

**GAO**

Report to the Ranking Member,  
Committee on Finance, U.S. Senate

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April 2009

# DESIGNATED FEDERAL ENTITIES

## Survey of Governance Practices and the Inspector General Role



**GAO**

Accountability \* Integrity \* Reliability

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Highlights of [GAO-09-270](#), a report to the Ranking Member, Committee on Finance, U.S. Senate

## Why GAO Did This Study

For entities that rely on others for funding, effective governance, accountability, and internal control are keys to maintaining trust and credibility. In recent years, corporate governance and accountability have received increased scrutiny and emphasis in the nonprofit, federal government, and public company sectors. Governance and accountability problems have also been identified at designated federal entities (DFE) such as the Smithsonian Institution, the Legal Services Corporation, and the Pension Benefit Guaranty Corporation.

This report responds to a congressional request that GAO describe (1) the statutory structure of the governing bodies for each DFE organization and (2) the role of the inspectors general (IGs) in the governance structure. To accomplish this, GAO surveyed the DFE heads and IGs on governance issues and reviewed information from a variety of sources, including the IG Act and subsequent amendments; enabling legislation for the DFEs; and legislative and regulatory standards and requirements for financial reporting and internal control.

GAO is not making specific recommendations in this report, but is providing this information for consideration in future efforts to update the governance of DFEs, oversee the entities and their IGs, and continue work to improve the effectiveness of government. GAO received technical comments, which were incorporated as appropriate.

[View GAO-09-270](#) or [key components](#). For more information, contact Jeanette Franzel at (202) 512-2600 or [franzelj@gao.gov](mailto:franzelj@gao.gov).

## DESIGNATED FEDERAL ENTITIES

### Survey of Governance Practices and the Inspector General Role

#### What GAO Found

The DFEs vary in structure and requirements for governance. At the time of GAO's review, the designated size of the governing bodies of the 31 DFEs ranged from 1 to 24 members. Fifteen had at least one vacancy and 2 had more vacancies than sitting members. The frequency of DFE multimember governing-body meetings ranged from daily to rarely or not at all. In GAO's survey of DFEs, 13 indicated that they are required to comply with 12 key statutes that cover management and accountability. The remaining 18 reported varying requirements, with one not subject to any of the statutes. Only 7 DFE governing bodies have a structure that includes governance or oversight committees for ensuring oversight of management decisions, results of operations, and emerging risks. While 19 DFEs reported having orientation programs for new governing body members, only 9 reported ongoing training.

IG effectiveness is influenced by an entity's governance structure and practices. Within DFEs, IGs vary in their role and relationship with management. IGs are charged with preventing and detecting fraud and abuse; conducting audits and investigations; and recommending policies to promote economy, efficiency, and effectiveness. To accomplish these objectives, IGs must be able to establish and maintain independence; have control of their resources to plan and perform work; recruit, retain, and manage sufficient professional staff; and be able to resolve audit and investigation recommendations. GAO's survey of IGs showed that most report to the highest levels in their entities, a legislative requirement that is a key element of independence. At the same time, the IGs had limited control over their resources, and their budgets and staffing were not always adequate to perform needed audits and investigations. Only 3 IGs had the transparency that a separate line item in their entity's budget provides, and 8 needed management approval for spending. Audit resolution varied, with some IGs reporting a lack of entity responsiveness to recommendations. Only 10 DFEs reported that their governing bodies have written policies for monitoring the implementation of IG recommendations. Nine of the 10 have policies that require the governing body to respond in writing and to develop a plan to address recommendations. During the course of GAO's work, Congress passed and the President signed into law on October 14, 2008, the Inspector General Reform Act of 2008, which was intended to enhance IG independence. Its implementation may mitigate some of the issues GAO found.

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## **Abbreviations**

ADA	Anti-Deficiency Act
ARC	Appalachian Regional Commission
ATDA	Accountability of Tax Dollars Act of 2002
BBG	Broadcasting Board of Directors
CFTC	Commodity Futures Trading Commission
CPB	Corporation for Public Broadcasting
CPSC	Consumer Product Safety Commission
DFE	Designated Federal Entity

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EAC	Election Assistance Commission
ECIE	Executive Council on Integrity and Efficiency
EEOC	Equal Employment Opportunity Commission
FCA	Federal Credit Administration
FCC	Federal Communications Commission
FEC	Federal Election Commission
FHFB	Federal Housing Finance Board
FISMA	Financial Information Security Management Act of 2002
FLRA	Federal Labor Relations Authority
FMC	Federal Maritime Commission
FMFIA	Federal Managers' Financial Integrity Act of 1982
FOIA	Freedom of Information Act
FRB	Federal Reserve Board
FTC	Federal Trade Commission
FTE	Full-time Equivalent
FTR	Federal Travel Regulation
GPRA	Government Performance and Results Act of 1993
IG	Inspector General
IPIA	Improper Payments Information Act of 2002
LSC	Legal Services Corporation
MD&A	Management's Discussion and Analysis
NARA	National Archives and Records Administration
NCUA	National Credit Union Administration
NEA	National Endowment for the Arts
NEH	National Endowment for the Humanities
NLRB	National Labor Relations Board
NSF	National Science Foundation
OIG	Office of Inspector General
OMB	Office of Management and Budget
PAR	Performance and Accountability Report
PBGC	Pension Benefit Guaranty Corporation
PCIE	President's Council on Integrity and Efficiency
PRC	Postal Regulatory Commission
SEC	Securities and Exchange Commission
State	Department of State
USITC/ITC	United States International Trade Commission
USPS	United States Postal Service
WPA	Whistleblower Protection Act

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United States Government Accountability Office  
Washington, DC 20548

April 20, 2009

The Honorable Charles E. Grassley  
Ranking Member  
Committee on Finance  
United States Senate

Dear Senator Grassley:

In recent years, corporate governance and accountability processes have received increased scrutiny and emphasis in the nonprofit, federal government, and public company sectors as a result of accountability breakdowns, most notably in the public company financial scandals that led to the enactment of the Sarbanes-Oxley Act of 2002.<sup>1</sup> Governance is the framework of rules and practices by which a governing body,<sup>2</sup> such as a board of directors, ensures accountability, fairness, and transparency in the entity's relationship with all of its stakeholders, including management, employees, and government. Governance and accountability problems have also been identified at federal entities, including the Smithsonian Institution, Legal Services Corporation, and the Pension Benefit Guaranty Corporation, all of which are considered designated federal entities (DFE).

