



Diversity, Equity, and Inclusion in Audits

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Agenda

- Introduction to US GAO and How Equity has been addressed
- Equity As a Pillar of Government Auditing Standards
- Recent Work on Justice, Equity, Diversity and Inclusion (JEDI) in GAO Audit Work
- GAO's Continuous Improvement Commitment
- The Emerging Risk Taskforce
- Defining and Identifying Social Equity in Government Programs
- Examples of JEDI Issues

What's New at GAO

- Equity issues are not new to GAO. However we are seeing more work, including direct questions requiring rigorous inquiry
- Seizing opportunities to enhance conclusion and external validity
- Scanning for missed opportunities
- Emphasizing mindfulness in staffing and outreach (ensuring the right people are at the table)
- Competence is more than technical and subject matter proficiency

Equity is one of the five pillars of good government.



The introductory chapter of Government Auditing Standards (GAGAS) outlines five concepts describing how public officials are to provide functions and services:

- effectively,
- efficiently,
- economically,
- ethically, and
- **equitably.**¹

¹GAO, *Government Auditing Standards: 2018 Revision*, GAO-21-368G (Washington, D.C.: April 2021).



GAO work on justice, equity, diversity, and inclusion issues

Since the 1970s, GAO has provided Congress with analysis of racial inequalities in a variety of areas:

- education
- voting rights
- equal employment
- racial profiling
- representation in the Census
- access to capital and housing
- health care
- military

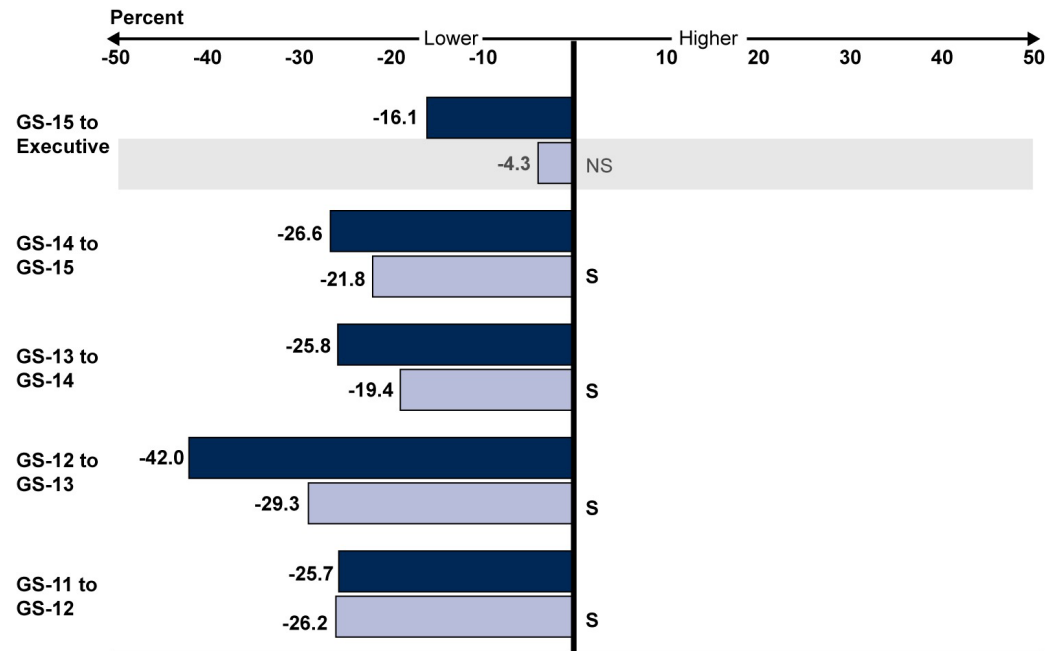
GAO also has large bodies of work on women and gender in public policy and on issues related to civil rights and equal protection under the law in matters of age, race, gender, and disability, including representation and discrimination in the workplace.

See <https://www.gao.gov/race-america>, <https://www.gao.gov/women-and-gender-public-policy>, and <https://www.gao.gov/topics/equal-opportunity>.

GAO-20-237 State Department: Additional Steps Are Needed to Identify Potential Barriers to Diversity

- State's workforce has grown more diverse, but racial and ethnic minorities are still underrepresented, particularly in the senior ranks.
- Promotion likelihoods differ by race and ethnicity and by gender.
- Certain differences in promotion likelihoods persisted even among people with similar characteristics, such as education, occupation, and years of federal service.
- GAO recommended that State examine longstanding issues contributing to lack of workforce diversity and improve efforts to address barriers to equal opportunity.

