
2 want to get the responsibility down to the level of the
3 people who are close to the work and who know the area.
4 And that is when we come right to the associate
5 directors.

6 The associate directors, to me, are very, very
7 key in this organization. And we want those people to
8 eventually be really responsible for the reports being
9 generated. Eventually, I would like to share some of
10 the signature authority with those people.

11 And I certainly would like to see, when they
12 sign off a report either to the division director for
13 signature or to me for signature, that the report is in
14 first-rate shape and really just about ready to go. And
15 that is one of the things we want to work on this coming
16 year.

17 I do not know whether we can do it in 1 year.
18 It might take us 2 years. But we will continue to work
19 on that and continue to do whatever we have to do to
20 achieve that goal.

21 Now, why do we want to work so hard on all of
22 this? Well, I think that one of the key reasons is that
23 GAO is continuing to grow in stature and is a major par-
24 ticipant, I'd say, in the debates on our major national
25 issues. We have some big national issues coming up, and

1 we have to really be ready to do first-class work in
2 those areas.

3 I think that the work we did in these past few
4 years on the breeder reactor contributed immeasurably to
5 the final decision that the Congress made. We never
6 came out and told the Congress what they ought to do
7 with this program, but we certainly gave them a lot of
8 good facts.

9 We gave them a lot of the options that they
10 ought to consider. And they themselves finally came to
11 the belief that the program should not go on and that
12 maybe some other program will have to take its place.

13 I think that we are now facing another issue,
14 which many of you may not be too familiar with, called
15 enriched uranium. The largest capital project in the
16 state of Ohio is for a big new plant to increase our
17 country's capacity to produce enriched uranium.

18 The current plants in Tennessee and other
19 places are working at only a fraction of their capacity,
20 because we are down to somewhere less than 100 nuclear
21 power plants that we are supplying now, and we have only
22 a few more coming on stream. And no more are planned.

23 The Congress, and now even the executive
24 branch, are going to be looking to us. And the coming
presidential budget, we have heard, is going to take a

1 new look. In the past, they have always said the coun-
2 try has to have that new capacity. And we have put out
3 some very good reports on this. But this, again, will
4 be a major issue.

5 We have to have top-quality people doing this
6 kind of work. It includes some of the most complicated
7 technical problem areas, I think, in our country. And I
8 have been very pleased with the GAO work in this area.

9 But we have to make sure that we have younger
10 people coming in this area, too. We have to make sure
11 that this is the kind of work we can do 5 to 10 years
12 from now.

13 I think that the work we did on chemical war-
14 fare this past year was just first rate. And I think,
15 again, that it was used by the Congress in their debate,
16 a debate that I am not sure is over. I am sure that it
17 is over only for this year. It will go on for a long
18 time.

19 But those are the kinds of reports that I
20 think make GAO a really big factor in what is happening
21 in this country.

22 Now, what does the future look like? Let us
23 look at defense. We are spending billions and billions
24 of dollars every day on defense. The 60 major weapons
25 systems have an estimated cost of \$600 billion. We have

1 a defense program now that has gone from somewhat over
2 \$100 billion to well over \$200 billion, and it is pro-
3 grammed to go over \$400 billion in the late 1980's.

4 Everyone is asking the question, can you build
5 up that fast and do it efficiently and effectively? We
6 have to be able to find those major areas that we ought
7 to be working on. We have only about 1,000 people in
8 this area; 1,000 people to look at a \$200 billion or
9 \$400 billion program are not very many as far as
10 numbers go.

11 We had some outstanding experts, retired
12 people from the Pentagon, at GAO last week for a couple
13 of days to help us decide what areas we ought to be wor-
14 king on. But this is a major challenge to the GAO.
15 That is, how can we do the right work and the first-
16 class work that will help the Congress and other people
make the right decisions in the defense area?