DFEs are the entities listed in the Inspector General Act of 1978 (IG Act), as amended,<sup>3</sup> which requires the head of each entity to establish an office of inspector general (IG) and appoint an IG. Currently there are 31 DFEs, which include boards, commissions, authorities, endowments, institutions, agencies, and administrations created by statute to serve unique functions and purposes. In fiscal year 2007, these entities were responsible for annual budgets ranging from \$10 million to \$80 billion. The effectiveness and independence of the DFE IG are closely related to the governance structure of the DFE and the role that the IG plays within that structure. IGs must be able to operate independently within the governance framework at their respective agencies in order to be effective.

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<sup>1</sup> Pub. L. No. 107-204, 116 Stat. 745 (July 30, 2002).

<sup>2</sup> Person or persons with the overall responsibility for the mission of the entity.

<sup>3</sup> 5 U.S.C. App.

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In response to your interest in governance issues in the DFEs, this report provides information about DFE governing bodies and the role of the IGs in DFE governance. The purpose of this report is not to make conclusions on the effectiveness of governance and IG practices for each entity, but to provide information for consideration in future oversight. In evaluating the various governance practices for each entity, a variety of factors need to be considered including the entity's size, structure, mission, and risks. The specific objectives of this report are to (1) describe and summarize the statutory structure of the governing bodies for each DFE organization and (2) describe the role of the IGs within the governance structure and relationship with management of their respective agencies.

To obtain the information needed for our two reporting objectives, we reviewed and summarized information from a variety of sources, including the IG Act and subsequent amendments; enabling legislation for the DFEs; and relevant legislative and regulatory standards and requirements for financial reporting and internal control. Based on prior governance and IG work, we developed and conducted a survey of DFE agency heads<sup>4</sup> and, separately, DFE IGs,<sup>5</sup> regarding governing body structure, communication between governing body and IG, staffing and budget for the IG, and number of IG recommendations. In addition, we conducted interviews with certain DFE agency heads and IGs to clarify survey answers and obtain additional information. We also sent the general counsels of each DFE a data request asking the entity to identify which of 12 governance and accountability statutes that we selected for review it is subject to, voluntarily complies with, or does not follow.<sup>6</sup> We refer to these instruments in our report as the entity head survey, the IG survey, and the data request. Appendix I contains a more complete description of our scope and methodology. We conducted this engagement from September 2007 to January 2009 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objective. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained,

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<sup>4</sup> Twenty-nine of the 31 DFEs completed our entity head survey. Amtrak and the Federal Communications Commission did not.

<sup>5</sup> All 31 IGs completed our IG survey.

<sup>6</sup> All of the 31 DFEs completed our data request on the application of the 12 key statutes to their entity. We did not separately assess the assertions of the general counsels on the applicability of the 12 statutes to their DFEs.

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and the analysis conducted, provide a reasonable basis for any findings and conclusion.

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## Results in Brief

The DFEs have wide variations in their statutory structure and requirements for governance. Survey responses showed that the size of DFE governing bodies ranged from 1 to 24 members. While Congress may weigh many political and policy factors in deciding on the governance structure of DFEs, current private sector guidance says that the size of a governing body is important not only for acquiring the necessary range of skills to oversee the entity, but also in promoting cohesion, flexibility, and effective participation of the members to achieve their governance objectives.<sup>7</sup> As of January 31, 2009, 15 of the 31 DFEs had at least one vacancy on their multimember governing body and 2 agencies' governing bodies—Consumer Product Safety Commission, and the National Labor Relations Board—had more vacancies than sitting members. Regarding statutory requirements, 13 of the DFEs indicated that they are required to comply with all 12 key statutes we identified that cover a range of management and accountability issues for federal agencies.<sup>8</sup> Based on DFE responses, requirements reportedly vary for the remaining 18 DFEs, with one—Corporation for Public Broadcasting—not subject to any of the statutes. The entity head survey responses also showed that only 7 DFE governing bodies have board structures that include committees that deal with governance or oversight.<sup>9</sup> Such committees are common in the private and nonprofit sectors and can enhance the overall effectiveness of a governing body by ensuring oversight of management decisions, the results of operations, and emerging risks or concerns. While 19 DFEs reported having orientation programs for new governing body members,

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<sup>7</sup> Over the years, Congress has established federal entities with single-member and multimember governing bodies, depending on its political and policy objectives and its balancing of specific accountability requirements, such as governing body appointment and removal authorities and governing body public meeting requirements. Our objectives did not include evaluating the adequacy of DFE governing body sizes and structures or applicable accountability requirements.

<sup>8</sup> These 12 statutes were selected for the data request as they cover the areas of funds control, performance and financial reporting, accounting and internal control systems, human resource management, and recordkeeping and access to information. In this report, we express no opinion on the applicability of the 12 statutes to any of the DFEs.