Relative Differences in Promotion Rates and Adjusted Promotion Odds for Racial or Ethnic Minorities Compared with Whites in the Department of State's Civil Service, Fiscal Years 2002-2018



Results not statistically significant at the 95 percent confidence level
 Relative difference in promotion rate among racial or ethnic minorities (descriptive)
 Relative difference in odds of promotion among racial or ethnic minorities (adjusted)

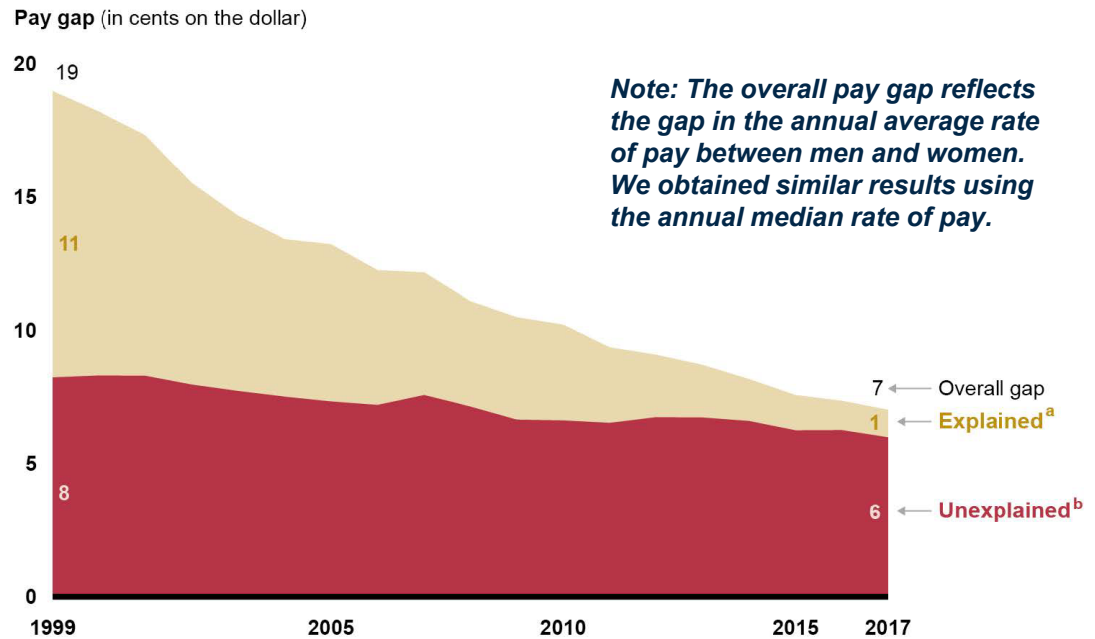
Legend: GS = General Schedule, NS = not statistically significant at the 95 percent confidence level, S = statistically significant result.

Source: GAO analysis of Department of State data. | GAO-20-237

GAO-21-67 Gender Pay Differences: The Pay Gap for Federal Workers Has Continued to Narrow, but Better Quality Data on Promotions Are Needed

- The gender pay gap in the federal workforce has decreased since 1999, but has not yet closed.
- The pay gap is greater for certain groups of women, including Hispanics/Latinas, Blacks, and American Indians or Alaska Natives.
- OPM and EEOC analyze agencies' pay gap data and help them address the pay gap, but the EEOC's data is often incomplete. For example, data on promotions does not always designate gender, race, or ethnicity. GAO recommended that the EEOC take steps to improve the quality of its data.

Pay Gap between Men and Women in the Federal Workplace, in Cents on the Dollar, 1999 through 2017



Source: GAO analysis of the Office of Personnel Management's Enterprise Human Resources Integration data. | GAO-21-67

Justice, Equity, Diversity and Inclusion (JEDI) Issues in GAO Audit Work

- Access for Disabled Persons
- Bank Board Diversity
- Detention of Pregnant Women
- Disproportionate Discipline by Race
- Elderly Caregiver Resources
- Facial Recognition Accuracy
- Financial Services Management Diversity
- Funding to High Poverty Areas
- Gender Differences Cost of Products
- Maternal Mortality Childbirth
- Military Justice
- Minority Technology Fields
- Native American Delinquency
- NIH Biomedical Research Diversity
- Nutritional Needs of Elderly
- Outreach to Socially Disadvantaged Groups
- Promotion Outcomes Minorities
- School Shooting Victims

