

ICGFM Conference

*Global Trends, High Performing
Agencies and the Role of SAI's*

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May 15, 2017
Miami, FL

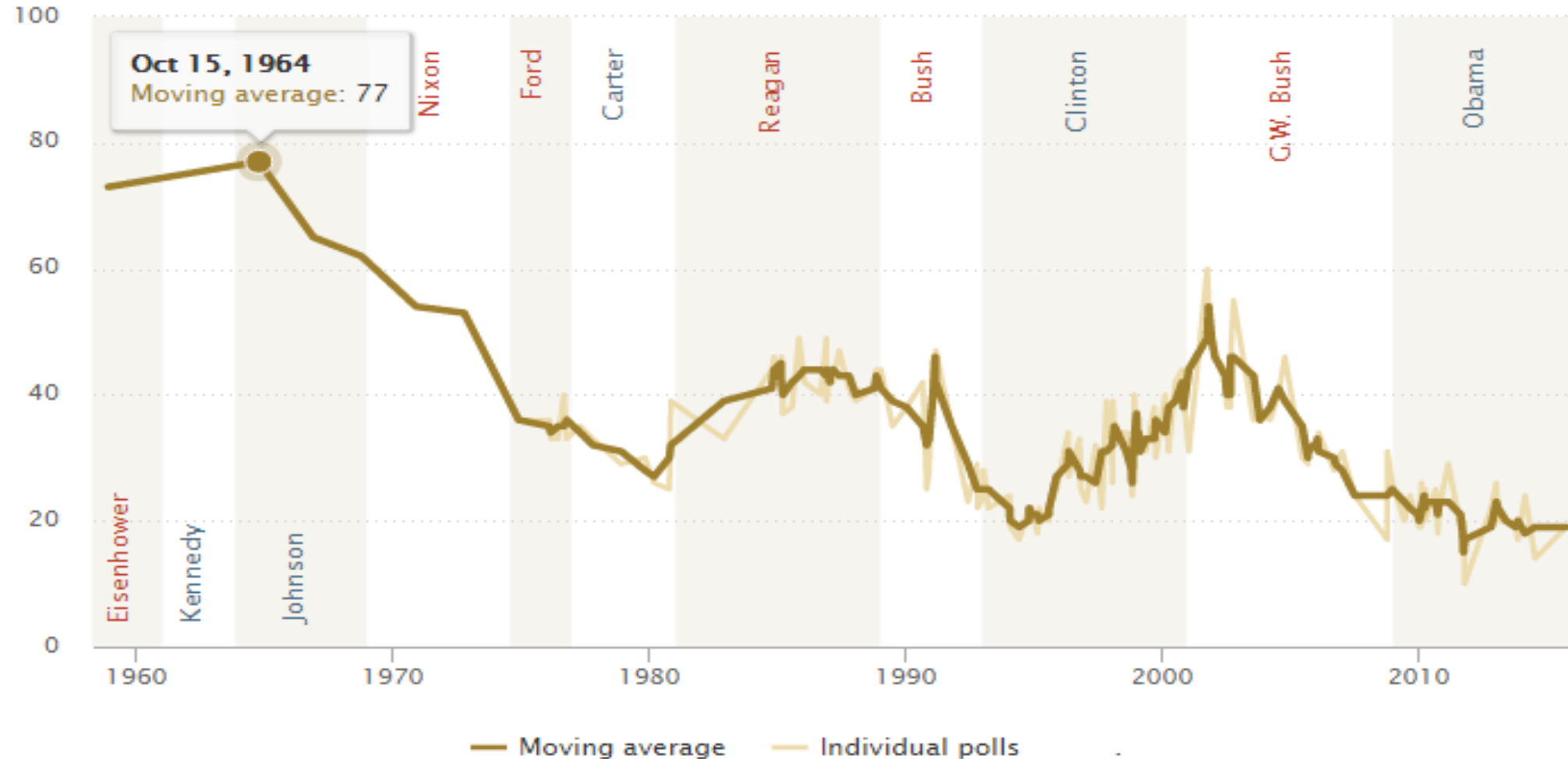
Selected Global Trends That Have No Boundaries