<sup>9</sup> Oversight committees (such as audit or ethics committees) are usually established by a board of directors and ensure that focus and oversight are provided for areas of concern. They also may be established by single-member governing bodies as advisory committees or similar arrangements.

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only 9 reported having ongoing training for board members. Orientation and training programs for governing body members aimed at providing information on governance practices and the regulatory environment are important for members to be able to carry out their responsibilities effectively and efficiently. Finally, the frequency of DFE governing body meetings for those with more than one member varied, with some meeting rarely or not at all.

The DFE IGs were created equally under the IG Act, as amended; however, our survey results show that IG roles in DFE governance structure and relationship with management vary across the DFEs. IGs are charged with preventing and detecting fraud and abuse in their entities' programs and operations; conducting audits and investigations; and recommending policies to promote economy, efficiency, and effectiveness. To accomplish these objectives, IGs must be able to establish and maintain independence; have control of their resources to plan and perform work; recruit, retain, and manage sufficient professional staff; and be able to follow up on and resolve recommendations resulting from audit and investigation activities. The IG surveys showed that most of the DFE IGs report to the highest levels in their entities, which is a legislative requirement that is a key element for maintaining independence. At the same time, most IGs indicated they had limited control over their resources and that their budgets and staffing were not always adequate to perform audits or investigations related to the missions or management challenges of their entities. Only 3 IGs had the budget transparency of a separate line item in their entity budget, and 8 needed approval from their entity management for spending on activities such as travel and contracting. Finally, IG survey responses showed that recommendation follow-up and audit resolution activities varied, with some IGs reporting that agency responsiveness to IG and financial audit recommendations was lacking. Only 10 DFEs reported that their governing bodies have written policies for monitoring the implementation of IG recommendations. Nine of those 10 reported having policies that require the governing body to respond in writing acknowledging the recommendations and develop a plan to address them.

We provided our draft report to all of the 31 entity heads and IGs for comments. Of the entity heads and IGs responding, a number provided technical comments that we incorporated as appropriate.

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## Background

The 31 DFEs we surveyed were established in various statutes as commissions, boards, authorities, corporations, endowments, institutions, agencies, and administrations. Their heads may be individuals, such as a chairperson or a director, or groups, such as commissions or boards. Individuals and members of commissions and boards are generally appointed by the President and confirmed by the Senate, but members for some entities are set statutorily without additional appointment and confirmation. For instance, the Pension Benefit Guaranty Corporation's statute sets the corporation's board members as the Secretary of Labor, Secretary of the Treasury, and Secretary of Commerce, all of whom are appointed to their cabinet positions by the President and confirmed by the Senate.

Each year, the Office of Management and Budget (OMB) determines and publishes a list of DFEs and their heads. OMB uses the definition under the IG Act, as amended, for the head of a DFE, which is any person or persons designated by statute as the head of the DFE or if no such designation exists, the chief policymaking officer or board of the DFE.<sup>10</sup> It is important to note that the term governing body for purposes of this report is broad and therefore could include members in addition to the entity head under the IG Act, as amended.

Table 1 shows the 31 DFEs categorized by organizational structure and entity head for 2008.

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<sup>10</sup> 5 U.S.C. App. § 8G(a)(4).

**Table 1: Types of DFE Structures and the Entity Head (2008)**

<b>Organization structure</b>	<b>Entities</b>	<b>Entity head</b>
<b>Corporation</b>	Amtrak	Chairperson
	Corporation for Public Broadcasting	Board of Directors
	Legal Services Corporation	Board of Directors
	Pension Benefit Guaranty Corporation	Chairperson
<b>Federal-state partnership</b>	Appalachian Regional Commission	Federal Co-Chairperson
	Denali Commission	Federal Co-Chairperson
<b>Entity with Multimember governing body</b>	Board of Governors of the Federal Reserve	Chairperson
	Broadcasting Board of Governors	Chairperson
	Commodity Futures Trading Commission	Chairperson
	Consumer Product Safety Commission	Chairperson
	Election Assistance Commission	Chairperson
	Equal Employment Opportunity Commission	Chairperson
	Farm Credit Administration	Chairperson
	Federal Communications Commission	Chairperson
	Federal Election Commission	Chairperson
	Federal Housing Finance Board <sup>a</sup>	Chairperson
	Federal Labor Relations Authority	Chairperson
	Federal Maritime Commission	Chairperson
	Federal Trade Commission	Chairperson
	National Credit Union Administration	Board of Directors
	National Labor Relations Board	Chairperson
	National Science Foundation	National Science Board
	Postal Regulatory Commission	Chairperson
	Securities and Exchange Commission	Chairperson
	United States International Trade Commission	Chairperson
	United States Postal Service	Governors of the Postal Service
<b>Entity with one-person governing body</b>	National Archives and Records Administration	Archivist of the United States
	National Endowment for the Arts	Chairperson
	National Endowment for the Humanities	Chairperson
	Peace Corps	Director
<b>Trust instrumentality</b>	Smithsonian Institution	Board of Regents

Source: Enabling legislation and 74 Fed.Reg. 3656 (January 21, 2009).

<sup>a</sup>Under the Housing and Economic Recovery Act (HERA) of 2008 (Pub. L. No. 110-289, 122 Stat. 2654 (July 30, 2008)), the Federal Housing Finance Board will cease to exist 1 year after the effective date of HERA, or July 30, 2009, to be replaced by the Federal Housing Finance Agency (FHFA). HERA amended the IG Act to require that the FHFA have an IG appointed by the President and confirmed by the Senate.