18 How about health costs? Now, there is an area
19 where the costs are just spiraling up. Dick Fogel and
20 his people in HRD have put together a program to look at
21 it, to survey it, and to try to come up with some facts
22 and some alternatives that the Congress can consider.

23 And we are going to look at all of health
24 costs, not just the federal dollars, this go-around. So
25 this is a major effort and a major challenge to our or-

1 ganization.

2 The same is true in the tax policy and tax ad-
3 ministration area. Soon the IRS and the people who work
4 in the tax policy area are really going to have to be
5 generating \$1 trillion a year of revenue for our federal
6 government. That is a lot of money, and there are lots
7 of problems in raising that money, as everyone here is
8 fully aware.

9 So our people have to do first-class work in
10 that area, if we are going to be the major factor we
11 want to be.

12 I mentioned the single audit before. In other
13 words, OMB put out a circular on the single audit some
14 years back. It was a good concept, but there really was
15 not too much more to it than that. It was just really a
16 concept.

17 We have been looking at it--the Detroit
18 office, the Denver office--and we saw a lot of prob-
19 lems. So we raised those problems. And now what seems
20 to be happening is that it looks like there will be some
21 new legislation.

22 Even then, we cannot rest. We have to look
23 and see how that new legislation is working and how the
24 OMB circulars are working off that. So that the Con-
25 gress can feel that the money being sent out, about \$100

1 billion a year from federal funds, is really going to be
2 audited properly.

3 But I think even more important is that the
4 work GAO has done in this area has probably been the key
5 work that followed the New York City fiscal crisis and
6 led the state and local governments down the road to
7 getting their finances properly audited.

8 And that is the story we want to complete, and
9 we want to complete it in fine fashion. So there is a
10 great challenge.

11 And the computers. The computers of the fede-
12 ral government are not in good shape. Everyone knows
13 that. We do not have to go out and do a lot more re-
14 ports to tell people that. But I think what is diffi-
15 cult is making investments in the new computers, which
16 are even tougher to handle as far as knowledge of
17 people.

18 We have to monitor what the government is
19 doing. We also have to look and advise on how it should
20 be done. And we have big systems. In Social Security,
21 they are putting \$1 billion of investment in. And we,
22 the GAO, have to help the Congress monitor those kinds
23 of investments. It is a tough technical area to work
24 in.

25 And so I think that the challenges for us here

1 in the next 5 to 10 years are just tremendous. The
2 opportunities are tremendous. But we really have to
3 work hard to meet those challenges and meet those oppor-
4 tunities, because they are not easy. It is just not
5 easy to go out and review those kinds of programs.

6 Even programs that sometimes were fairly easy
7 to look at in the old days are more complicated today
8 because of the legislation and because they have been
9 put on computers. Doing the program reviews that we did
10 5 or 10 years ago is much more demanding today. So
11 again, we have to step up to those challenges.

12 I think I would just like to summarize by say-
13 ing that, to accomplish all of this we have to make sure
14 that we are working on the right issues. Five thousand
15 people sounds like a large organization, but it really
16 is not when you think about what we are trying to do.

17 We have to make sure that we have the right
18 people with the right skills to work on the job. And
19 that brings up the importance of recruiting, training,
20 utilizing, evaluating, and rewarding our staff.

21 We have to make sure that we are working well
22 together. We cannot afford any lost energy or pro-
23 duction because of turf battles or other types of non-
24 cooperation.

25 We have to have first-rate coordination and

1 cooperation among and between our units. We have to
2 make our front-end goal issue area system work. And we
3 have to make sure that our policies are clear, relevant,
4 and adhered to. That is the role of the Office of
5 Policy, and that is the role of the post-assignment
6 quality review; not to go after an individual or
7 anything, but just to see how we are doing as an
8 organization and how our policies are measuring up.

