

GAO's High-Risk Program

**Western Intergovernmental Audit
Forum**

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Outline

- Why was the High-Risk Program needed and what is it?
- How do programs get on and off the list?
- What's on the list now?
- What are the benefits of the program?

About GAO

- Program and performance evaluations, financial and management audits, investigations, legal opinions, and bid protests.
- 90 percent Congressional request
- Over 750 products per year, hundreds of recommendations
- About 80 percent of recommendations implemented.

Why Was the High-Risk Program Needed

- Highly visible problem areas were not being addressed
- Congressional and media attention increased
- GAO wanted to bring additional focus to long-standing major problem areas

High-Risk Program

- Identifies programs and operations at risk for fraud, waste, abuse, mismanagement, or in need of transformation to achieve efficiency and effectiveness
- Targeted to identify and help address significant problems within the federal government, both short-and long-term
- Highlight areas that warrant special focus – designed to increase accountability
- Based on completed GAO reviews
- GAO commitment to review these areas and update progress

High-Risk Program

- Initiated in January 1990
- First report series issued in 1993
- Biennial updates around the time of each new incoming Congress

High-Risk Program

- Original High-Risk list included 14 areas
- Since 1990, 46 areas have been added, 24 areas taken off or consolidated
- 34 areas on the High-Risk list issued in the February 2017 update

Program Focus Has Evolved

- Historically, high-risk areas have involved vulnerabilities due to programs' and operations' greater susceptibility to fraud, waste, abuse, and mismanagement
 - The High-Risk Program has evolved to include major economy, efficiency, and effectiveness, and broad-based transformations needed
 - Many areas require both agency action and Congressional oversight and/or legislative solutions
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Determining High-Risk Areas

Published criteria on Determining Performance and Accountability Challenges and High Risks (GAO-01-159SP)

- Qualitative factors: national security, national defense, public health or safety
- Quantitative factors: dollars at risk—assets, revenue, payments

Removing High-Risk Designations

- Demonstrated top leadership commitment
- Capacity (people and resources)
- Action plan
- Monitoring and validation procedures
- Demonstrated progress that is meaningful and sustainable

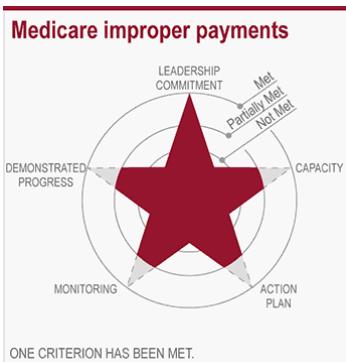


Assessing High Risk Areas Against the Removal Criteria

Prior to 2015, assessment were all narrative. Now more visual and specific.

Three-point scale

- Met
- Partially Met
- Not Met



- High risk areas having multiple parts receive an assessment for each part and a summary assessment.
- *What Remains to Be Done* sections for each high risk area continues to become more specific.

Areas Removed from the High-Risk List

Area	Year Designated	Year Removed
Pension Benefit Guaranty Corporation	1990	1995
State Department Management of Overseas Real Property	1990	1995
Federal Transit Administration Grant Management	1990	1995
Resolution Trust Corporation	1990	1995
Bank Insurance Fund	1991	1995
Customs Service Financial Management	1991	1999
Superfund Program	1990	2001
Farm Loan Programs	1990	2001
National Weather Service Modernization	1995	2001
The Year 2000 Computing Challenge	1997	2001
The 2000 Census	1997	2001
Asset Forfeiture Programs	1990	2003
Supplemental Security Income	1997	2003
Student Financial Aid Programs	1990	2003
Federal Aviation Administration Financial Management	1999	2005
Forest Service Financial Management	1999	2005
HUD Single-Family Mortgage Insurance and Rental	1994	2007
USPS Transformation Efforts and Long-Term Outlook	2001	2007
FAA's Air Traffic Control Modernization	1995	2009
2010 Census	2008	2011
DOD Personnel Security Clearance Program	2005	2011
Management of Interagency Contracting	2005	2013
IRS Business System Modernization	1995	2013
Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland	2005	2017

