Testimony
Before the Committee on Armed Services, House of Representatives

SECURING, STABILIZING, AND REBUILDING IRAQ

GAO Audit Approach and Findings

Statement of David M. Walker
Comptroller General of the United States
Mr. Chairman and Members of the Committee:

I am pleased to be here today to provide a strategic overview of GAO’s work related to securing, stabilizing, and rebuilding Iraq. In my statement today, as requested, I will highlight (1) GAO's scope, authority, and coordination; (2) some of the insights stemming from our work in Iraq; and (3) the rigorous quality assurance framework that GAO uses to ensure relevant, reliable, and consistent results in all of our work.

My statement today is based upon extensive work spanning several years. Since 2003, we have issued 67 Iraq-related reports and testimonies. For example, I sent a report to the Congress last week on a range of key issues for congressional oversight of efforts to secure, stabilize, and rebuild Iraq.\textsuperscript{1} Although many of our sources are classified, we strive to report information to the Congress in a public format to promote greater transparency and accountability of U.S. government policies, programs, and activities. As provided for in our congressional protocols, most of our work in Iraq has been performed under my authority to conduct evaluations on my own initiative since it is a matter of broad interest to the entire Congress and numerous committees in both chambers. Our work also helped inform the deliberations of the Iraq Study Group; I personally briefed this group on the results of our Iraq work in June 2006. We also provided significant additional information to the Iraq Study Group for its use.

The work supporting this statement is based on our analysis of agency plans and documents and discussions with relevant senior officials from the Departments of Defense (DOD), Energy, State, and the Treasury; the U.S. Agency for International Development (USAID); the Army Corps of Engineers; the multinational force; the Defense Intelligence Agency; and the Central Intelligence Agency. We conducted our reviews in accordance with generally accepted government auditing standards.

**Summary**

GAO and the Inspectors General (IG) of individual departments and agencies have different roles and responsibilities. GAO’s broad audit authority allows us to support Congress through strategic analyses of issues that cut across multiple federal agencies and sources of funding.

Our work spans the security, political, and economic prongs of the U.S. national strategy in Iraq. The broad, cross-cutting nature of this work helps minimize the possibility of overlap and duplication by any individual Inspector General.

Based on our work, we have made some unique contributions to Congress. Our past and ongoing work has focused on the U.S. strategy and costs of operating in Iraq, training and equipping the Iraqi security forces, governance issues, the readiness of U.S. military forces, and acquisition outcomes. Some highlights from our work follow:

- **Our analysis of the National Strategy for Victory in Iraq** recommended that the National Security Council improve the strategy by articulating clearer roles and responsibilities, specifying future contributions, and identifying current costs and future resources.

- **In our examination of the cost of U.S. military operations abroad**, we recommended that the Secretary of Defense improve the transparency and reliability of DOD’s Global War on Terror (GWOT) obligation data. We also recommended that DOD build more funding into the baseline budget once an operation reaches a known level of effort and costs are more predictable.

- **In assessing the capabilities of Iraqi security forces**, we found that overall security conditions in Iraq have deteriorated despite increases in the numbers of trained and equipped security forces. A complete assessment of Iraqi security forces’ capabilities is dependent on DOD providing GAO with the readiness levels of each Iraqi unit.

- **We found that DOD faces significant challenges in maintaining U.S. military readiness for overseas and homeland missions and in sustaining rotational deployments of duty**, especially if the duration and intensity of current operations continue at the present pace.

- **In assessing the impact of ongoing military operations in Iraq on military equipment**, we found that the Army and the Marine Corps have initiated programs to reset (repair or replace) equipment and are likely to incur large expenditures in the future.

- **In reviewing efforts to secure munitions sites and provide force protection**, we recommended that DOD conduct a theaterwide survey and risk assessment of unsecured conventional munitions in Iraq and incorporate storage site security into strategic planning efforts.
In assessing acquisition outcomes, we found that DOD often entered into contract arrangements with unclear requirements, which posed additional risks to the government. DOD also lacked the capacity to provide sufficient numbers of contracting, logistics, and other personnel, thereby hindering oversight efforts.

