



Highlights of [GAO-10-97](#), a report to the Ranking Member, Committee on Finance, U.S. Senate

Why GAO Did This Study

Over the years, Congress has created or authorized the creation of numerous entities to carry out federal programs and further public purposes. These federally created entities can be categorized into several types and serve a variety of missions. They are subject to varying governance, accountability, and transparency requirements through which Congress sought to strengthen entity operations, compliance, performance and resource accountability, and public access to information. Collectively, these entities receive trillions of dollars annually in funds appropriated by Congress.

Given the wide variety of entity types, applicability of key broad-based requirements, and federal funding, the committee asked GAO to (1) identify and categorize federally created entities by type; (2) determine the extent to which the various entity types are generally subject to key broad-based statutory governance, accountability, and transparency requirements we identified; and (3) determine the amount of appropriations Congress has made directly available to each of the individual entities in recent years (fiscal years 2005 through 2008).

To answer these questions, GAO reviewed federal statutes and regulations, previous GAO and Congressional Research Service reports, data on appropriated funds and other budget authority maintained by the Office of Management and Budget, and other relevant manuals, literature and Web sites.

[View GAO-10-97 or key components.](#)
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FEDERALLY CREATED ENTITIES

An Overview of Key Attributes

What GAO Found

GAO identified 219 federally created entities with varied control, missions, and operations. These entities, which GAO categorized into 7 types, are not universally subject to the 12 key broad-based governance, accountability, and transparency requirements reviewed for this report. These requirements are: budget preparation, review, and approval; strategic and performance planning; budget execution and funds control; control of improper payments; internal control and accounting systems; preparing and reporting of audited financial statements; standards of conduct; whistleblower protection; access to public records; availability of federal contract and grant information; and access to public meetings. For fiscal years 2005 through 2008, Congress appropriated, on average, about \$4 trillion a year in federal funds to 129 of the federally created entities in 4 of the 7 entity types. The table summarizes GAO's results.

Applicability of Requirements, Number of Identified Entities, and Percentage of Appropriated Federal Funds by Entity Type

Entity type	General applicability of requirements	Number of identified entities	Entities directly receiving appropriated funds	Percent of average annual appropriated funds to identified entities
Executive departments	Almost all	15	15	73.6 %
Other executive branch entities	Almost all	88	79	24.8 %
Government corporations	Most	23	18	1.5 %
Other federally established organizations	No	50	17	0.1 %
Nonappropriated fund instrumentalities	No	1	0	-
GSEs ^a	No	3	0	-
FFRDCs	No	39	0	-
Total		219	129	100.0 %

Source: GAO analysis.

^aAs of June 2009, two GSEs are in federal conservatorship and have received commitments of federal support through funds appropriated to the Department of the Treasury and from the Federal Reserve System.

Executive departments and other executive branch entities are subject to almost all of the 12 key requirements and received, on average, more than 98 percent of the appropriated funds reviewed. In contrast, nonappropriated fund instrumentalities, government-sponsored enterprises, and federally funded research and development centers are not subject to the requirements but did not directly receive appropriated funds. However, these entities may have received funds from other federal sources via contracts, grants, or other arrangements.

In establishing entities and specifying their governance, accountability, and transparency requirements, Congress has weighed a variety of considerations such as accountability, economy, efficiency, effectiveness, and entity missions. Entities not subject to the specific requirements GAO reviewed may have adopted or be subject to other comparable requirements.