Reports Released in 2022

- [GAO-22-104045 MISSING OR MURDERED INDIGENOUS WOMEN: New Efforts Are Underway but Opportunities Exist to Improve the Federal Response](#)
- [GAO-22-104066 MILITARY HAZING: DOD Should Address Data Reporting Deficiencies, Training Limitations, and Personnel Shortfalls](#)
- [GAO-22-104341 K-12 EDUCATION: Students' Experiences with Bullying, Hate Speech, Hate Crimes, and Victimization in Schools](#)
- [GAO-22-104380 MORTGAGE LENDING: Use of Alternative Data Is Limited but Has Potential Benefits](#)
- [GAO-22-104452 DISASTER RECOVERY: Better Data Are Needed to Ensure HUD Block Grant Funds Reach Vulnerable Populations](#)
- [GAO-22-104456 LAW ENFORCEMENT: DOJ Can Improve Publication of Use of Force Data and Oversight of Excessive Force Allegations](#)
- [GAO-22-104606 DISASTER RECOVERY: School Districts in Socially Vulnerable Communities Faced Heightened Challenges after Recent Natural Disasters](#)
- [GAO-22-104618 MEDICARE: Information on the Transition to Alternative Payment Models by Providers in Rural, Health Professional Shortage, or Underserved Areas](#)
- [GAO-22-105079 COVID-19: Federal Efforts to Provide Vaccines to Racial and Ethnic Groups](#)

What More Can We Do?

The Emerging Risk Taskforce (ERT)

- Senior Leaders questioned about how JEDI issues have entered their work
- Applied Research and Methods Team as the centralized location to coordinate the efforts
- Identify opportunities for improvement
- The conversations pointed to a need for more tools to address these issues
- The Emerging Risk Taskforce (ERT) was formed

Notable Observations from GAO Leaders

- Responsiveness to Congressional Requesters
- Data Challenges
- Political Sensitivities
- Technical Expertise
- Diverse Teams
- Different Forms of Diversity
- Coordination with Diversity and Inclusion, EEOC, Civil Rights

JEDI Framework: The Four “Rights”

- Right Questions
- Right People
- Right Methods
- Right Understanding

GAO is using multiple methods to help engagement teams identify and examine JEDI issues

Internal website

- Central location for resources for examining JEDI issues in engagements
- Content includes tools, tip-sheets, and guides; relevant GAO reports; recordings and slides from past presentations, other material

Seminar series

- Quarterly presentations by internal and external experts
- Applications of specific methods to examining JEDI issues

Written tools and tip-sheets

- Defining and identifying social equity in government programs
- Designing engagements to consider equity
- Overview of methodological challenges and considerations

First Look service

- Early review of certain complex requests by specialists in economics, statistics, survey methods, library sciences, and others
- Summarize what is known about the issues
- Identify potential methods, information sources, staff, and resource needs for examining the issues

Defining and identifying social equity in government programs*

Social equity element	
Procedural fairness	Includes consideration of due process, equal protection, and fairness in the eligibility, selection, and coverage of populations by specific government policies and programs
Process equity	Consideration of consistency in access to and implementation of government policies and programs across impacted populations
Distributional equity	Consideration of equal access, targeted intervention, or other distributional commitment of resources across populations to achieve fair results
Outcome disparities	Consideration of unfair differences that exist across populations that government policies and programs may seek to address, that may persist despite these interventions, or which may be created or exacerbated as a result of policies and programs

*A “government program” is “whatever we have been asked to audit.”

Questions to ask when designing an engagement to consider social equity

Program

- **(Procedural fairness)** Do program goals and design--intentionally or unintentionally--focus on/target different populations?
- **(Process equity)** Do program implementation, management, or operations--intentionally or unintentionally--vary across groups?
- **(Distributional equity)** Do resource investments/allocations--intentionally or unintentionally--vary by group?
- **(Outcome disparity)** Does the program, or could it, create, contribute to, mitigate, or solve disparities across groups?

Populations

- What demographic groups is the program designed to serve? Which groups actually are served?
- Which protected classes, such as race, age, gender, disability may be relevant to the program?
- What other characteristics of groups (status, income, geography, etc.) are relevant?
- What do we know about eligibility for, access to, interaction with, and results from the program for groups?
- Are data or other evidence related to differences among the groups readily available?
- To what extent will we be able to obtain information, evidence, or perspectives from relevant groups?

Methodological Challenges and Considerations for Teams Examining JEDI Issues

For example:

- **Data availability and reliability**
 - Availability of variables measuring relevant characteristics
 - Access issues and privacy concerns
 - Sample sizes
 - Survey non-response bias
- **Analysis design**
 - “Bad controls” in regression models
 - Interpretation and limitations of quantitative analysis
 - Composition of focus groups



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