In April 2005, an international peer review team gave our quality assurance system a clean opinion—only the second time a national audit institution has received such a rating from a multinational team. Thus, the Congress and the American people can have confidence that GAO’s work is independent, objective, and reliable.

While the IGs are designed to focus primarily on exposing fraud, waste, and abuse in individual federal agency programs, GAO’s broad audit authority allows us to support Congress through strategic analyses of issues that cut across multiple federal agencies and sources of funding. Although the IGs report to the heads of their respective departments and make periodic reports to Congress, GAO reports directly to Congress on a continuous basis. GAO consults regularly with its oversight committees and relevant committees of jurisdiction regarding key issues of national importance, such as U.S. fiscal solvency, emergency preparedness, DOD transformation, global competitiveness, and emerging health care and other challenges for the 21st century.

The Congress established the GAO in 1921 to investigate all matters relating to the receipt, disbursement, and application of public funds. Since then, Congress has expanded GAO’s statutory authorities and frequently calls upon it to examine federal programs and their performance, conduct financial and management audits, perform policy analysis, provide legal opinions, adjudicate bid protests, and conduct investigations. In 2006, the GAO issued more than 1,000 audit products and produced a $105 return for each dollar invested in the agency.\(^5\)

GAO has developed substantial expertise on security and reconstruction issues, as well as having long-term relationships with State, Defense, and USAID. Our work spans several decades and includes evaluations of U.S. military and diplomatic programs and activities, including those during

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and following contingency operations in Vietnam, the Persian Gulf (Operations Desert Shield and Storm), Bosnia, and Afghanistan.

We also have many years of expertise in evaluating U.S. efforts to help stabilize regions or countries; we have, for example, monitored U.S. assistance programs in Asia, Central America, and Africa. The depth and breadth of our work and the expertise we have built has helped facilitate our ability to quickly gather facts and provide insights to the Congress as events unfold, such as the conflict in Iraq. Our current work draws on our past work and regular site visits to Iraq and the surrounding region, such as Jordan and Kuwait. Furthermore, we plan to establish a presence in Iraq beginning in March 2007 to provide additional oversight of issues deemed important to Congress. Our plans, however, are subject to adequate fiscal 2007 funding of GAO by the Congress.

Our work in Iraq spans the three prongs of the U.S. national strategy in Iraq—security, political, and economic. The broad, cross-cutting nature of our work helps minimize the possibility of overlap and duplication by individual IGs. We and other accountability organizations take steps to coordinate our oversight with others to avoid duplication and leverage our resources. In that regard, the ability of the Special Inspector General for Iraq Reconstruction (SIGIR) to provide in-country oversight of specific projects and reconstruction challenges has enabled us to focus our work on more strategic and cross-cutting national, sector, and interagency issues.

The expansion of SIGIR’s authority underscores the need for close coordination. We coordinate our work in Iraq through various forums, including the Iraq Inspectors General Council (IIGC) and regular discussions with the IG community. Established by what is now SIGIR, IIGC provides a forum for discussion and collaboration among the IG and staff at the many agencies involved in Iraq reconstruction activities. Our work is coordinated through regular one-on-one meetings with SIGIR, DOD, State, and USAID. We also coordinate our work with other accountability organizations, such as the Federal Bureau of Investigation’s (FBI) public corruption unit.
Let me highlight some of the key findings and recommendations we have made as a result of our continuing work in Iraq.

In November 2005, the National Security Council issued the National Strategy for Victory in Iraq (NSVI) to clarify the President’s strategy for achieving U.S. political, security, and economic goals in Iraq. The U.S. goals included establishing a peaceful, stable, and secure Iraq. Our July 2006 report assessed the extent to which the NSVI and its supporting documents addressed the six characteristics of an effective national strategy. While we reported that the NSVI was an improvement over previous U.S. planning efforts for stabilizing and rebuilding Iraq, we concluded that the strategy fell short in at least three key areas. First, it only partially identified the agencies responsible for implementing key aspects of the strategy. Second, it did not fully address how the United States will integrate its goals with those of the Iraqis and the international community, and it did not detail Iraq’s anticipated contribution to its future needs. Third, it only partially identified the current and future costs of U.S. involvement in Iraq, including maintaining U.S. military operations, building Iraqi government capacity, and rebuilding critical infrastructure.