- Changing Security Threats and Safety Concerns
- Global Interdependence
- Growing Gaps Between the Haves and Have Nots
- Science and Technology Trends
- Demographic and Societal Changes
- Climate Change and Environmental Concerns
- Fiscal Sustainability and Debt Challenges
- Declining trust in Government
- Shifts in Governance and Government

Source: Pew Research Center

Significant Decline in Trust of the Federal Government

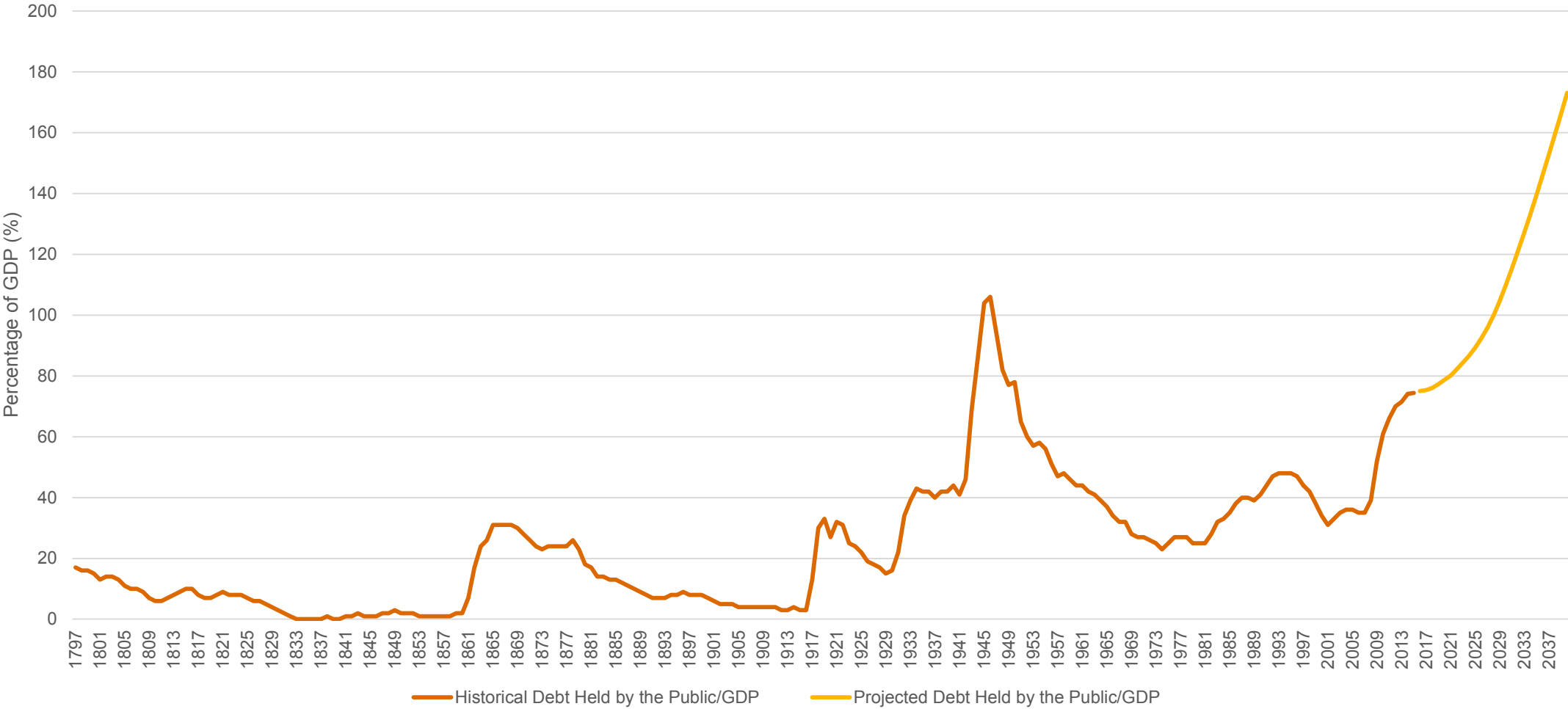
% who trust the govt in Washington always or most of the time