Most Recent Changes to the High-Risk List

- **One Area Removed**
 - Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland
- **Three Areas Added**
 - Management of Federal Programs That Serve Tribes and Their Members
 - U.S. Government's Environmental Liabilities
 - 2020 Decennial Census
- **Two Areas Narrowed**
 - DOD Supply Chain Management – Inventory Management
 - Mitigation Gaps in Weather Satellite Data – NOAA Geostationary Satellites
- **Two Areas Expanded**
 - DOD's Polar-Orbiting Weather Satellites
 - Department of the Interior's Restructuring of Off-Shore Oil and Gas Oversight

GAO's High-Risk List – 2017 Update

Area	Year designated
Strengthening the Foundation for Efficiency and Effectiveness	
Improving Federal Management of Programs that Serve Tribes and Their Members	2017
U.S. Government's Environmental Liabilities	2017
2020 Decennial Census	2017
Limiting the Federal Government's Fiscal Exposure by Better Managing Climate Change Risks	2013
Management of Federal Oil and Gas Resources	2011
Modernizing the Outdated U.S. Financial Regulatory System	2009
Restructuring the U.S. Postal Service to Achieve Sustainable Financial Viability	July 2009
Funding the Nation's Surface Transportation System	2007
Strategic Human Capital Management	2001
Managing Federal Real Property	2003
Improving the Management of IT Acquisitions and Operations - New	2015
Transforming DOD Program Management	
DOD Approach to Business Transformation	2005
DOD Business Systems Modernization	1995
DOD Support Infrastructure Management	1997
DOD Financial Management	1995
DOD Supply Chain Management	1990
DOD Weapon Systems Acquisition	1990
Managing Federal Contracting More Effectively	
DOD Contract Management	1992
DOE's Contract Management for the National Nuclear Security Administration and Office of Environmental Management	1990
NASA Acquisition Management	1990