We recommended that the NSC improve the current strategy by articulating clear roles and responsibilities, specifying future contributions, and identifying current costs and future resources. In addition, our report urged the United States, Iraq, and the international community to (1) enhance support capabilities of the Iraqi security forces, (2) improve the capabilities of the national and provincial governments, and (3) develop a comprehensive anti-corruption strategy. In our view, congressional review of the President’s 2007 plan for Iraq should consider

The six characteristics are (1) a clear purpose, scope, methodology; (2) a detailed discussion of the problems, risks, and threats the strategy intends to address; (3) the desired goals and objectives, and outcome-related performance measures; (4) a description of the U.S. resources needed to implement the strategy; (5) a clear delineation of the U.S. government roles, responsibilities, and mechanisms for coordination; and (6) a description of how the strategy is integrated internally among U.S. agencies and externally with the Iraqi government and international organizations. See Rebuilding Iraq: More Comprehensive National Strategy Needed to Help Achieve U.S. Goals, GAO-06-788 (Washington, D.C.: July 11, 2006).
whether it addresses the key elements of a sound national strategy identified in our July 2006 report.

In October 2005, we issued a classified report on the military’s campaign plan for Iraq.\(^4\) In that report, we discussed the military’s counterinsurgency plan for Iraq and the conditions and phases in the plan. The report contained a recommendation to link economic, governance, and security indicators to conditions for stabilizing Iraq. Congress acted on our recommendation in the 2006 National Defense Authorization Act and required DOD to report on progress toward meeting the conditions referred to in GAO’s report. We have supplemented this work with a series of classified briefings to the Congress on changes to the campaign plan and U.S. efforts to train and equip Iraqi security forces and protect weapons caches throughout Iraq. We will continue to provide Congress these classified briefings.

Limited Transparency on the Costs of the Global War on Terror

Since 2001, Congress has appropriated about $495 billion to U.S. agencies for military and diplomatic efforts in support of the global war on terrorism; the majority of this amount has gone to stabilize and rebuild Iraq. Efforts in Iraq involve various activities such as combating insurgents, conducting civil affairs, building capacity, reconstructing infrastructure, and training Iraqi military forces. To date, the United States has reported substantial costs for Iraq and can expect to incur significant costs in the foreseeable future, requiring decision-makers to consider difficult trade-offs as the nation faces an increasing number of long-range fiscal challenges. Funding for these efforts has been provided through annual appropriations, as well as supplemental appropriations that are outside the annual budget process. In our view, moving more funding into baseline budgets, particularly for DOD, would enable decision-makers to better weigh priorities and assess trade-offs.

As of September 30, 2006, DOD had reported costs of about $257.5 billion for military operations in Iraq.\(^5\) In addition, as of October 2006, about $29 billion had been obligated for Iraqi reconstruction and stabilization efforts. However, problems with the processes for recording and reporting GWOT


\(^5\)DOD’s reported costs in Iraq do not include the costs of classified activities.
costs raise concerns that these data may not accurately reflect the true dollar value of war-related costs.

U.S. military and diplomatic commitments in Iraq will continue for the foreseeable future and are likely to involve hundreds of billions of additional dollars. The magnitude of future costs will depend on several direct and indirect variables and, in some cases, decisions that have not been made. DOD’s future costs will likely be affected by the pace and duration of operations, the types of facilities needed to support troops overseas, redeployment plans, and the amount of military equipment to be repaired or replaced. Although reducing the number of troops would appear to lower costs, we have seen from previous operations in the Balkans and Kosovo that costs could rise—if, for example, increased numbers of contractors replace military personnel. With activities likely to continue into the foreseeable future, decision-makers will have to carefully weigh priorities and make difficult decisions when budgeting for future costs.

