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THE JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM'S
EIGHTH ANNUAL FINANCIAL MANAGEMENT CONFERENCE

[REBUILDING PUBLIC CONFIDENCE IN GOVERNMENT--
THE FINANCIAL MANAGER'S ROLE]

MARCH 19, 1979

I am pleased to be here today at this, the Eighth Annual Financial Management Conference of the Joint Financial Management Improvement Program, and I welcome all of you who share the concern for rebuilding the public's confidence in Government.

This is a subject of particular interest to me. I have worked in the Federal Government nearly 40 years, in both the executive and legislative branches, and I frankly cannot recall a period during that time when public confidence in the Government was so low. I think we would have to look back to the days of the Great Depression to see a period when Americans have complained so loudly or been so skeptical about the quality and character of the performance of governmental institutions.

I believe that a major contributing factor in the erosion of the confidence of the public has been the attention given in the media and other wise to evidence and allegations of waste, fraud, abuse, and error in the management of public programs. These are highlighted almost daily on television and in news

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papers. The problem in the General Services Administration, Medicaid, Medicare, defense procurement, and the Small Business Administration are just a few examples.

The misuse of Government funds is generated by a relatively few employees who have seriously damaged the reputation of the 3 million other Federal employees who work conscientiously day in and day out, observing the highest standards of ethics in all that they do. You and I know that Government employees are just as concerned as the general public about the waste of Government funds. About one-fourth of the calls my Office has received on our new "fraud hotline" telephone system installed in January have come from Federal employees who want to report allegations of theft; private use of Government property; employee working hour abuses; bribes or kickbacks; non-performance of contracts; and other improper activities. This is not surprising since Federal employees are taxpayers, too, who want to see their taxes spent properly.

With public confidence in Government at such a low ebb, the question for this conference is: what are we going to do about improving it? In my view, the best way to restore that confidence is to do more to improve the Government's operations, and do more to tell the public of our efforts and the results of these efforts. The public needs to see that its taxes are being spent by a strong and effective Government; a Government that takes its stewardship responsibilities

seriously; a Government whose financial managers operate in environments that provide for accountability of public funds.

We have gone part way toward achieving this goal in recent months by taking several significant steps. The new Civil Service Reform Act, for example, gives Federal managers new incentives to eliminate waste and inefficiency and to build a new foundation for more effective Government. The establishment of Offices of Inspector General in 12 major Departments and agencies, with new broader powers and greater independence to detect and prevent fraud and abuse in Federal programs, also offers evidence to the public that its Government is taking action to make itself more responsive and more responsible.

We can continue to provide that kind of evidence through stepping up our efforts to collect the billions of dollars in debts owed the Government and overpayments of benefits royalties, goods and services. More needs to be done in following up on the \$4.3 billion in collections and savings contained in the unresolved audit findings reported by auditors throughout the Government, 80 percent of which we estimate would be resolved in favor of the Government.

These kinds of improvements give immediate and dramatic evidence to the public that we are serious in our efforts to counteract the fraud, waste, and abuse it has been reading

about. The financial manager has a key role in the long-term improvement in the confidence of the public in Government. It is the financial manager who can improve productivity through better utilization of the Federal work force. It is the financial manager who can eliminate the inconsistencies and duplication in audits of grant programs that sees some grant recipients of less importance or low risk being audited repeatedly while others are not audited for many years, if at all.

It falls to our financial managers to be the bulwark against fraud, waste, and error by strengthening their management and accounting systems and their internal controls to minimize the possibilities of waste of taxpayers' monies. We look to them to reverse the slide of public confidence in Government, and we look to conferences such as today's to bring about the sharing of ideas and the learning of lessons that will enable us to demonstrate to the entire Nation that we recognize the responsibilities of the public trust we hold, and that we can and will act to improve the operation of our Government.

Dr. John White told you this morning about the Administration's new initiative for financial management improvement in obtaining approval of accounting systems, improving internal control, settling audit findings and a number of

other areas. As he indicated, these areas were chosen in consultation with us and in many cases represent areas our audits have identified as needing improvement. We are pledging our full support to this effort and plan to do what we can to see that this initiative is successful.