Source: Pew Research Center

Federal Debt Held by the Public as a Share of GDP

Federal Debt Held by the Public as a Share of GDP (1797-2040)



Source: Government Accountability Office, 2015

Sovereign Fiscal Responsibility Index 2012

Country	Fiscal Space (% of GDP, 2010)	Fiscal Path (# of years)	Fiscal Governance (pts out of 100)	Overall Rank
Australia	168.2	40+	65.9	1
New Zealand	163.6	38	68.5	2
Estonia	138.1	40+	61.7	3
Sweden	153.7	40+	59	4
China	184.9	40+	49.4	5
Luxembourg	178	22	61.8	6
Chile	193.3	40+	45.9	7
Denmark	153.1	34	54.7	8
United Kingdom	90.8	27	66.4	9
Brazil	102.3	39	56.9	10
Canada	106	39	51.5	11
India	97.3	40+	56.3	12
Poland	94.9	31	58	13
Netherlands	92.7	12	72.3	14
Norway	171.6	22	47.9	15
Slovak Republic	107.7	33	50.9	16
Korea	124.9	40+	27.5	17
Mexico	112.1	30	50.7	18
Israel	113	40+	40.5	19

Source: www.deficitranger.com

Sovereign Fiscal Responsibility Index 2012 (cont.)

Country	Fiscal Space (% of GDP, 2010)	Fiscal Path (# of years)	Fiscal Governance (pts out of 100)	Overall Rank
Slovenia	105.2	21.0	54.3	20
Austria	76.4	12.0	67.8	21
Finland	99.2	13.0	57.9	22
France	58.7	15.0	62.8	23
Spain	81.5	12.0	60.7	24
Germany	75.7	18.0	57.4	25
Belgium	42.3	8.0	61.2	26
Italy	17.8	7.0	59.2	27
United States	62.4	16.0	46.0	28
Hungary	53.2	12.0	46.1	29
Ireland	38.1	6.0	48.4	30
Japan*	49.0	5.0	47.2	31
Iceland**	17.1	20.0	20.2	32
Portugal	27.8	5.0	45.1	33
Greece	0.0	0.0	45.0	34

Source: www.deficitranger.com

Relative Financial Position and Competitiveness by State

1. Alaska (5)	70.0%	18. Missouri (3)	5.9%	35. Pennsylvania (4)	25.7%
2. North Dakota (2)	49.5%	18. Oklahoma (3)	5.9%	36. Vermont (5)	28.9%
3. Wyoming (3)	43.3%	20. Colorado (1)	6.0%	37. Mississippi (5)	29.5%
4. Utah (1)	7.2%	21. Arizona (2)	6.1%	38. Alabama* (4)	30.1%
5. South Dakota (2)	6.0%	22. Nevada (3)	7.1%	39. West Virginia (5)	32.5%
6. Nebraska (2)	5.8%	22. New Hampshire (4)	7.1%	40. California (4)	32.8%
7. New Mexico (4)	5.3%	24. Georgia (1)	7.7%	41. Michigan (3)	33.6%
8. Idaho (2)	4.6%	25. Wisconsin (2)	8.3%	42. Delaware (3)	34.1%
9. Tennessee (1)	4.4%	26. Ohio (2)	9.4%	43. New York (4)	34.7%
10. Iowa (1)	1.8%	27. Kansas (3)	11.8%	44. Louisiana (5)	37.9%
11. Oregon (3)	0.7%	28. Texas (1)	13.6%	45. Hawaii (5)	44.2%
12. Florida (1)	2.3%	29. North Carolina (1)	15.2%	46. Massachusetts (3)	44.7%
13. Virginia (1)	2.4%	30. Washington (2)	15.5%	47. Connecticut (5)	67.2%
14. Minnesota (2)	2.6%	31. Maine (5)	16.5%	48. Illinois (4)	75.3%
15. Montana (3)	2.9%	32. Maryland (4)	20.1%	49. Kentucky (4)	79.5%
16. Arkansas (4)	3.3%	33. South Carolina (2)	21.8%	50. New Jersey (5)	86.9%
17. Indiana (1)	4.6%	34. Rhode Island (5)	25.5%		

Completed: January 2017

Rankings are based on Fiscal 2015 CAFR financial data and the latest migration and competitiveness data for 2016

*Alabama Fiscal Year 2015 CAFR had not yet been released. Fiscal Year 2014 CAFR data is used here instead.

