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Transparent Government and Access to Information: A Role for Supreme Audit Institutions

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Today I'm pleased and honored to address you about the benefits of transparency and accountability and how they can improve government. On a domestic level, reasonable transparency is essential to fighting corruption, improving government performance, ensuring accountability, maintaining public trust, and a building a healthy democracy. On an international level, government transparency matters not just for domestic reasons but also to help build trust and promote convergence and cooperation because in today's world countries need to partner for progress on a number of current and emerging challenges.

From the industrialized world to the developing world, every nation faces a range of challenges. Some are long-standing and country-specific. But increasingly, nations share a number of common challenges that transcend national borders, sectoral boundaries, and institutional bureaucracies.

Whether it's halting the spread of infectious diseases, or protecting the environment, or combating international terrorism, we have to work together to achieve real and sustainable results. No nation, including the United States, can afford to go it alone. Instead, all nations need to develop shared strategies and, in some cases, pool their resources and expertise. By "partnering for progress," we can maximize value and mitigate risk. Forums like this provide valuable opportunities to build bridges among sectors and among nations.

Just a year ago in this very city, I spoke on tsunami relief and reconstruction. Countries around the world gave generously to help the victims of this terrible tragedy. While the United Nations, the International Organization of Supreme Audit Institutions (INTOSAI), and others have taken steps to better monitor the use of tsunami assistance funds, much more still needs to be done.

To remain responsive to public needs in the 21st century, government bureaucracies around the world will need to reinvent themselves. That's certainly true for many federal agencies in Washington, D.C. But transforming what governments do and how they do business means that policymakers must first be willing to accept a reasonable degree of transparency and accountability. Policymakers must also be willing to challenge the status quo and engage in tough transformational change efforts, even though they may not be popular.

In the case of the United States, in recent years several major corporations strayed from the principles of transparency and accountability. Companies like Enron and Worldcom concealed their true behavior from government regulators and their investors. The result was a string of bankruptcies and restatements that have harmed countless shareholders, employees, and retirees. People lost their investments, their jobs, and their pensions. Public confidence in the integrity of corporate financial reporting process also took a big hit.

Transparency and accountability are especially important in the public sector. Around the world, government services directly affect the well-being of countless citizens. But sound decisions on government programs and policies are nearly impossible without timely, accurate, and useful

information. Furthermore, government employees hold a public trust that must be recognized, respected, and honored.

Obviously, government corruption reduces the ability to meet real societal needs. Reasonable transparency promotes government economy, efficiency, effectiveness, ethics, and equity. Transparency also helps to combat corruption. As U.S. Supreme Court Justice Louis Brandeis once said, “Sunshine is the best disinfectant.”

In fact, when I met with Chinese Premier Zhu Rongji at his request a few years ago, he asked me for one suggestion to fight corruption, improve government performance, and promote transformation. My recommendation was, “Break China’s long-standing tradition and make the reports of the Chinese National Audit Office public.” And to Premier Zhu’s credit, he did just that, and it has made a big difference.

Transparency also puts pressure on public officials to make difficult but necessary policy and operational choices. Politicians find that avoiding tough issues isn’t so easy when voters and the press are looking over their shoulders. With greater public scrutiny, public officials are more likely to consider the bigger picture, the greater good, and the longer term. With greater public scrutiny, public officials are also less likely to shirk their stewardship responsibility to future generations.

As the head of the U.S. Government Accountability Office, I’ve learned firsthand how crucial it is to bring issues to light. Every couple of years, GAO issues its high-risk list of troubled government programs and activities. Many of these areas are vulnerable to waste, fraud, abuse, and mismanagement. Over the years, I’ve heard from a number of government ministers who were anxious to get programs and other items off of GAO’s high-risk list. Several of these agencies have worked closely with GAO to address a range of shortcomings. And I’m pleased to say that GAO has been able to drop a number of items from its high-risk list over the years. Unfortunately, we’ve added more items than we’ve dropped, and our high-risk list now includes 27 areas, about half of which relate directly or indirectly to our Department of Defense.

The lesson here is clear: It’s important to bring issues to light. History shows that with light comes heat, and with heat comes action. What’s also at stake here is government credibility. Transparency and accountability can build public trust in government. Without openness, people tend to assume the worst, even when their skepticism isn’t justified.

Now, you’d think that transparency and public access to information wouldn’t be controversial subjects. After all, who could be opposed to openness in government? As Comptroller General of the United States, I’ve found that almost everyone is in favor of transparency and accountability until these notions apply to them. In fact, at one point, I had to sue the Vice President of the United States to get access to information on the White House’s proposed energy policy. And GAO still encounters federal agencies that try to delay our access to so-called “sensitive”

government documents. After almost nine years as Comptroller General, I've come to realize when government officials use the word "sensitive" in connection with information typically what they mean is "embarrassing." After all, in America no one is above the law, including the President and Vice President.

GAO has never wavered in its belief that the public deserves to be fully informed about all major aspects of government operations. After all, the U.S. government is one that's supposed to be of the people, by the people, and for the people.

In my view, independent, well-run, and adequately resourced supreme audit institutions (SAI) like GAO are essential to effective government. Strong SAIs help to ensure policymakers and the public have access to timely and accurate information. Strong SAIs also hold government officials and programs accountable for results. Any government that values ethics and integrity needs to have a strong and independent SAI as part of its system of checks and balances.

SAIs have traditionally been about government oversight. Clearly, financial audits and compliance reviews are an important check on waste, fraud, and abuse. Likewise, program evaluations and best-practice studies can help improve government efficiency and effectiveness. But routine oversight of day-to-day government operations is only the most basic function that SAIs can and should be undertaking today.