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Governance can be described as the process of providing leadership, direction, and accountability in fulfilling an organization’s mission, meeting its objectives, and providing stewardship of public resources, while establishing clear lines of responsibility for results. Accountability represents the processes, mechanisms, and other means—including financial reporting and internal controls—by which an entity’s management carries out its stewardship and responsibility for resources and performance. Commonly accepted governance practices for federal entities and nonprofit corporations have significantly evolved since the financial scandals at large public companies in the early 2000s and passage of the Sarbanes-Oxley Act of 2002. The Sarbanes-Oxley Act outlined a framework for more effective corporate governance and introduced reforms to public company financial reporting and auditing. Although the act strengthened corporate governance only in the private sector, the federal government and nonprofit sectors have also strengthened governance and internal control requirements and practices. According to OMB, passage of the Sarbanes-Oxley Act served as an impetus for the federal government to reevaluate its current policies related to internal control over financial reporting and management’s related responsibility.<sup>11</sup>

The Inspector General Act of 1978 (1978 IG Act)<sup>12</sup> created offices of inspectors general at major departments and agencies to prevent and detect fraud and abuse in their departments’ and agencies’ programs and operations; conduct audits and investigations; and recommend policies to promote economy, efficiency, and effectiveness. In 1988, the 1978 IG Act was amended<sup>13</sup> to establish additional IG offices in certain federal entities designated by the legislation.<sup>14</sup> Generally, the DFE IGs have the same authorities and responsibilities as those established by the 1978 IG Act, but there is a clear distinction—they are appointed and removed by their agency heads rather than by the President and are not subject to Senate confirmation. The 31 DFE IGs make up about half of all IG offices

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<sup>11</sup> OMB Circular No. A-123, *Management’s Responsibility for Internal Control*, at App. A, Part I (rev. Dec. 21, 2004).

<sup>12</sup> The Inspector General Act of 1978, Pub. L. No. 95-452, 92 Stat. 1101 (Oct. 12, 1978). For more information on the Inspector General Act and the creation of inspectors general, see Appendix II.

<sup>13</sup> The Inspector General Act Amendments of 1988, Pub. L. No. 100-504, 102 Stat. 2515 (Oct. 18, 1988). The Inspector General Act has been amended from time to time to reflect other modifications, and is codified, as amended at 5 U.S.C. App.

<sup>14</sup> See 5 U.S.C. App. § 8G(a)(2) for list of DFEs.

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established under the IG Act, as amended, and in fiscal year 2007 were responsible for oversight with respect to gross agency budgets that ranged from \$10 million to \$80.2 billion.

The IG Reform Act of 2008 (2008 Reform Act)<sup>15</sup> was enacted on October 14, 2008, to, among other things, enhance the independence of the inspectors general. (We have reported several times on independence issues and challenges for the IG community.)<sup>16</sup> Specifically, the 2008 Reform Act provides that both the President and DFE heads must give written reasons to Congress for removing an IG at least 30 days prior to removal. The 2008 Reform Act mandates that IGs shall submit their budget to their entity's head, who shall include, among other things, an aggregate request for the IG in the entity's budget proposal to the President. The President must include in the budget of the U.S. government submitted to Congress a separate statement of each IG's budget request, and the amount requested by the President for each IG. Before the act, only the presidentially appointed IGs and three DFE IGs had such transparency over their budgets. Regarding pay, the presidentially appointed IGs have been paid at Executive Level IV, while the DFE IGs have been paid at the GS-15 grade, Senior Executive Service level, or equivalent salary level determined by their entity. The 2008 Reform Act requires that all presidentially appointed IGs be paid at Executive Level III, plus 3 percent, and all DFE IGs shall be paid at a level at or above the level of a majority of senior executives of the respective DFEs. The 2008 Reform Act was effective upon passage, but it provided up to 180 days to establish the Council of Inspectors General on Integrity and Efficiency.

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<sup>15</sup>Inspector General Reform Act of 2008, Pub.L. No. 110-409, 122 Stat. 4302 (Oct. 14, 2008).

<sup>16</sup>GAO, *Internal Audit: Nonstatutory Audit and Investigative Groups Need to be Strengthened*, [GAO/AFMD-86-11](#) (Washington, D.C.: June 1986); *Inspectors General: Progress in Establishing OIGs at Designated Federal Entities*, [GAO/AFMD-90-46](#) (Washington, D.C.: April 1990); *Inspectors General: Action Needed to Strengthen OIGs at Designated Federal Entities*, [GAO/AIMD-94-39](#) (Washington, D.C.: November 1993); and *Inspectors General: Opportunities to Enhance Independence and Accountability*, [GAO-07-1089T](#) (Washington, D.C.: July 11, 2007).

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## Wide Variation in Statutory Structures, Requirements, and Purpose Exists Among the DFEs

While Congress has historically weighed many political and policy factors in deciding on DFE governance structures, and applied specific accountability requirements to achieve its original objectives,<sup>17</sup> current private sector guidance<sup>18</sup> says that governing bodies need to be large enough to accommodate the necessary skills set, but still small enough to promote cohesion, flexibility, and effective participation. DFEs vary in their statutory size and structure as well as their statutory purpose and requirements for governance. Survey responses showed that the size of DFE governing bodies ranges from 1 to 24 members. Thirteen of the 31 DFEs had at least one vacancy in their governing body. At 2 of the DFEs—the Consumer Product Safety Commission and National Labor Relations Board—active members were outnumbered by vacancies. Only 7 of 29<sup>19</sup> DFE governing bodies have committees that deal with governance or oversight. Committees can enhance the overall effectiveness of the governing body by ensuring focus and oversight in areas of concern. In order to improve governance and accountability at federal agencies, a variety of laws covering a range of management and administrative practices and processes have been enacted. Of 12 key governance and accountability statutes that we selected for review, 13 of 31 DFEs responded that they are statutorily required to comply with all 12 statutes.<sup>20</sup> Based on the responses of the remaining 18 DFEs, the applicability of the 12 statutes varied, with 1 DFE—the Corporation for Public Broadcasting—stating that it is not subject to any of the 12 key governance and accountability statutes. Some entities that said they are not statutorily required to comply with the statutes indicated that they have adopted the provisions voluntarily or implemented an alternative mechanism to attain the objectives of the statute. Finally, in relation to the governing body’s effectiveness, 19 of the 29 DFEs surveyed reported having orientation programs for the new governing body, while only 10 DFEs reported having ongoing training for governing body members. Orientation and training programs for governing body members aimed at providing information on governance practices and the regulatory