Over the years, we have made a series of recommendations to the Secretary of Defense intended to improve the transparency and reliability of DOD’s GWOT obligation data, including recommendations that DOD (1) revise the cost-reporting guidance so that large amounts of reported obligations are not shown in “miscellaneous” categories, and (2) take steps to ensure that reported GWOT obligations are reliable. We also have recommended that DOD build more funding into the baseline budget once an operation reaches a known level of effort and costs are more predictable. In response, the department has implemented many of our previous recommendations.

Progress in Transferring Security Responsibilities to Iraq Has Not Led to Improved Security Conditions

Overall security conditions in Iraq continued to deteriorate in 2006 and have grown more complex despite recent progress in transferring security responsibilities to Iraqi security forces and the Iraqi government. The number of trained and equipped Iraqi security forces has increased from about 174,000 in July 2005 to about 323,000 in December 2006, at the same time as more Iraqi army units have taken the lead for counterinsurgency operations in specific geographic areas. Despite this progress, attacks on coalition forces, Iraqi security forces, and civilians have all increased, reaching record highs in October 2006. Because of the poor security in Iraq, the United States could not draw down U.S. force levels in Iraq as planned in 2004 and 2006, and U.S. forces have continued to conduct combat operations in urban areas, especially Baghdad.
Transferring security responsibilities to the Iraqi security forces and provincial governments is a critical part of the U.S. government’s strategy in Iraq and key to allowing a drawdown of U.S. forces. Since 2003, the United States has provided about $15.4 billion to train, equip, and sustain Iraqi security forces and law enforcement. However, it is unclear whether U.S. expenditures and efforts are having their intended effect in developing capable forces and whether additional resources are needed. A key measure of the capabilities of Iraqi forces is the Transition Readiness Assessment (TRA) reports prepared by coalition advisors embedded in Iraqi units. These reports serve as the basis for the Multinational Force-Iraq (MNF-I) determination of when a unit is capable of leading counterinsurgency operations and can assume security responsibilities for a specific area.

The TRA reports provide the coalition commander’s professional judgment on an Iraqi unit’s capabilities and are based on ratings in personnel, command and control, equipment, sustainment and logistics, training, and leadership. To conduct future work on this issue, GAO has made multiple requests for full access to the unit-level TRA reports over the last year. However, DOD has not yet complied with our requests. This serves to seriously and inappropriately limit congressional oversight over the progress achieved toward a critical U.S. objective.

Since 2003, the United States has provided about $15.4 billion for Iraqi security forces and law enforcement. According to Multinational Security Transition Command-Iraq (MNSTC-I) records, MNF-I has issued about 480,000 weapons, 30,000 vehicles, and 1.65 million pieces of gear (uniforms, body armor, helmets, and footwear), among other items, to the Iraqi security forces as of October 2006.

Congress funded the train-and-equip program for Iraq outside traditional security assistance programs, which, according to DOD officials, provided DOD with a large degree of flexibility in managing the program. Since the funding did not go through traditional security assistance programs, the accountability requirements normally applicable to these programs did not necessarily apply, according to DOD officials. It is currently unclear what

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6Traditional security assistance programs operate under State authority and are managed in country by DOD through security assistance organizations under the direction and supervision of the Chief of the U.S. Diplomatic Mission.
accountability measures, if any, DOD has chosen to apply to the train-and-equip program for Iraq, as DOD officials have expressed differing opinions on this matter. As part of our ongoing work, we have asked DOD to clarify what accountability measures it has chosen to apply to the program.