I'm reminded here of the psychologist Abraham Maslow's hierarchy of needs. Maslow believed that people first need to meet "self-preservation" needs like food, shelter, employment, and personal safety. Once these basic needs are met, individuals then want to satisfy higher needs. At the top of Maslow's hierarchy is self-actualization. Those reaching this stage have made the most of their God-given abilities. These individuals have become the best they can be.

When it comes to supreme audit institutions, there's a similar hierarchy. Envision a pyramid with six levels, each describing a mission. (See [exhibit A](#).) At the bottom is the most basic mission every government SAI should hope to achieve—fighting corruption. It's essential that civil servants are honest and committed to the public good. A government run by thieves isn't going to accomplish much, other than picking the pockets of its own people.

The next level in the SAI pyramid is enhancing transparency, which helps to facilitate progress on all fronts. The third level is accountability, and I'd include here efforts like compliance and regularity reviews. This includes the idea that all aspects of government should be accountable to the taxpayers for the results they achieve with the resources they've been given. At a minimum, every SAI, whatever its budget, whatever its expertise, should be fighting corruption, ensuring transparency, and pursuing accountability.

The fourth level is enhancing government economy, efficiency, ethics, equity, and effectiveness. The fifth level is providing policymakers with options to make government work better, such as improving programs, consolidating redundant efforts, or adopting best practices.

The sixth and final level in the pyramid is foresight, a function that more mature and experienced SAIs should consider undertaking: I'm talking about providing policymakers with insight into the future. Today, government leaders need to have a long-term perspective and understand the big picture. Too often, however, it's the immediate crisis that gets all the attention. Policymakers find it easier to ignore issues whose impact may not be felt for several years.

With their reputations for independence, professionalism, and reliability, SAIs are uniquely positioned to alert public officials to emerging trends and future challenges. For example, most industrialized nations are going to have to develop better strategies to care for their aging populations, and address long-range fiscal imbalances. By encouraging action while problems are still manageable, SAIs can help their governments avoid crises down the line. Similarly, SAIs can also help educate policymakers about the long-term costs of various policy choices.

At every level of the pyramid, SAI work needs to be balanced and constructive. SAIs shouldn't simply point out what's wrong in government. It's also important to highlight policies and practices that are working well. By sharing success stories and describing best practices, SAIs are more likely to get their governments to transform how they do business. After all, a balanced and constructive approach to oversight is also more likely to build public trust and confidence in government.

Created by statute in 1921, GAO is a good example of a mature SAI. In recent years, GAO has made it a priority to provide Congress and the American people with information on future trends that should be addressed. For example, as Comptroller General I've been trying to raise awareness about my country's growing long-range fiscal imbalance and the need to reform social insurance programs like Social Security and Medicare, and our nation's tax policy.

GAO takes seriously its responsibility to speak out on a range of complex and sometimes controversial issues. It's not always an easy job, and some people don't like what we have to say, but as U.S. President Harry Truman once said, "If you can't stand the heat, get out of the kitchen." When it comes to key issues of concern to Congress and the nation, I can assure you GAO has no plans to stop speaking truth to power.

GAO also seeks to lead by example on issues of transparency and accountability. GAO makes it a point to publicly report almost all of its work. Consistent with the values of a free and open society, GAO makes a vast majority of its work available not just to Congress and agency heads but to the public and the press via the Internet. Virtually every GAO report and testimony before Congress is posted on our Web site on the day it is issued. And the public does follow GAO's

findings, conclusions, and recommendations. Every day, thousands of users access GAO's Web site and download our audit reports and other documents.

But most Americans learn about GAO's work through news stories. That's why GAO has worked hard over the years to build good working relationships with print and broadcast journalists. We at GAO appreciate the important role that a free press plays in making citizens aware of important operational challenges and policy choices, and in holding public officials accountable.

For 40 years, the Freedom of Information Act has guaranteed public access to U.S. government documents. GAO is in the legislative branch, so the act doesn't apply to us. But we strongly support this landmark legislation, and we voluntarily comply with the act's principles.

GAO is also committed to an appropriate degree of transparency about our own key policies, procedures, and criteria. Whether it's a member of Congress requesting a GAO report or an agency head responding to a GAO request for information, we want people to have confidence that when they're dealing with GAO, they're going to be treated fairly and consistently. This transparency is seen in our new protocols for dealing with Congress and the agencies we audit. These protocols are comprehensive and detailed, and I recommend them for other SAIs.

Finally, GAO holds itself accountable for results. For the past seven years, we've issued an annual report explaining what the agency has accomplished with the resources it has received. The report also describes our plans for the future and the overall themes our work will focus on. For example, last year, measurable financial benefits from GAO's work totaled a record \$51 billion in U.S. dollars. That's an all-time record \$105 return for every dollar invested in GAO. We also reported significant nonfinancial accomplishments that improved government operations. In my view, this sort of straightforward performance measurement and cost/benefit reporting should be standard throughout the U.S. government.

With greater government transparency, average citizens will have a better understanding of the issues that matter. They may even make better choices at the voting booth. In my view, an informed electorate is more likely to accept leaders who are prepared to make difficult choices. An informed electorate is also more likely to accept shared sacrifice.

The Danish physicist Niels Bohr said, "The best weapon of a dictatorship is secrecy, but the best weapon of a democracy should be the weapon of openness." Today, as nations struggle with shared challenges like climate change and economic interdependence, transparency and accountability have assumed a new level of importance. After all, successful partnering depends on trust, and trust is reinforced by transparency and accountability. In the future, our individual and collective progress will depend increasingly on our commitment to these vital principles.

Thank you for your time and attention.

Exhibit A

Accountability Organization Maturity Model



Source: GAO.

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