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<sup>17</sup> See Marshall J. Breger and Gary J. Edles, *Established by Practice: The Theory and Operation of Independent Federal Agencies*, 52 Admin. L. Rev. 1111 (2000).

<sup>18</sup> See Appendix I for list of current private sector guidance.

<sup>19</sup> To gather this information, we surveyed the entity heads of the 31 DFEs; however, the entity heads at 2 DFEs—Amtrak and the Federal Communications Commission—did not complete the survey.

<sup>20</sup> In this report, we express no opinion on the applicability of the 12 statutes to any of the DFEs.

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environment are important for the DFE governing body's ability to carry out its responsibilities effectively and efficiently. Corporate governance guidelines in the private sector<sup>21</sup> state that governing bodies should establish committees that will enhance their overall effectiveness by ensuring focus and oversight for areas of concern. Our work shows that few DFEs reportedly have audit committees, none have an ethics committee, and only a limited number have orientation and ongoing training for governing body members, which is inconsistent with the governance practices established in other sectors such as public companies or nonprofits.

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## Statutory Size and Structure of DFE Governing Bodies Vary Significantly

Congress has over many decades weighed a variety of political and policy considerations, such as political independence and accountability, efficiency, and specific entity missions, in deciding on DFE governance structures, and applied specific accountability requirements, such as governing body appointment and removal authorities and governing body public meeting requirements, to achieve its original objectives.<sup>22</sup> Current private sector guidance says that governing bodies need to be large enough to accommodate the necessary skills set, but still small enough to promote cohesion, flexibility, and effective participation.<sup>23</sup> The DFE's governing bodies range in size from 1 to 24 members. For comparison, according to the 2006 edition of the annual *Directors' Compensation and Board Practices* report by The Conference Board,<sup>24</sup> the median board size of publicly traded corporations, depending on the industry, ranges from 9 to 11 members. Of the 31 DFEs, only the Corporation for Public Broadcasting, Legal Services Corporation, and United States Postal Service statutorily have 9 to 11 governing body members. Three entities—the National Science Foundation, Smithsonian Institution, and

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<sup>21</sup> See Appendix I for list of current private sector guidance.

<sup>22</sup> See Marshall J. Breger and Gary J. Edles, *Established by Practice: The Theory and Operation of Independent Federal Agencies*, 52 Admin. L. Rev. 1111 (2000). Congress also considers the entities' legal characteristics, such as their status as governmental or nongovernmental. See Library of Congress, Congressional Research Service, *The Quasi Government: Hybrid Organizations with Both Government and Private Sector Legal Characteristics*, No. RL30533 (2008).

<sup>23</sup> M. Tomello and C. K. Brancato, *Corporate Governance Handbook, 2007: Legal Standards and Board Practices* (New York, N.Y.: 2007).

<sup>24</sup> C. Peck, H. Silvert, and J. Torok, *Director's Compensation and Board Practices in 2006*. The Conference Board: Research Report 1396 (2006).

Appalachian Regional Commission—statutorily have more than 11 members, while the remaining 25 DFEs have 8 or fewer governing-body members. (See table 2.)

**Table 2: Governing Body Size and Vacancies as of January 31, 2009**

<b>Entity</b>	<b>Authorized governing body members</b>	<b>Number of authorized members</b>	<b>Vacancies</b>	<b>Active members</b>
National Science Foundation (NSF)	Board members	24	2	22
Smithsonian Institution	Board of Regents	17	1	16
Appalachian Regional Commission (ARC)	Commissioners	14	0	14
United States Postal Service (USPS)	Board of Governors	11	0	11
Legal Services Corporation (LSC)	Board members	11	1	10
Corporation for Public Broadcasting (CPB)	Board members	9	1	8
Denali Commission	Commissioners	7	0	7
Broadcasting Board of Governors (BBG)	Board members	8	2	6
Federal Election Commission (FEC)	Commissioners	6	0	6
U.S. International Trade Commission (ITC)	Commissioners	6	0	6
Amtrak	Board members	7	3	4
Federal Reserve Board of Governors (FRB)	Board of Governors	7	2	5
Federal Communication Commission (FCC)	Commissioners	5	0	5
Federal Housing Finance Board (FHFB)	Board members	5	1	4
Postal Regulatory Commission (PRC)	Commissioners	5	0	5
Securities and Exchange Commission (SEC)	Commissioners	5	0	5
Commodity Futures Trading Commission (CFTC)	Commissioners	5	1	4
Election Assistance Commission (EAC)	Commissioners	4	0	4
Equal Employment Opportunity Commission (EEOC)	Commissioners	5	1	4
Federal Trade Commission (FTC)	Commissioners	5	1	4
Federal Maritime Commission (FMC)	Commissioners	5	2	3
Farm Credit Administration (FCA)	Board members	3	0	3
National Credit Union Administration (NCUA)	Board members	3	0	3
Pension Benefit Guaranty Corporation (PBGC)	Board members	3	2	1
Consumer Product Safety Commission (CPSC)	Commissioners	5	3	2
National Labor Relations Board (NLRB)	Board members	5	3	2
Federal Labor Relations Authority (FLRA)	Authority members	3	1	2
National Archives and Record Administration (Archives)	Archivist	1	0	1

Entity	Authorized governing body members	Number of authorized members	Vacancies	Active members
Peace Corps	Director	1	0	1
National Endowment for the Arts (NEA)	Chairperson	1	1	0
National Endowment for the Humanities (NEH)	Chairperson	1	1	0

Source: Entity head surveys and DFE's enabling legislation.