9 And we have to produce high-quality, timely
10 reports. Congressman Brooks was over to see us the
11 other day, and he said that we have to get our reports
12 to the Congress on a timely basis. I could not agree
13 more. And I hope no one thinks that this added quality
14 effort that we are trying to make is any stepping back
15 from our goal of producing reports on a timely basis.

16 I think that when we get the quality assurance
17 procedures down to our organizations, we will be able to
18 produce. Because I think that an awful lot of our time
19 is lost at the end trying to fix our reports, trying to
20 make up for maybe what was not done in the beginning.

21 Jack Brooks said, "If the watchdog is not
22 lean, efficient, and effective, government is in real
23 trouble." And he said that is what Congress is looking
24 to you for. And, of course, he is right.

25 And we have kept Brooks, Congressman Horton,

1 Congressman Fazio of Appropriations, Senator Roth, and
2 Senator D'Amato of Appropriations fully apprised of what
3 we are doing on these different initiatives. And they
4 are supportive.

5 We have the best budget situation, probably,
6 than we have had in 5 years, Dick Brown says. And our
7 hearings are really easy--I think that is the only way
8 to describe them. We go up there, and we explain what
9 we are doing. They ask us a few questions, and they
10 have really given us first-rate support. And this has
11 been in a period when budget cuts and all kinds of other
12 problems are being foisted on government agencies.

13 So I think that we have to be very apprecia-
14 tive and very thankful to the Congress for the support
15 that they have given us. And I think that we, in turn,
16 have to make sure that that support is not misplaced and
17 that they are always proud that they have supported us
18 and given us the money we wanted.

19 Now, how are we going to do this? I do not
20 have all of the answers to these questions. That is why
21 I have worked through a lot of task forces and consulted
22 with a lot of you over the past 2 years.

23 I think that you here in the SES are abso-
24 lutely key to our success. You are the management
25 people; you are the people that the staff looks to for

1 leadership and for guidance. And it is to you that I
2 have to look to carry out our program.

3 I know that we can achieve it. I look to all
4 of you here to help us achieve this mission and to con-
5 stantly strive to improve our work. The division direc-
6 tors have a big job. They have to run these large
7 units. I do not envy any one of them. I think that
8 they have one of the toughest jobs in the GAO.

9 But they also have a great opportunity to
10 build great units, great units of first-class people
11 doing first-class work. And I think that the people
12 whom we have picked are up to that challenge.

13 I think that the regional managers are very
14 key. You have to select very good people out there in
15 the regions. You have to see that they are properly
16 trained. You have to see that they get the right
17 assignments. You have to work very closely in a part-
18 nership manner with our division people here in
19 Washington.

20 All of that is not easy, but that is the job,
21 and that is the job that has to be done, and we are
22 looking to you to do it.

23 I believe that the deputies, the new deputy
24 positions that we have pretty much created in divisions,
25 and the ARMs, the assistants in the regions, are very

1 key. We have a network now on reports. We have a net-
2 work on operations. And we are looking to that network
3 organization to make sure that we are operating well.

4 I want you to know that I am going to look
5 more and more to the SES, and who in the SES is respon-
6 sible and accountable for our work. Not only on the re-
7 ports, but anything else we do. I will not start any-
8 thing knowingly without an SES member or one of our
9 deputies in charge of it. In other words, I want to
10 work through our management team and our management or-
11 ganization here.

12 But in turn, I am going to hold everybody
13 accountable for the work that is assigned to them and
14 for the responsibility that we give.

15 There is another group that is not here today,
16 but they are very key to our success. And that is the
17 group directors. They are the people who manage our in-
18 dividual assignments. They are the poeple who work very
19 hard to give the briefings, to work with the people on
20 the Hill, and to work with the regions.

21 We want to spell out their role a little more
22 this coming year. One of the things that I think might
23 be important is to really think in terms that they are
24 the ones who should write the digests of the reports.

25 I do not think that you can look to an inex-

1 perienced person to write a good summary of a report,
2 because I think that you have to have enough experience
3 and have worked with enough senior people to know what
4 they are looking for, how they read reports, and things
5 like that.

