

# **GAO's High-Risk Program**

**Federal Audit Executive  
Council (FAEC)  
Annual Conference**

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## Outline

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- Background on the High-Risk Program
- How programs get on and off the list
- What's on the list now
- The benefits of the program?

## Why the High-Risk Program was Needed

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

# High-Risk Program

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

# High-Risk Program

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- 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
- Based on completed GAO reviews
- GAO commitment to review these areas and update progress

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# High-Risk Program

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- 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

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- 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

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## **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

# Resolving High-Risk Issues

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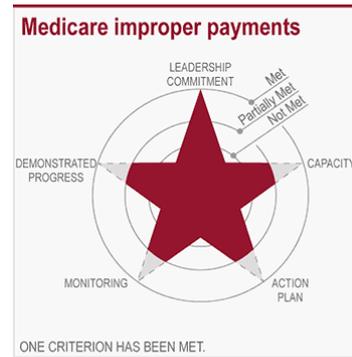
- Demonstrated top leadership commitment
- Capacity (people and resources)
- Action plan
- Monitoring and validation procedures
- Demonstrated progress that is meaningful and sustainable

# Assessing High Risk Areas Against the Removal Criteria

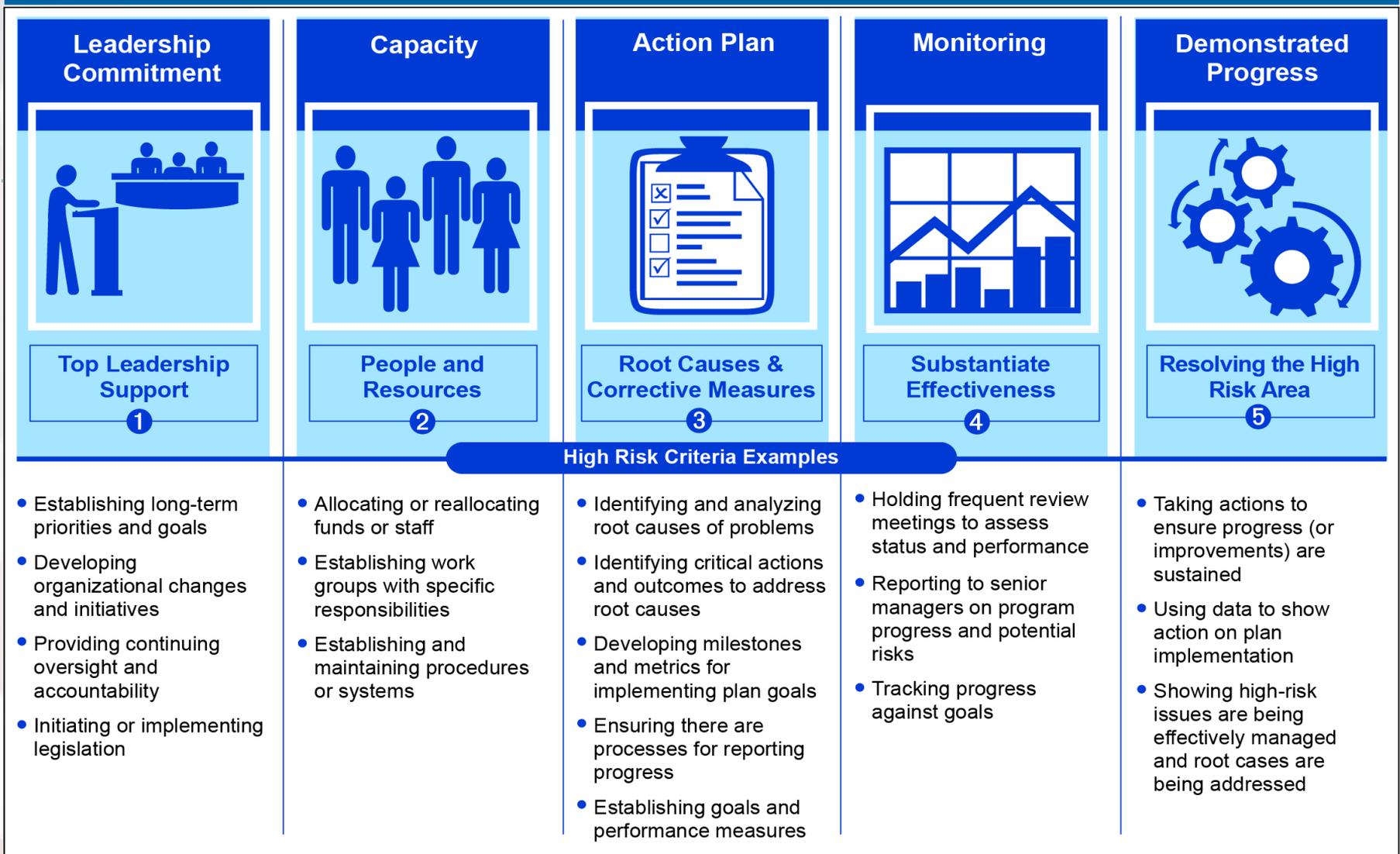
Past assessments were all narrative. Now more visual and specific.

## 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.



# High-Risk Program Results

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- Promotes transparency - sustained top leadership and congressional attention to key problems
- Encourages engagement - ongoing communication with OMB, agencies, and accountability community
- Effective management drives results -
  - About \$24 billion annually in financial benefits
  - Many additional management improvements

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# 2017 Changes to the High-Risk List

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- **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

# Most High-Risk Areas Involve Working Across Boundaries

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- Food Safety – 16 federal agencies involved
- Medicaid – Federal and state governments
- Protecting Critical Technologies – DOD, DHS, Commerce, State Department
- National Flood Insurance Program – FEMA, private sector insurers, and state and local governments
- Modernizing Federal Disability Programs – SSA, VA, DOD
- Terrorism-Related Information Sharing – Several federal agencies, state and local governments. Removed in 2017.

