Statement of

Robert Shea

Chairman,
National Academy of Public Administration
and
Principal,
Grant Thornton LLP

before the

Senate Committee on Homeland Security and Governmental Affairs

March 31, 2014

For more information, contact:
Robert Shea
(703) 637-2780
Robert.Shea@us.gt.com

Mr. Chairman, Senator Coburn, members of the Committee, I am grateful for the opportunity to speak to you today. I applaud the committee's interest in finding areas in which its focused oversight efforts would have the greatest impact on the government's performance and efficiency.

My experience in working to improve the government's operations comes in part from my time as a staff member of this great committee. In the late nineties, with considerable help from the Government Accountability Office and agency Inspectors General, the committee documented what many agreed were the government's greatest management challenges. The consensus appeared to rest on five major areas: financial management, human capital management, information technology management, acquisition, and performance management.

Report after report showed the extent of the challenges. Agencies took months to produce audited financial statements and couldn't report the extent of their improper payments. Recruiting and retaining the right workforce was difficult for agencies. Information technology projects were often over budget and off schedule. The acquisition system did not support the timely and objective procurement of goods and services. Performance was not as clearly and transparently reported as it should be.

To accelerate progress in these areas, the President's Management Council developed a scorecard with indicators that measured the degree to which each agency's efforts resolved these challenges. Agencies were rated red, yellow, or green based on their progress. For each of the major areas of the scorecard, specific accomplishments were measured. For example;

- In the area of human capital, agencies were measured on the extent to which they were recruiting and retaining employees with the specific skills they needed to accomplish their missions.
- In the acquisition area, agencies were judged based on the savings achieved from public-private competition for commercial services.
- In the area of financial management, agencies were assessed based on their compliance with the government’s financial management statutes and the resolution of auditor-identified material weaknesses.
- In the area of information technology, agencies were evaluated based on their success implementing systems on time and within budget.
- In the area of performance management, agencies were judged on their efforts to measure and improve program.

These are just a few examples of the measures included on the scorecard.

What was new at the time was the fact that agency progress was updated and reported publicly every quarter. These updates followed a rigorous review by OMB staff of evidence provided by agencies. I can't emphasize enough just how critical transparency was to how seriously agency leadership took management improvement initiatives. Knowing their scores were going to be reported publicly made the very top leadership at agencies work very hard to improve in each of these areas. When they got to green, agency celebrations were not unusual.

Government agencies made real progress during this period. Agency financial statement audits are performed more routinely and promptly than in the past. Program improper payments are being reported publicly and are, for the most part, coming down. Employee engagement is being measured and, when it's low, agencies undertake ambitious efforts to turn that around. Billions were saved by subjecting many functions to the pressures of competition.

Despite the good efforts of the President's Management Agenda at the time, I don't think it would be fair to suggest agency challenges related to finance, human capital, information technology, acquisition, and performance have been resolved entirely. But because those measures aren't being reported publicly today, it's difficult to show objectively how agencies are performing in these areas of common concern.

The management improvement initiatives described in the President's FY15 budget offer a renewed opportunity to address many of the government's persistent management challenges. The effectiveness pillar is described as an effort to deliver a world-class customer service experience for citizens and businesses. It includes transformation of many of the government's citizen-facing services and the information technology used to deliver them. The efficiency pillar is described as increasing the quality and value in core operations and enhancing productivity to achieve cost savings. Acquisition reforms and program consolidations are just part of this effort. The economic growth pillar is meant to leverage open government efforts to spur innovation and job creation. The people and culture pillar is described as unlocking the potential of federal employees and building the workforce we need for tomorrow. Finally, the President's budget describes initiatives to improve agency and program results by setting goals and tracking performance.

The government's major challenges fall neatly into the framework described in the President's FY15 budget. And many of the Administration's initiatives promise genuine transformation of agency and program operations with real gains in terms of performance and efficiency. But without clear metrics to gauge progress, it will be difficult to determine whether or not genuine improvement is being achieved.

The good news is that this committee's oversight efforts can move agencies to address common challenges so long as some key ingredients are in place. First and foremost is clear goals. In whatever area you choose, it's imperative you have a common understanding of how progress will be measured. Then, I'm afraid, the committees' members and staff will have to provide consistent, regular attention to ensure progress is sustained. This is the nitty gritty of oversight that often goes unheralded in Washington.

A couple of good examples offer a roadmap. In the area of security clearances, this committee recognized years ago that security clearances were not being made in a timely manner and that this was impeding agency performance. In collaboration with the Office of Management and Budget, the committee crafted legislative reforms that included graduated time frames by which background investigations were to be performed and security clearances were to be granted. In large part because of the committee's efforts, the federal government's security clearance infrastructure rose to the challenge and met what were originally believed to be unrealistic time frames. Whatever you think of the process today, improvements resulted from the committee's efforts.

In another example, after the Federal Funding Accountability and Transparency Act became law, committee staff were integrally involved in the very difficult process of merging agency systems into an easy-to-use website that reported financial transactions. There were major challenges along the way. The eventual website fell short of the Act's requirements. But at the time, it was the most comprehensive source of federal financial transactions ever built. Whatever progress we made was a direct result of what felt at the time like the committee's constant attention.

In both of these examples, the efforts of the committee were bipartisan. With bipartisan consensus on a couple of priorities, some big problems could be tackled by the committee's efforts. I'm grateful for the opportunity to offer some suggestions on where you might direct that focus.