- State names: in black denote positive state migration; in red denote negative state migration for the period 7/1/15-6/30/16

- Percentages in: red denote an accumulated burden per taxpayer as % of median household income; black denote an accumulated surplus per taxpayer as % of household income

- Relative Competitive Posture in 2016 By Quintile – (1), (2), (3), (4) and (5)

- Sources: Truth in Accounting's State Data Lab, U.S. Census Bureau, Forbes, CEO Magazine, and CNBC

- The initial and full PwC State Financial Position Index (SFPI) and Competitiveness Report that used 2014 CAFR and 2015 competitiveness and migration data can be found at <http://pwc.to/1O6S85f>. This report contains explanations of key terms and computations.

Transition to the Trump Administration - Key Issues

Themes

- Economic Growth, Opportunity and Jobs
- Safety and Security
- Regulatory Relief
- Reorganization and Rightsizing
- Devolution
- Shared Services
- PPPs/Commercialization/Privatization/Property
- Best Practices

Issues

- Health Care Reform
- Tax Reform
- Infrastructure
- Border Security and Immigration Reform
- Trade and International Assistance/Organizations
- Intel and Defense Transformation
- High Performing Agencies

Attributes of High Performing Agencies (HPAs)

Agency has a **strategic** framework that is consistent with its statutory mission(s), future focused and results (outcomes) oriented.

The **strategic framework** is **updated** at least every three years.

Agency **organizational alignment** is **designed to minimize layers**, silos and footprints and the alignment is reviewed periodically.

Budgeted resources and agency authorities (e.g., regulatory, enforcement, grants, loans, guarantees) are **linked to desired outcomes** and are periodically reviewed to improve efficiency, reduce burdens and enhance effectiveness.

Agency, unit and individual **performance measurement** and reward systems are tied to desired outcomes in the strategic framework.

Sourcing and execution strategies (e.g., devolution, PPPs, commercialization, privatization, shared services) are periodically reviewed and reassessed.

All GAO High Risk, Inspector General **Major Management Challenges**, and GAO Duplication/Overlap/Redundancy issues are being **addressed with a clear path to successful** resolution within two years.

Enterprise Risk Management, including cyber security, is well defined, effectively implemented and embraced.

Human capital is capable and a top priority, technology is adequate and leveraged, and knowledge sharing is encouraged and facilitated.

Financial management systems produce timely, reliable and useful information that is used for ongoing management.

Project management capability is effective and enabling the needed changes.

Overall **agency performance assessment** includes achieving results, client/customer feedback, employee feedback and key stakeholder feedback. Innovation and continuous improvement are encouraged and ingrained in an agency's culture.

Key Concepts for Transformation of Accountability Organizations

Themes

- Leading by Example
- Oversight, Insight and Foresight
- Performance and Accountability
- Maximize Value and Manage Risk
- Constructive Engagement
- Published Protocols
- Contextual Sophistication
- Linking Resources to Results
- Targeting of Efforts

Areas

- Strategic Planning
- Organizational Alignment
- Performance Management
- IT and Knowledge Management
- Human Capital Reforms
- Enterprise Risk Management
- Communication Strategy
- High Risk Areas
- Balanced Scorecard

Illustrative Transformation Results for GAO

Items	1998	2008	2016
Financial (Billions)	\$19.7	\$58.1	\$63.4
Other Benefits	537	1,398	1,234
New Products With Recs.	N/A	66%	68%
Recommendations Implemented	69%	83%	73%
Testimonies	256	298	119
Timeliness	93%	95%	94%
Employee Satisfaction	N/A	#2	#2