


[Reports & Testimonies](#)
[Bid Protests & Appropriations Law](#)
[Key Issues](#)
[About GAO](#)
[Careers](#)
[Multimedia](#)
[Resources](#)
[About GAO](#) | [About GAO](#) | [Location](#) | [Our Workforce](#) | [Products and Services](#) | [History](#) | [Health Care Advisory Committees](#)

GAO: Working for Good Government Since 1921

[Return to Table of Contents](#)
[< Previous Chapter](#) | [Next Chapter >](#)

Effective July 7, 2004, the GAO's legal name became the Government Accountability Office. The change, which better reflects the modern professional services organization GAO has become, is a provision of the GAO Human Capital Reform Act of 2004, Pub. L. 108-271, 118 Stat. 811 (2004). This article was published in 2001 to mark GAO's 80th anniversary. It refers to the agency by its original name, the U.S. General Accounting Office.

Chapter 6, Elmer B. Staats: Broadening GAO's work, 1966-1981

In February 1966, President Lyndon B. Johnson nominated Elmer B. Staats to succeed Campbell. A former Deputy Director of the Bureau of the Budget, Staats drew on his many years of government experience as he led GAO during a period of change and national turmoil.

In reflecting on Staats's tenure, a senior GAO manager referred to him in 1981 as "a pragmatic agent of good government," who viewed GAO's reports as "a way to achieve results rather than simply hitting someone over the head." Staats was a strong advocate of public service and constructive change, who worked to improve management throughout the government. Within GAO, he practiced a participatory management style, often relying on task forces to study job processes and organizational issues.



Elmer B. Staats first entered public service in 1936. His long career has reflected a broad interest both in government and in the nation's capital. In 1974, he inspected the construction site for a subway station in Washington near the Pension Building, which had housed GAO's headquarters from 1926 to 1951.

Staats focused on improving GAO's internal planning processes and on expanding its work and issue areas to more effectively serve the Congress. Not only did the Comptroller General broaden GAO's work, he also increased the agency's services to Congress. When Staats took charge of GAO in 1966, less than ten percent of the total effort of its professional staff went toward providing direct assistance to the Congress. By the time he left office in 1981, the number had risen to nearly 40 percent.

Early in his tenure, Staats realigned GAO's Defense Division into functional units, such as manpower, procurement, supply management, management control systems, and so forth. The new division became the Defense Auditing and Accounting Division (DAAD), while the old Civil Division was renamed the Civil Auditing and Accounting Division (CAAD). Under Staats, the Office of General Counsel, which had concentrated in the past on decisions and other legal matters, also started emphasizing assistance to GAO's operating divisions.

In the early 1970s, Staats reorganized the divisional setup. In 1971, the Comptroller General created a Management Improvement Program and an Organization Planning Study Group. After the study group issued its report, Staats established an Office of Policy and Program Planning and a Financial and General Management Studies Division (FGMSD). FGMSD worked on financial management improvement, computer studies, system analysis, and intergovernmental relations.



In the 1970s, Comptroller General Staats reorganized GAO's staff offices and divisions. He also oversaw the first major renovation of office space in the agency's headquarters building. These photos show a hallway as it looked during the 1950s and 1960s and a renovated hallway in 1978.

In 1972, Staats undertook a major reorganization of GAO's divisions. He replaced CAAD and DAAD with six new functional divisions: Logistics and Communications; Procurement and Systems Acquisition; Federal Personnel and Compensation; Manpower and Welfare; Resources and Economic Development; and the General Government Division. In 1973, Staats established an Office of Energy and Special Projects, which he upgraded to the Energy and Minerals Division in 1976. Also in 1976, he upgraded GAO's Office of Program Analysis, making it the Program Analysis Division.

During his tenure, Staats worked to improve governmental accountability. He revitalized GAO's work with the Joint Financial Management Improvement Program. Under Staats, GAO took a lead role in issuing auditing guidance. As policy initiatives increased during the 1960s, the number of federal grants-in-aid rose sharply. The rapid growth in federally assisted programs placed enormous administrative control burdens on government at all levels. Many officials recognized a need for greater accountability and oversight over the grant programs, but the lack of a demonstrated basis for acceptance made it difficult to rely on the results of some local audits.