At the time of our review, vacancies reportedly outnumbered active members on the governing bodies of the Consumer Product Safety Commission (CPSC)<sup>25</sup> and the National Labor Relations Board. In recent years, Amtrak and the Federal Election Commission have also had significant vacancies. In January 2008, four of the six commissioner seats for the Federal Election Commission were vacant. Over the past several years the number of active board members at Amtrak has fluctuated, and at least twice—between December 2007 and March 2008 and between October 2003 and June 2004—the board had only two voting members (excluding the Secretary of Transportation or his designee).<sup>26</sup> Without the minimum number of members required to conduct business, a board may be legally unable to make certain decisions. For instance, the Federal Election Commission's enabling legislation requires that four of its six commissioners be present for certain entity business to be carried out.<sup>27</sup> Also, the National Endowment for the Humanities and the National Endowment for the Arts governing bodies, which are single-member governing bodies, are currently vacant.

According to The Conference Board's corporate governance guidelines, corporate boards should be structured so that the composition and skill set of a board is appropriate based on the corporation's particular

<sup>25</sup> Beginning in 1993 and thereafter, CPSC was prohibited from using CPSC funds for the personnel compensation and benefits of more than three Commissioners of the CPSC. In 2008, the Consumer Product Safety Improvement Act of 2008 (P.L. 110-314) repealed that prohibition effective August 14, 2009. See 15 U.S.C. 2053 note.

<sup>26</sup> The Passenger Rail Investment and Improvement Act of 2008, Pub. L. No. 110-432, Div. B, 122 Stat. 4848 (Oct. 16, 2008). Effective April 16, 2009, the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) expands Amtrak's board to nine members, including the President of Amtrak, who will become a full voting member of the board. The PRIIA also establishes the Secretary of Transportation as a member of the board, not just a candidate who could be appointed by the President of the United States. As of March 16, 2009, Amtrak had four voting members including the Secretary of Transportation.

<sup>27</sup> See 2 U.S.C. § 437c(c).

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challenges and strategic vision. The size of a governing body is important not only for establishing the necessary range of skills, but in promoting cohesion, flexibility, and effective participation of the members to achieve their governance objectives.<sup>28</sup>

Generally, the membership of DFE governing bodies is defined by the DFE's authorizing legislation, with many DFE governing body members appointed by the President, with the advice and consent of the Senate. For instance, the Pension Benefit Guaranty Corporation's governing body is statutorily composed of three members—the Secretary of Labor, Secretary of Treasury, and Secretary of Commerce. The Secretary of Labor is the chairperson and entity head under the IG Act. The Appalachian Regional Commission is statutorily composed of governors of the 13 Appalachian states and a federal cochair.<sup>29</sup> The Smithsonian Board of Regents is statutorily composed of the Vice President, the Chief Justice of the United States, three members of the Senate, three members of the House of Representatives, and nine other members not from Congress.

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### Not All DFEs Said They Are Required to Comply with Key Governance and Accountability Statutes

In order to improve governance and accountability at federal agencies, a variety of laws covering a range of management and administrative practices and processes have been enacted. We identified 12 statutes as key to governance and accountability. The statutes, which are described in Appendix III, cover funds control, performance and financial reporting, accounting and internal control systems, human resources management, and recordkeeping and access to information.<sup>30</sup> They are the:

- Anti-Deficiency Act (ADA),
- “Purpose Statute” (31 U.S.C. § 1301(a)),
- Improper Payments Information Act of 2002 (IPIA),
- Accountability of Tax Dollars Act of 2002 (ATDA),
- Government Performance and Results Act of 1993 (GPRA),
- Federal Managers' Financial Integrity Act of 1982 (FMFIA),
- Federal Information Security Management Act of 2002 (FISMA),
- Travel, Transportation, and Subsistence (5 U.S.C. Chapter 57),

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<sup>28</sup> As noted above, Congress may conclude that other political or policy considerations are more important than these factors.

<sup>29</sup> The federal cochair is appointed by the President, by and with the advice and consent of the Senate. The state members elect the state cochair from among themselves.

<sup>30</sup> Appendix IV has further information on the statutes by entity.

- Whistleblower Protection Act (WPA),
- Ethics in Government Act of 1978 (Ethics),
- Freedom of Information Act (FOIA), and
- Government in the Sunshine Act (Sunshine).

Based on results from a data request we sent to the DFEs, table 3 shows 13 of 31 reported that they are subject to all 12 key governance statutes.<sup>31</sup>

**Table 3: DFEs Reporting That They Are Subject to All 12 Key Governance and Accountability Statutes**

Broadcasting Board of Governors  
 Consumer Product Safety Commission  
 Denali Commission  
 Election Assistance Commission  
 Equal Employment Opportunity Commission  
 Federal Communication Commission  
 Federal Labor Relations Authority  
 Federal Maritime Commission  
 Federal Trade Commission  
 National Archives and Record Administration  
 National Endowment for the Arts  
 National Endowment for the Humanities  
 National Labor Relations Board

Source: DFE data request.