While it is unclear which regulations DOD has chosen to apply, beginning in early 2004, MNF-I established requirements to control and account for equipment provided to the Iraqi security forces by issuing orders that outlined procedures for its subordinate commands. These included obtaining signed records for equipment received by Iraqi units or individuals and recording weapons serial numbers. Although MNF-I took initial steps to establish property accountability procedures, limitations such as the initial lack of a fully operational equipment distribution network, staffing weaknesses, and the operational demands of equipping the Iraqi forces during war hindered its ability to fully execute critical tasks outlined in the property accountability orders. Since late 2005, MNSTC-I has taken additional steps to improve its property accountability procedures, including establishing property books for equipment issued to Iraqi Ministry of Defense and Ministry of Interior forces. According to MNSTC-I officials, MNSTC-I also recovered existing documentation for equipment previously issued to Iraqi forces. However, according to our preliminary analysis, DOD and MNF-I may not be able to account for Iraqi security forces’ receipt of about 90,000 rifles and about 80,000 pistols that were reported as issued before early October 2005. Thus, DOD and MNF-I may be unable to ensure that Iraqi military forces and police received all of the equipment that the coalition procured or obtained for them.

In our ongoing review, we will continue to assess MNF-I records for Iraqi equipment distributed to Iraqi forces. We plan on issuing a final report on these and related intelligence matters by March 2007. Our work focuses on the accountability requirements for the transportation and distribution of U.S.-funded equipment and did not review any requirements relevant to the procurement of this equipment.

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7 A property book is a formal set of property accounting records and files.

8 DOD defines accountability as the obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records, to ensure control of property, documents or funds, with or without physical possession (DODI 5000.64, Accountability and Management of DoD-Owned Equipment and Other Accountable Property, E2.2).
### Challenges in Improving Governance and Spending Budgeted Capital Project Funds

The U.S. government faces significant challenges in improving the capabilities of Iraq’s central and provincial governments so that they can provide security and deliver services to the Iraqi people. According to State, the Iraqi capacity for self-governance was decimated after nearly 30 years of autocratic rule. In addition, Iraq lacked competent existing Iraqi governmental organizations. Since 2003, the United States has provided the Iraqis with a variety of training and technical assistance to improve their capacity to govern. As of December 2006, we identified more than 50 capacity development efforts led by at least six U.S. agencies. However, it is unclear how these efforts are addressing core needs and Iraqi priorities in the absence of an integrated U.S. plan.

Iraq also faces difficulties in spending budgeted funds for capital goods and projects in the security, oil, and electricity sectors. When the Iraqi government assumed control over its finances in 2004, it became responsible for determining how more than $25 billion annually in government revenues would be collected and spent to rebuild the country and operate the government. However, unclear budgeting and procurement rules have affected Iraq’s efforts to spend capital budgets effectively and efficiently. Since most of the U.S. reconstruction funds provided between fiscal years 2003 and 2006 have been obligated, unexpended Iraqi funds represent an important source of additional financing. Iraq had more than $6 billion in unspent capital project funds as of August 2006. For example, Iraq’s Oil Ministry spent only $4 million of $3.6 billion in budgeted funds to repair Iraq’s dilapidated oil infrastructure.

The inability to spend this money raises serious questions for the government, which has to demonstrate to citizens who are skeptical that it can improve basic services and make a difference in their daily lives. The U.S. government has launched a series of initiatives in conjunction with other donors to address this issue and improve ministry budget execution.

### Impact of the War on U.S. Military Readiness

Since September 11, 2001, U.S. military forces have experienced a high pace of operations to support homeland security missions, Operation Enduring Freedom in Afghanistan, and various combat and counterinsurgency operations in Iraq. These operations have required many units and personnel to deploy for multiple tours of duty and, in some cases, to remain for extended tours. DOD faces significant challenges in maintaining readiness for overseas and homeland missions and sustaining rotational deployments of duty, especially if the duration and intensity of current operations continue at the present pace.
Ongoing military operations in Iraq are inflicting heavy wear and tear on military equipment. Some equipment items used by U.S. forces are more than 20 years old, and harsh combat and environmental conditions over time have further exacerbated equipment condition problems. The Army and the Marine Corps have initiated programs to reset (repair or replace) equipment and are likely to incur large expenditures in the future. We are currently assessing these programs, including the extent to which the military services are tracking reset costs and the extent to which their reset plans maintain unit equipment readiness while meeting ongoing operational requirements.