6 And so I am worried that too many of our di-
7 gests are being written by too low a level. And one of
8 the things that we have to sort out is, what is the role
9 of the group director and what is the role of the asso-
10 ciate director in writing the digests and in deciding
11 what the titles should be and what should go on the
12 covers?

13 I think, in other words, putting the final
14 touches on the report is key, and we should spell out
15 who we think is responsible. Maybe sometimes a group
16 director is not the greatest writer, but he has to at
17 least have the ability to get it written well. He has
18 to at least have the ability to look at a digest, read
19 it, and say, "Is that the digest that I want on my
20 report? And will Senator so and so, Congressman so and
21 so, or the cabinet officer understand what is in this
22 report after he has read only the digest?"

23 So that is the kind of thing that we have to
24 think through. But I want to tell you that I think the
25 group directors, again, are a very important part of our

1 team, and we have to think through their role. We have
2 to make sure, too, that we have enough of them. And if
3 we do not, we have to promote some more people.

4 Now let me just wind up a little bit by saying
5 that I think this management team can do it. I think
6 that you are a great group of people. I think that we
7 need a few more in the SES. I am going to go to the
8 Congress, and I am going to ask for some additional SES
9 slots.

10 I would also like to get back to where I can
11 give bonuses to 50 percent. Bill Anderson and I went
12 over yesterday and testified on the SES report. This is
13 a report where we were reviewing how the SES has worked.

14 One of the things that I put into the testi-
15 mony at the end was how important I thought it was to
16 get back to what the Congress originally wanted, origi-
17 nally thought was necessary, and that is to have 50 per-
18 cent of the people eligible for bonuses.

19 I offered to have the GAO look at how the pro-
20 gram is working, and I suggested that they move it up
21 maybe 10 percent a year. Go to 30 percent this year, 40
22 percent next year, and 50 percent the following year.

23 I also urged the Congress that if OPM did not
24 do it or was unwilling to do it, they ought to consider
25 doing it. Because I think that it is really important

1 that we reward the people in our SES properly.

2 I would also like to get some additional staff
3 for the GAO. I think that in this new area of com-
4 puters, ADP, and financial management, some of the areas
5 that we are going to be working in, the colleges today
6 are producing some fine young graduates. And I think
7 that we ought to be augmenting our staff with them.

8 I would like to see more of a growth pattern
9 get back into the GAO at the beginning of our pipeline
10 of people, you might say. Because I think that one
11 thing that is very important for a professional organi-
12 zation is to not have too long of a period where
13 you are in a stagnant position concerning how many
14 people you can hire.

15 Because it is the people whom you hire this
16 year who will be your leaders in the future years. And
17 we, because of the budget cutbacks, have not been able
18 to hire as many people as we probably should to have
19 that balance throughout our organization.

20 I hope that the Congress in this coming year
21 will see fit to give us that kind of extra staffing, and
22 we are certainly going to go after it. We are also
23 going to lay out for them that we are going to need it
24 for a number of years.

25 Not large numbers. We are not going to try to

1 go for big numbers, but we want to go for some ad-
2 ditional staffing each year for the next 3 to 5 years.

3 So I think that now you have heard everything
4 that I have to say, and maybe more than you wanted to
5 listen to, and I appreciate very much your patience here
6 listening to me. I will be very happy to answer any
7 questions.

8 I would just like to say a couple of final
9 words. Some people have said, "Why do you worry so much
10 about how good the reports are? We can generally go up
11 to the staff person with whom we have been working on
12 the Hill and he is pleased with the report and would
13 just as soon get it now and not have it in such classy
14 shape."

15 One of the things I learned here, and I did
16 not realize it had happened, is that GAO reports--as GAO
17 moved more and more into the important issue areas and
18 as it wrote more and more reports on the program con-
19 tents of those issues areas--were beginning to go around
20 the world. The reports were being distributed far and
21 wide.