Of the remaining 18 DFEs, the U.S. International Trade Commission, Commodity Futures Trading Commission, Federal Election Commission, and National Science Foundation<sup>32</sup> indicated that they are subject to all but one of the key statutes (GPRA, IPIA, FISMA and ATDA, respectively), while Corporation for Public Broadcasting responded that it is not subject to any of the 12. Table 4 shows the DFEs' responses regarding the applicability of selected governance and accountability statutes for their organizations.

<sup>31</sup> In this report, we express no opinion on the applicability of the 12 statutes to any of the DFEs.

<sup>32</sup> Although NSF said it is not subject to ATDA, NSF is subject to the Chief Financial Officers Act of 1990 (CFO Act) as expanded by the Government Management Reform Act of 1994 (GMRA), which requires the major 24 agencies of the federal government, including some independent agencies, to submit annual audited financial statements to OMB and Congress. The ATDA further expanded this requirement to most other executive agencies.



**Table 4: DFEs Reporting on the Applicability of Selected Key Governance and Accountability Statutes to their Entities**

	ADA	Purpose	IP/A	ATDA	GPRA	FMFIA	FISMA	Chapter 57	WPA	Ethics	FOIA	Sunshine
Appalachian Regional Commission	●	●							●	●		
Corporation for Public Broadcasting												
US International Trade Commission	●	●	●	●		●	●	●	●	●	●	●
Legal Services Corporation											●	●
Postal Regulatory Commission						●				●	●	●
Amtrak											●	
Commodity Futures Trading Commission	●	●		●	●	●	●	●	●	●	●	●
Farm Credit Administration	●			●	●	●	●	●	●	●	●	●
Federal Election Commission	●	●	●	●	●	●		●	●	●	●	●
Federal Housing Finance Board					●	●	●		●	●	●	●
Federal Reserve Board				●			●			●	●	●
National Credit Union Administration	●				●	●	●		●	●	●	●
National Science Foundation	●	●	●		●	●	●	●	●	●	●	●
Peace Corps	●	●	●	●	●	●	●		●	●	●	
Pension Benefit Guaranty Corporation	●	●	●		●		●	●	●	●	●	
United States Postal Service					●					●	●	●
Securities and Exchange Commission	●	●		●		●	●			●	●	●
Smithsonian Institution	●	●										

● Responded as subject to the statute.

Source: DFE data requests.

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In responding to our data request, several DFEs indicated that although they are not required to comply with a particular statute, they are in essence following the statute, having adopted the provisions of the statute voluntarily or implemented an alternative mechanism to attain the statute's objectives. (See Appendix IV.)

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### Few DFE Governing Bodies Include Oversight Committees

Corporate governance guidelines in the private sector state that governing bodies should establish committees that will enhance their overall effectiveness by ensuring focus and oversight for areas of concern.<sup>33</sup> In the private sector, statutes and standards require that public company boards of directors maintain certain standing committees, such as audit, nominating, ethics, and compensation. In addition, governing bodies have established committees to focus on issues or particular concerns of the board such as risk, technology, public policy, and corporate governance. Committees handle specific issues or topics and usually make policy recommendations for the full board to consider.

Most DFEs do not have governance or internal oversight committees. However, DFEs, like all federal entities, do receive oversight by congressional committees. Of the 29 DFEs responding to our survey, only 7—the Corporation for Public Broadcasting, Election Assistance Commission, Federal Reserve Board, Legal Services Corporation, National Science Foundation, Smithsonian Institution, and United States Postal Service—indicated that they have committees or advisory panels for enhancing governing body effectiveness that are commonly found in public companies or nonprofit organizations. As shown in table 5, 5 of those 7 have audit committees. None of the 29 governing bodies responding to our survey reported having a standing ethics committee.<sup>34</sup> (See table 5.)

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<sup>33</sup> M. Tomello and C.K. Brancato, *Corporate Governance Handbook, 2007: Legal Standards and Board Practices* (New York, N.Y.: 2007).

<sup>34</sup> Our review did not cover the relationship between the DFE governing bodies and the administrative staff officials who may have audit, ethics program, finance, or other governance-related responsibilities.

**Table 5: DFEs with Governance or Oversight Committees**

<b>Entities</b>	<b>Governing body committees and advisory boards</b>
<b>Corporation for Public Broadcasting</b>	Audit and Finance, Corporate Governance, Executive Compensation, Education, New Media, Public Broadcasting Awareness
<b>Election Assistance Commission</b>	Finance, Budget, Performance Review, Operations, Research and Clearinghouse, Legislative Activities, Voting System Guidelines
<b>Legal Services Corporation</b>	Audit, Finance, Governance and Performance, Operations and Regulations, Provision for the Delivery of Legal Services
<b>National Science Foundation</b>	Audit and Oversight, Strategy and Budget, Programs and Plans, Education and Human Resources, Executive
<b>Smithsonian Institution</b>	Audit and Review, Finance, Facilities, Executive, Compensation and Human Resources, Governance and Nominating, Finance, Investment, Advancement, Strategic Planning and Programs
<b>United States Postal Service</b>	Audit and Finance, Compensation and Management Resources, Governance and Strategic Planning, Government Relations and Regulatory, Ad-Hoc Committee on Operations
<b>Federal Reserve Board</b>	Board Affairs, Supervisory and Regulatory Affairs, Consumer and Community Affairs

Source: Entity head surveys.