GAO's High-Risk List – 2017 Update

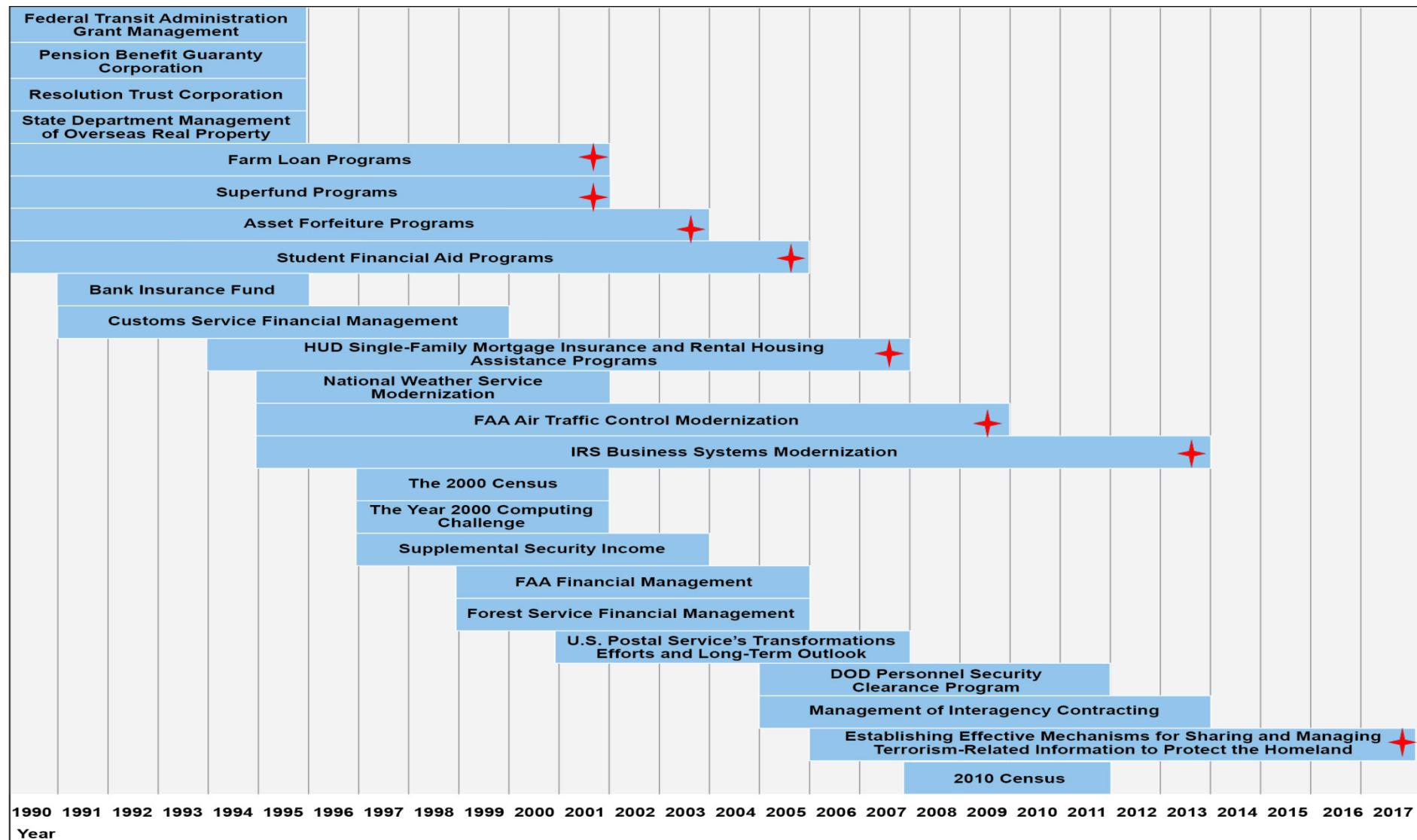
Area	Year designated
Ensuring Public Safety and Security	
Mitigating Gaps in Weather Satellite Data	2013
Strengthening Department of Homeland Security Management Functions	2003
Ensuring the Security of Federal Information Systems and Cyber Critical Infrastructure and Protecting the Privacy of Personally Identifiable Information	1997
Ensuring the Effective Protection of Technologies Critical to U.S. National Security Interests	2007
Improving Federal Oversight of Food Safety	2007
Protecting Public Health through Enhanced Oversight of Medical Products	2009
Transforming EPA's Process for Assessing and Controlling Toxic Chemicals	2009
Assessing the Efficiency and Effectiveness of Tax Law Administration	
Enforcement of Tax Laws	1990
Modernizing and Safeguarding Insurance and Benefit Programs	
Managing Risks and Improving VA Health Care - New	2015
Improving and Modernizing Federal Disability Programs	2003
Pension Benefit Guaranty Corporation Insurance Programs	2003
Medicare Program	1990
Medicaid Program	2003
National Flood Insurance Program	2006

Challenges and Opportunities

Issues on High Risk List represent some of the biggest challenges facing the government, but also the biggest opportunities.

- Difficult
 - Cross-cutting
 - Complexity
 - Magnitude
 - Fiscal Environment
-

It Takes Time - One-Third Were on for 10 Years or More



High-Risk Program Results

- Promotes transparency - sustained top leadership and congressional attention to key problems
- Encourages engagement - ongoing communication with OMB, agencies, and accountability community
- Accountability drives results -
 - About \$240 billion in financial benefits over past 10 years
 - Many additional other improvements

Key Resources on GAO's Web Site

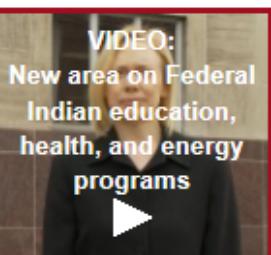
- High Risk Web Collection
- High-Risk Series: An Update (GAO-17-317; February 2017)
- Determining Performance and Accountability Challenges and High-Risks (GAO-01-159SP; November 2000)

www.gao.gov/highrisk/



High Risk List

Every 2 years at the start of a new Congress, GAO calls attention to agencies and program areas that are high risk due to their vulnerabilities to fraud, waste, abuse, and mismanagement, or are most in need of transformation. The 2017 update identified 3 new High Risk areas and removed 1 area. The update is available below.