22 And one thing I have found is that, no matter
23 where I am, generally people have read GAO reports.
24 Last year I was with a gentleman from Australia who is
25 now the Postmaster General of Australia. But he had

1 spent most of his life in the defense area of that
2 government.

3 He told me how many different reports he had
4 read over the years. When we were in London last year
5 with Frank Conahan, many of the members of Parliament
6 with whom we were having dinner at the House of Commons
7 told us how many reports they had read and which areas
8 they were interested in.

9 And when I was up visiting Canada, I sat next
10 to the minister of what would be equivalent to our
11 Interior, and he had read our report on acid rain and
12 thought that it was first rate.

13 So I think one of the things that we have to
14 keep in mind, as we do this type of work, is we send
15 these reports all over the world. Just a couple of
16 weeks ago, I was down in Venezuela, and the Auditor
17 General of Spain was there. He said that he gets our
18 listing of reports every month, and he calls for the
19 different reports.

20 And he said the one thing that really im-
21 presses him is how quickly we get them to him. He said
22 not only are they good reports, but his impression of
23 our outfit is, boy, we are a very efficient outfit be-
24 cause we can get those reports out in a timely manner.

25 And that is important. Those are the kinds of

1 things that do make impressions. I mean you people to-
2 day are getting an impression about the Xerox Corpora-
3 tion, just the way its educational center here is run.
4 And, you know, good or bad. And that is the way people
5 look at us.

6 Whenever they see any of us as individuals and
7 whenever they see any of our products, they are going to
8 make a judgment about GAO. We just have to make sure
9 that it is a first-rate judgment.

10 I would also like to share this with you.
11 More and more, I think, some of the top people in
12 government and some of the people who have held top
13 positions in government who are now maybe retired are
14 looking to the GAO, as one person said, as the last
15 great hope in government.

16 They see some of the other institutions going
17 downhill. One that they worry about a great deal is the
18 Bureau of the Budget. I think that many of you here are
19 about the same age as I am, and it does not take long to
20 remember 15 to 20 years ago, 25 years ago, when the
21 classy organization in the government was the Bureau of
22 the Budget. Everybody wanted to get over to BOB.

23 Somebody who is writing a book was visiting
24 with us recently, and he said that one of the themes in
25 his book will be that that is no longer true, that it is

1 now the GAO that is the top organization and the one
2 that is on the ascent.

3 I think that is very fine. I love to hear
4 those kinds of compliments, and I want to hear more of
5 them in the years ahead. I also do not want to take
6 credit for that. Because I think that it is the people
7 who went ahead of us who deserve the credit.

8 And that brings me to my very last item. That
9 is, I gave a speech recently which the people under
10 Frank wrote for me, and they put a quote at the end of
11 the speech. It says that we must keep in mind the
12 statement made by Henry Clay that "Government is a
13 trust, and the officers of the government are trustees,
14 and both the trust and the trustees are created for the
15 benefit of the people."

16 I think that that is a very fine statement.
17 And I think that is really our role here. We are the
18 trustees. We are the leaders of GAO. You people have
19 worked long and hard to reach the position that you have
20 in our organization.

21 Now we have to make sure that we carry out
22 that function of trustee, that we make this a better or-
23 ganization for the future, and that we issue first-class
24 reports day in and day out. We never do what Sam Hughes
25 once said to me--that when we issue a report that is not

1 very good, we lower the currency of this place and we
2 lower the reputation of this place. We do not want to
3 do that. We want to send out first-class reports, and
4 we want to work very hard to make sure that our recruit-
5 ing, our training, and our work with younger people lead
6 to a much stronger much more able, and first-class GAO
7 in the future. And I know that we can do it.

8 Thank you very much.

9 (General applause.)

10 (Whereupon, Comptroller General Bowsher's key-
11 note address was concluded.)