Of course, the Government Accountability Office's work provides a rich source of material from which to draw suggestions. Its inventory of government overlap and duplication and the accompanying recommendations are a good place to start. GAO's action tracker is a tremendous tool with which to gauge agency progress. Today, according to GAO, agencies have addressed 87 recommended actions, partially addressed 187, and have taken no action on 104. If there is a subset of those 104 recommendations on which you and the Administration agree, I would expect the committee's efforts to produce tangible benefits. Likewise, GAO's biennial High-Risk list provides excellent oversight targets. At GAO's suggestion, the National Academy of Public Administration is convening agency officials and OMB to share ways agencies have tackled high-risk areas in the past and gotten off the list. There are common approaches agencies can take to address these thorny issues. With focused oversight, some agencies or programs on that list might get the nudge they need to address issues raised by GAO and get off the list.

The Administration's evidence agenda is an area in which the committee's focus could pay big dividends. Experience shows that when evaluated using rigorous methodologies, programs are often found not to be as effective as originally thought at solving whatever problem they are designed to address. But over the past decade, the Executive Branch has renewed its efforts to study programs and build a body of evidence of what programs or program approaches work best. The Administration has launched a number of pilot programs and demonstrations to help determine which strategies lead to better results from taxpayer investments, allowing Federal and State governments to identify the most promising strategies that warrant expansion. Grants management reforms, pay for success programs, and data sharing are all part of this ambitious effort to find and expand what works. Today, we know far too little about which programs work best. If we can move just a fraction of the government's investments into more proven approaches, the results could be dramatic.

While we know little about how programs perform, we know even less about what they cost. Under current policy, agencies are supposed to report annually what it costs to achieve their goals. A number of other laws and rules dictate the extent to which agencies measure and report the cost of their operations. Too few agencies take these efforts seriously, when a study of the cost of programs would invariably uncover waste that can be eliminated. In a time of increasing budget austerity, I can think of no better way to find savings than a considered look at the cost of government agencies and their programs. A lot of the information needed to form the basis of a program cost estimate is included in the Taxpayers Right-To-Know Act, which I know is under consideration by this committee. More important than the reporting of information required by the law would be the use of it to find ways to eliminate waste and reduce cost in program administration.

One of the areas that's gotten a lot of attention from this committee in the past is acquisition. The government is the largest buyer of goods and services in the world. It should have the best buying workforce in the world. But in each of the biennial surveys of acquisition personnel Grant Thornton has conducted with the Professional Services Council, respondents identified workforce resources, capabilities, and training and development of the acquisition workforce as top concerns. The inappropriate use of acquisition strategies, like lowest priced technically acceptable, impedes the ability of the acquisition workforce to apply its judgment to the procurement of goods and services. While statutory reform may be difficult, continued oversight by the committee could address major concerns with the state of acquisition and the acquisition workforce.

Wherever the committee focuses its considerable oversight efforts, success will depend on how clear the goals are and whether you are willing to invest the repeated, persistent attention that similar endeavors have required in the past. When the committee has set clear goals in collaboration with the Administration in the past, measurable progress was made. It's a recipe for success that can produce considerable results.

About Robert Shea

Robert is Chairman of the Board of the National Academy of Public Administration and a Principal in Grant Thornton's Global Public Sector Practice. At Grant Thornton, Robert leads the firm's public sector marketing and governmental affairs efforts and directs its performance management services. He worked at the United States Office of Management and Budget (OMB) as Associate Director for Administration and Government Performance. In addition to managing OMB's internal operations, Robert led the President's Performance Improvement Initiative, advised on government human capital policy and led interagency collaborations in the areas of food safety and implementation of the Federal Funding Accountability and Transparency Act. Before joining OMB, Robert served as Counsel to the United States Senate Committee on Governmental Affairs where, in addition to general oversight of Executive Branch management, he advised Committee leadership on the status of implementation of the U.S. statutory framework for performance-based government, including the Government Performance and Results Act and the Chief Financial Officers Act. He was Legislative Director for Congressman Pete Sessions (TX) from 1997 to 1999. Robert was a Professional Staff Member with the House Committee on Government Reform from 1995 through 1996. Robert currently serves as Chairman of the Board of Directors of the National Academy of Public Administration, a congressionally chartered non-profit whose mission is to assist government at all levels. Robert was elected by the Board to serve as chairman in November 2013. Robert holds a Juris Doctorate from South Texas College of Law and a Bachelor of Arts in Government from Connecticut College, New London, Connecticut.

About Grant Thornton LLP Global Public Sector

Grant Thornton's Global Public Sector, based in Alexandria, Va., is a global management consulting business with the mission of providing responsive and innovative financial, performance management, and systems solutions to governments and international organizations. It provides expert performance management advice to major federal departments and agencies, as well as to state and local governments.

The people in the independent firms of Grant Thornton International Ltd provide personalized attention and the highest-quality service to public and private clients in more than 100 countries. Grant Thornton LLP is the U.S. member firm of Grant Thornton International Ltd, one of the world's largest audit, tax and advisory organizations. Grant Thornton International Ltd and its member firms are not a worldwide partnership, as each member firm is a separate and distinct legal entity.

Visit Grant Thornton's Global Public Sector at www.grantthornton.com/publicsector.

Grant Thornton