During the 1960s, several states modernized their audit programs to include performance auditing as well as traditional financial auditing. Some sought guidance from GAO in expanding their audit functions. In 1969, a group of state auditors met with Comptroller General Staats and asked for help in compiling standards to improve state and federal auditing.

Congress and the White House also sought ways to strengthen controls over federal grant-in-aid programs. In the early 1970s, President Richard M. Nixon's "New Federalism" emphasized the need to streamline administrative machinery, consolidate block grants and share federal revenues with the states. Audit standardization was one of the components of the Nixon administration's effort to improve the administration of federal programs. In 1970, the Bureau of the Budget and GAO agreed on the formation of a government auditing standards task force, which undertook a lengthy research and drafting process. As a result of the work of the task force, the Comptroller General issued in 1972 the first edition of the **Standards for Audit of Governmental Organizations, Programs, Activities & Functions**, which came to be known as the "Yellow Book." In later years, GAO gave the book a more concise title, **Government Auditing Standards**, and updated its guidance periodically. In addition to issuing guidance to help state and local auditors, the Comptroller General played a key role in establishing intergovernmental audit forums in the 1970s.



Elmer B. Staats, President Richard M. Nixon, Robert F. Keller. In 1969, President Nixon appointed Robert Keller, GAO's General Counsel, to serve as Deputy Comptroller General.

Under Staats, GAO worked on a number of issues of great national importance. Before the Federal Elections Commission assumed oversight of campaign expenditures in 1974, GAO's Office of Federal Elections undertook a number of reviews, some of which touched on Watergate. GAO also did important work on energy issues, consumer protection, the economy, and New York City's fiscal crisis. As the Vietnam War intensified and defense spending rose, Staats in 1966 opened an office in Saigon, the capital of South Vietnam. GAO's auditors worked in the field as well as in Saigon. Some of the fieldwork was done under hazardous circumstances. In 1969, six auditors narrowly escaped injury during a rocket attack on the U.S. base at Da Nang in Vietnam. GAO's Saigon office remained operational until the signing of peace accords in 1973.



GAO's auditors in Saigon during the Vietnam War

As domestic spending shot up during the Johnson administration, Congress found it needed more information about how well government programs were meeting their objectives. In 1967, amendments to the Economic Opportunity Act of 1964 directed GAO to examine anti-poverty programs to determine their efficiency and the extent to which they carried out their objectives. GAO submitted a summary report on March 18, 1969, followed later by some 60 supplemental reports. During its reviews, the Office examined a number of programs aimed at fighting poverty. It found that some showed progress but needed management improvement, others had produced limited success, while still others had achieved less than expected given the amount of money spent on them. GAO concluded that while the anti-poverty programs had moved ahead in four years, their administrative machinery needed substantial improvement. The reports on the anti-poverty program reviews generally were well received and Congress endorsed GAO's move into program evaluation in the Legislative Reorganization Act of 1970 (84 Stat. 1167) and the Congressional Budget and Impoundment Control Act of 1974 (88 Stat. 297).



GAO's staff, mostly accountants, began to change to fit the agency's new assignments. In the 1970s, GAO started recruiting physical scientists, social scientists, computer professionals, and experts in such fields as health care, public policy, and information management. In 1980, most of the agency's auditors and management analysts were re-classified as evaluators to reflect GAO's varied work. During Staats's tenure, GAO relied on new technological tools as well as on employees with diverse academic degrees. In the 1970s and 1980s, the agency increasingly used computers in its audit and administrative operations.



Here a GAO team examines the operations of a wind tunnel at a NASA research center where aerodynamic problems are studied.



These recruiting photos show GAO's auditors at work in the 1970s

[Return to Table of Contents](#)

[< Previous Chapter](#) | [Next Chapter >](#)