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## Key Resources on GAO's Web Site

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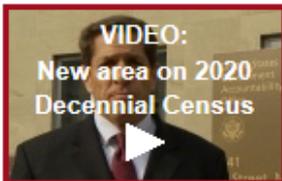
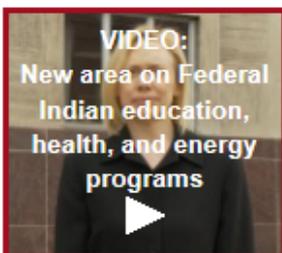
- High Risk Web Collection
- High-Risk Series: An Update (GAO-17-317; February 2017)
- Determining Performance and Accountability Challenges and High-Risks (GAO-01-159SP; November 2000)

[www.gao.gov/highrisk/](http://www.gao.gov/highrisk/)

[Key Issues > High Risk](#)

## 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
<a href="#">Improving Federal Management of Programs that Serve Tribes and Their Members — NEW</a>	Government Operations
<a href="#">U.S. Government's Environmental Liability — NEW</a>	Government Operations
<a href="#">2020 Decennial Census — NEW</a>	Government Operations
<a href="#">Strategic Human Capital Management</a>	Government Operations
<a href="#">Managing Federal Real Property</a>	Government Operations
<a href="#">Funding the Nation's Surface Transportation System</a>	Transportation
<a href="#">Modernizing the U.S. Financial Regulatory System and the Federal Role in Housing Finance</a>	Business Regulation and

[Key Issues](#) > [High Risk](#) > [Managing Risks and Improving VA Health Care](#)



## 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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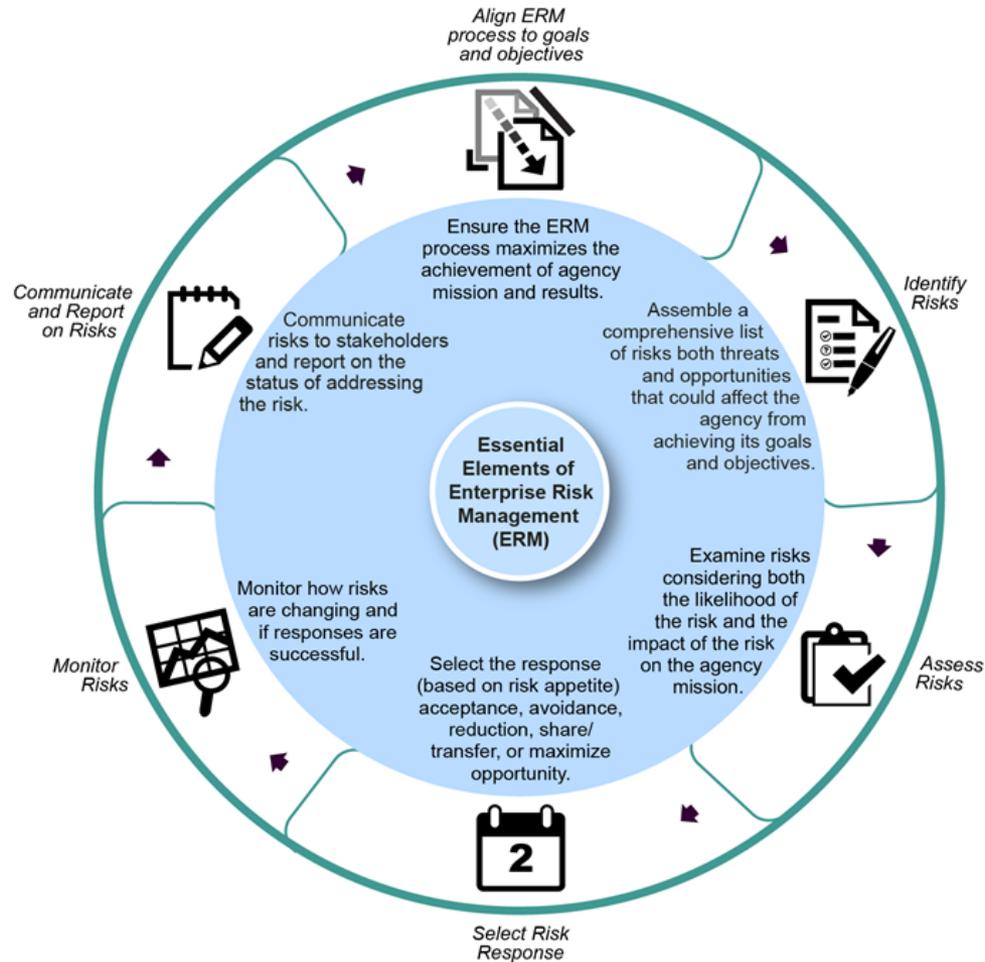
Since we added VA health care to our High-Risk List in 2015, VA has acknowledged the significant scope of the work that lies ahead. VA took an important step toward addressing our criteria for removal by establishing the leadership structure necessary to ensure that actions related to the High-Risk List 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.<sup>[1]</sup> 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.

# Essential Elements of ERM



## **Good Practices to Implement and Sustain ERM**

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- 1) Leaders guide and sustain ERM strategy
- 2) Develop a risk-informed culture to ensure all employees can effectively raise risks
- 3) Integrate ERM capability to support strategic planning and organizational performance management
- 4) Established a customized ERM program integrated into existing agency processes
- 5) Continuously manage risks
- 6) Share information with internal and external stakeholders to identify and communicate risks

**Thank You!**