U.S. ground forces in Iraq have come under frequent and deadly attacks from insurgents using weapons such as improvised explosive devices (IED), mortars, and rocket launchers. IEDs, in particular, have emerged as the number one threat against U.S. forces. Because of the overwhelming size and number of conventional munitions storage sites in Iraq, combined with prewar planning assumptions that proved to be invalid, there were an insufficient number of U.S. and coalition troops on the ground to prevent the widespread looting of those sites. The human, strategic, and financial costs of the failure to provide sufficient troops on the ground have been high, since IEDs made from looted explosives have caused about half of all U.S. combat fatalities and casualties in Iraq and have killed hundreds of Iraqis. In addition, unsecured conventional munitions sites have helped sustain insurgent groups and threatened the achievement of the Operation Iraqi Freedom's (OIF) strategic goal of creating a stable Iraqi nation.9

DOD’s actions to date have primarily focused on countering IEDs and not on the security of conventional munitions storage sites as a strategic planning and priority-setting consideration for future operations. Although good first steps, these actions do not address what we believe is a critical OIF lesson learned: If not secured during initial combat operations, an adversary’s conventional munitions storage sites can represent an asymmetric threat to U.S. forces that remain in country.

In December 2006, we recommended that the Chairman of the Joint Staff conduct a theaterwide survey and risk assessment regarding unsecured

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conventional munitions in Iraq and incorporate conventional munitions storage site security as a strategic planning factor into all levels of planning policy and guidance. DOD partially concurred with our recommendations.

Efforts to protect U.S. ground forces with increased body and truck armor have been characterized by shortages and delays, which have reduced operational capabilities and forced combat commanders to accept additional risk in completing their missions. We are currently reviewing force protection measures, including body armor, for current operations, as well as the organization and management of the Joint IED Defeat to counter the IED threat.

In prior reports, we recommended that the process for identifying and funding urgent wartime requirements be improved and that funding decisions be based on risk and an assessment of the highest priority requirements. More recently, we have recommended actions to ensure that the services make informed and coordinated decisions about materiel solutions developed and procured to address common urgent wartime requirements. DOD generally agreed with these recommendations.

DOD has relied extensively on contractors to undertake major reconstruction projects and provide logistical support to its troops in Iraq. Despite making significant investments through reconstruction and logistics support contracts, this investment has not always resulted in the desired outcomes. Many reconstruction projects have fallen short of expectations, and DOD has yet to resolve long-standing challenges in its management and oversight of contractors in deployed locations. These challenges often reflect shortcomings in DOD's capacity to manage contractor efforts, including having sufficiently focused leadership, guidance, a match between requirements and resources, sound acquisition approaches, and an adequate number of trained contracting and oversight personnel.

The challenges encountered in Iraq are emblematic of the systemic issues that DOD faces. In fact, GAO designated DOD’s contract management activities as a high-risk area more than a decade ago and have reported on DOD’s long-standing problems with its management and oversight of support contractors since 1997. For example, because information on the number of contractor employees and the services they provide is not aggregated within DOD or its components, DOD cannot develop a complete picture of the extent to which it relies on contractors to support its operations. DOD recently established an office to address contractor support issues, but the office’s specific roles and responsibilities are still being defined.

In assessing acquisition outcomes government-wide over many years, we have applied a framework of sound acquisition practices that recognizes that a prerequisite to having good outcomes is to match well-defined requirements and available resources. Shifts in priorities and funding invariably have a cascading effect on individual contracts. Further, to produce desired outcomes with available funding and within required time frames, DOD and its contractors need to clearly understand DOD’s objectives and needs and how they translate into the contract’s terms and conditions; they need to know the goods or services required, the level of performance or quality desired, the schedule, and the cost. When such requirements were not clear, DOD often entered into contract arrangements that posed additional risks. Managing risks when requirements are in flux requires effective oversight, but DOD lacked the capacity to provide sufficient numbers of contracting, logistics, and other personnel, thereby hindering oversight efforts. With a considerable amount of DOD’s planned construction work remaining and the need for continued logistical support for deployed forces, it is essential to improve DOD’s capacity to manage its contractors if the department is to increase its return on its investment.

