



National Association of State
Auditors, Comptrollers and Treasurers

WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 July 15, 2013

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GAO Releases No Audit Opinion on Federal Government's Financial Statements

Comptroller General Gene Dodaro appeared before the House Oversight and Government Reform Committee last Wednesday to discuss the U.S. Government Accountability Office's annual report on the audit of the consolidated financial statements of the U.S. government. The report, which also looked at efforts to increase the use of performance information in government, also highlighted that the U.S. Office of Management and Budget and the federal agencies are missing opportunities to use such information more effectively.

GAO identified three long-standing issues which prevented them from issuing an opinion on the federal government's 2012 consolidated financial statements:

- Serious financial management problems at the Department of Defense.
- The federal government's inability to adequately account for and reconcile intragovernmental activity and balances between federal entities.
- The federal government's ineffective process for preparing the consolidated financial statements.

Regarding performance information, GAO found "...the results from our 2013 managers' survey show almost no statistically significant changes in managers' perceptions of their leaders' and supervisors' attention and commitment to use of performance information since our last survey in 2007."

Video archive of the hearing, along with

the GAO report, can be found at <http://oversight.house.gov/hearing/unaccountable-government-gao-reports-show-feds-struggling-to-track-money-and-performance/>.

House Subcommittee Delves into Medicaid

With the deadline approaching fast for States to set up their health insurance exchanges, the

House Energy and Commerce Subcommittee on Health took a look at Medicaid expansion issues last Monday. The hearing, entitled "Making Medicaid Work for the Most Vulnerable," examined the current state of the Medicaid program in light of existing pressures related to growing enrollment trends, scarce resources, and barriers for patients in accessing quality care.

Panelist Alan Weil, executive director for the National Academy for State Health Policy, told the subcommittee that "While the nation debates the future of Medicaid and the future of the health care system, Medicaid is the only practical option millions of vulnerable Americans have for meeting their health care needs." He also cited examples within states that have received federal support to test health care delivery system reforms through the Centers for Medicare and Medicaid Innovation's State Innovation Models cooperative agreements:

- Arkansas is focusing on a population-based care delivery model.
- Minnesota seeks to integrate medical care, community health, public

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health, and social services, and encourage providers to partner with community organizations to manage population health.

- Vermont's approach includes the use of Community Health Teams and Support Services at Home programs, and is seeking to integrate mental health with medical services.

Testimony from Mr. Weil and the video archive of the hearing can be found at <http://energycommerce.house.gov/hearing/making-medicaid-work-most-vulnerable>.

The Week Ahead: Strategic Sourcing, SEC Nominations, and Much More

Congress enters mid-July with a vast array of hearing topics:

Today, the Senate Homeland Security and Governmental Affairs Committee will hold a hearing entitled "Strategic Sourcing: Leveraging the Government's Buying Power to Save Billions," featuring Cristina Chaplain, director of acquisition and sourcing management at GAO. (www.hsgac.senate.gov/hearings/strategic-sourcing-leveraging-the-governments-buying-power-to-save-billions-)

Tomorrow, the Senate Banking, Housing and Urban Affairs Committee will hold a markup to vote on pending nominations of Kara Stein and Michael Piwowar to become the new members of the Securities and Exchange Commission.

(www.banking.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing&Hearing_ID=213643c9-d99f-4791-a90e-3598bad2e17e)

On Wednesday, the Senate Commerce, Science and Transportation Subcommittee on Consumer Protection, Product Safety and Insurance will hold a hearing entitled "The Expansion of Internet Gambling: Assessing Consumer Protection Concerns." In announcing the hearing, Committee Chairmen Jay Rockefeller (D-WV) noted:

"Internet gambling is a multi-billion dollar industry that comes with some serious risks, including the potential for money laundering used for terrorist financing. This alone demands that we take a hard look at what a growing Internet gambling industry means as more states have recent laws permitting online wagering."

(www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=002168e6-39f8-4239-bcd8-531ca14df3ec&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c39afe033-4cba-9221-de668ca1978a)

Closing out the week on Thursday, the House Energy and Commerce Subcommittee on Oversight and Investigations will hold a hearing on the 2010 health care overhaul law and delays in its implementation. (<http://energycommerce.house.gov/hearing/patient-protection-and-affordable-care-act-implementation-wake-administrative-delay>)