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GAO's 2017 High Risk List is designating three new High Risk areas:

- Improving Management of Federal Programs that Serve Tribes and Their Members,
- U.S. Government's Environmental Liabilities,
- 2020 Decennial Census.

GAO removed one area from the High Risk List: Establishing Effective Mechanisms for Sharing and Managing Terrorism-Related Information to Protect the Homeland.

This brings our 2017 High Risk List to a total of 34 areas.

GAO's 2017 High Risk List:

Sort By Title	Sort By Topic
Improving Federal Management of Programs that Serve Tribes and Their Members — NEW	Government Operations
U.S. Government's Environmental Liability — NEW	Government Operations
2020 Decennial Census — NEW	Government Operations
Strategic Human Capital Management	Government Operations
Managing Federal Real Property	Government Operations
Funding the Nation's Surface Transportation System	Transportation
Modernizing the U.S. Financial Reporting System with the Federal Financial Reporting System	Business Regulation and



Managing Risks and Improving VA Health Care

This information appears as published in the 2017 High Risk Report.

[View the 2017 Report](#)

WHY IT'S
HIGH RISK

WHAT
WE FOUND

WHAT REMAINS
TO BE DONE

KEY REPORTS

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Since we added VA health care to our High-Risk List in 2015, VA has acknowledged the significant scope of the work that lies ahead. VA took an important step toward addressing our criteria for removal by establishing the leadership structure necessary to ensure that actions related to the High-Risk List are prioritized within the department. It is imperative, however, that VA maintain strong leadership support as it completes its transition into a new presidential administration.

In its action plan, VA separated its discussion of department-wide initiatives from its description of High-Risk List mitigation strategies. These department-wide initiatives include MyVA, which intends to make changes to VA's systems and structures to (1) improve the veteran experience, (2) improve the employee experience, (3) achieve support services excellence, (4) establish a culture of continuous performance improvement, and (5) enhance strategic partnerships. We do not view high-risk mitigation strategies as separate from other department initiatives; actions to address the High-Risk List can and should be integrated in VA's existing activities. As a new administration sets its priorities, VA will need to integrate those priorities with its high-risk related actions, and facilitate their implementation at the local level through strategies that link strategic goals to actions and guidance. In addition, VA will need to demonstrate that it has the capacity to sustain efforts by devoting appropriate resources—including people, training, and funds—to address the high-risk challenges we identified.

VA's action plan for addressing its high-risk designation describes many planned outcomes with overly ambitious deadlines for completion. We are concerned about the lack of root cause analyses for most areas of concern, and the lack of clear metrics and needed resources for achieving stated outcomes. This is especially evident in VA's plans to address the IT and training areas of concern. In addition, with the increased use of community care programs, it is imperative that VA's action plan include a discussion of the role of community care in decisions related to policies, oversight, IT, training, and resource needs. We will continue to monitor VA's institutional capacity to fully implement and sustain needed changes, including those related to its IT transformation, comprehensive training management plan, and resourcing decisions.

Finally, to help address our high-risk designation, VA should continue to implement our recommendations and recommendations from other reviews such as the Commission on Care. The Veterans Access, Choice, and Accountability Act of 2014 established the Commission on Care to examine, assess, and report on veterans' access to VA health care and to strategically examine how best to organize VHA, locate health resources, and deliver health care to veterans during the next 20 years.^[1] The Commission's June 2016 report to the President included 18 recommendations to improve veterans' access to care and, more broadly, to improve the quality and comprehensiveness of that care. For example, the Commission recommended that VHA create local, networked systems of care that integrate VA-based care and community care and remove restrictions to veterans seeking care from community providers.

Thank You!

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