GAO’s value to the Congress and the American people rests on its ability to demonstrate professional, independent, objective, relevant, and reliable work. To achieve this outcome, we set high standards for ourselves in the conduct of our work. Our core values of accountability, integrity, and

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GAO’s Quality Assurance Framework

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reliability describe the nature of our work and, most importantly, the character of our people. In all matters, GAO takes a professional, objective, and nonpartisan approach to its work. GAO's quality assurance framework is designed to ensure adherence to these principles.

The framework is designed around people, processes, and technology and applies to all GAO work conducted under generally accepted government auditing standards. GAO has a multidisciplinary staff of approximately 3,200 accountants, health experts, engineers, lawyers, national security specialists, environmental specialists, economists, historians, social scientists, actuaries, and statisticians. GAO leverages this knowledge by staffing engagements with teams proficient in a number of areas. For example, engagement teams comprise a mix of staff supported by experts in technical disciplines, such as data collection and survey methods, statistics, econometric modeling, information technology, and the law. To add additional value and mitigate risk, GAO has a forensic audits and special investigations team to expose government fraud, waste, and abuse.

A key process in our quality assurance framework is providing responsible officials of audited agencies with the opportunity to review and comment on our draft reports. This policy is one of the most effective ways to ensure that a report is fair, complete, and constructive.

In April 2005, an international peer review team gave our quality assurance system a clean opinion—only the second time a national audit institution has received such a rating from a multinational team. Thus, the Congress and the American people can have confidence that GAO's work is independent, objective, and reliable. The team, under the auspices of the Global Working Group of national audit institutions, examined all aspects of GAO's quality assurance framework. The team found several global “better practices” at GAO that go beyond what is required by government auditing standards. These practices included its strategic planning process, which ensures that GAO focus on the most significant issues facing the country, serious management challenges, and the programs most at risk.

The team identified other noteworthy practices:

- GAO's audit risk assessment process, which determines the level of product review and executive involvement throughout the audit engagement.
GAO’s agency protocols, which provide clearly defined and transparent policies and practices on how GAO will interact with audited agencies.

GAO’s use of experts and specialists to provide multidisciplinary audit teams with advice and assistance on methodological and technical issues—vastly expanding GAO’s capacity to apply innovative approaches to the analysis of complex situations.

As an organization in constant pursuit of improvement, we benefited from the peer reviewers’ recognition of our quality control procedures as global “better practices” as well as their suggestions on how to strengthen guidance and streamline procedures.

Concluding Observations

Our work highlights the critical challenges that the United States and its allies face in the ongoing struggle to help the Iraqis stabilize, secure, and rebuild their country. Forthright answers to the oversight questions we posed in our report of January 9, 2007, are needed from the U.S. agencies responsible for executing the President’s strategy. Congress and the American people need complete and transparent information on the progress made toward achieving U.S. security, economic, and diplomatic goals in Iraq to reasonably judge our past efforts and determine future directions. For future work, GAO will continue to provide this committee and Congress with independent analysis and evaluations and coordinate our efforts with the accountability community to ensure appropriate oversight of federal programs and spending.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions that you or other members may have at this time.

GAO Contacts and Acknowledgments

For questions regarding this testimony, please call Joseph A. Christoff at (202) 512-8979. Other key contributors to this statement were Nanette Barton, Donna Byers, David Bruno, Dan Cain, Lynn Cothern, Tim DiNapoli, Mike Ferren, Rich Geiger, Tom Gosling, Whitney Havens, Lisa Helmer, Patrick Hickey, Henry L. Hinton Jr., John Hutton, Steve Lord, Judy McCloskey, Tet Miyabara, Mary Moutsos, Ken Patton, Sharon Pickup, Jason Pogacnik, Jim Reynolds, Donna Rogers, and William Solis.
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