Some federal entities have applied private sector corporate governance guidelines for oversight committees in response to recent governance challenges or reports on governance and accountability practices. Some of these challenges have even resulted in board reorganization and other governance changes. For instance, in response to an IG report, the Corporation for Public Broadcasting created a governance committee for its board and revised the board’s by-laws to clarify the board’s and president’s roles. In response to a GAO report, the Legal Services Corporation created an audit committee and also added the responsibilities of corporate governance to its Performance Review committee, which was renamed Governance and Performance Review. Based on recommendations of the Smithsonian Institution Board of Regents’ Governance Committee, the board adopted a set of duties and responsibilities for all regents, examined the board structure, and appointed new leadership for each committee.<sup>35</sup> In the last 3 years, the United States Postal Service has added the role of governance to the responsibilities of its Strategic Planning Committee, added the Government Relations and Regulatory Committee, and developed a plan to

<sup>35</sup> The Honorable Charles A. Bowsler, the Honorable Stephen D. Potts, and A.W. “Pete” Smith, Jr., *A Report to the Board of Regents of the Smithsonian Institution* (Washington, D.C.: June 18, 2007).

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comply with the Postal Accountability and Enhancement Act.<sup>36</sup> The Board of Governors of the Federal Reserve combines functions of finance, budget, performance review, and operations in its Board Affairs Committee.

According to The Conference Board's *Corporate Governance Handbook 2007*,<sup>37</sup> a company board's responsibility typically includes:

- monitoring and evaluating senior management,
- reviewing and approving management's strategic and business plans,
- reviewing and approving the entity's risk management program,
- reviewing and approving financial objectives and plans,
- monitoring the entity's performance against the strategic plan, and
- helping to ensure ethical behavior and compliance with laws and regulations.

The *Corporate Governance Handbook 2007* further states that a company board's effectiveness depends on the quality and timeliness of information received in order to make informed decisions and perform its oversight function. Governing bodies establish committees to enhance the overall effectiveness of the board by ensuring focus on and oversight of matters of particular concern. Since the IG is responsible for preventing and detecting fraud and abuse, conducting audits and investigations, and recommending policies to promote economy, efficiency, and effectiveness, the work of an IG at an entity can benefit the governing body, particularly governing body and committee efforts to focus on issues and provide oversight of the entity. Because single-member governing bodies and other noncorporate entity governing bodies have many of the same responsibilities as corporate boards of directors, we believe that public company and nonprofit corporation governance practices may provide benefits to those governing bodies.

Only five of the DFE governing bodies indicated they have an audit committee, which is one of the key elements in effective corporate governance. According to the National Council on Nonprofits Association,

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<sup>36</sup>The Postal Accountability and Enhancement Act (Pub. L. 109-435) was signed into law on December 20, 2006. Section 204 of the act requires the United States Postal Service beginning in fiscal year 2010 to provide to the Postal Regulatory Commission certain internal controls reports consistent with rules prescribed by the SEC implementing section 404 of the Sarbanes-Oxley Act.

<sup>37</sup>M. Tomello and C. K. Brancato, *Corporate Governance Handbook, 2007: Legal Standards and Board Practices* (New York, N.Y.: 2007).

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an audit committee provides independent oversight of the organization's accounting and financial reporting and oversees the organization's annual audits. In the private sector, an audit committee is generally responsible for the appointment, compensation, and oversight of the external auditor; handling board communication with the external auditor regarding financial reporting matters; and overseeing the entity's financial reporting and the adequacy of internal control over financial reporting. In the federal government environment, the audit committee could also provide a key venue for the IG's role in governance and in communicating with those charged with governance. Unless provided otherwise, the IG is responsible for conducting or overseeing the annual agency audit.<sup>38</sup> New auditing standards reinforce the importance of communication between the financial auditor and those overseeing the organization's governance. The auditing standards require that the auditor communicate with those charged with governance, who have the duty to oversee the strategic direction of the entity and obligations related to the accountability of the entity. The standards recognize that multiple parties may be charged with governance including oversight bodies, members of legislative committees, boards of directors, audit committees, or parties contracting the audit. Without an audit committee, organizations may find it more difficult to ensure that weaknesses found during the financial audit as well as IG recommendations are addressed properly.

None<sup>39</sup> of the DFE governing bodies has a separate standing ethics committee. An ethics committee is responsible for ensuring that the organization has systems in place to provide assurance over employee compliance with the organization's code of conduct and ethics. According to *Standards for Internal Control in the Federal Government*,<sup>40</sup> a positive control environment includes integrity and ethical values that are provided by leadership through setting and maintaining the organization's ethical tone, providing guidance for proper behavior, removing temptations for unethical behavior, and providing discipline when appropriate. The New

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<sup>38</sup> 5 U.S.C. App. § 4(a).

<sup>39</sup> In its survey, the Corporation for Public Broadcasting noted that the functions, including Ethics, for which it checked "yes" were combined in the Audit and Finance Committee, the Executive Compensation Committee, and the Corporate Governance Committee. Likewise, the U.S. Postal Service noted that the functions it checked, including Ethics, were combined in the Audit and Finance, Compensation and Management Resources, Governance and Strategic Planning, Government Relations and Regulatory, and Ad-Hoc Operations committees.

<sup>40</sup> [GAO/AIMD-00-21.3.1](#).

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York Stock Exchange requires that an ethics committee function be contained within the audit committee of listed companies.

Although audit and ethics committees are accepted governance practices, in order to determine whether a governing body should create these committees, consideration should be given to the entity's structure, size, mission, and risk.

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### A Majority of DFEs Have New Member Orientation Programs, While 9 DFEs Have Ongoing Training Programs

Nineteen of the 29 DFEs responding to our survey reported having orientation programs for new governing body members, and at least 15 of the 19 programs reportedly provide key information on oversight and governance issues, such as governing body policies and communications with management.<sup>41</sup> Seventeen DFEs reported that the roles and duties of their entities' IGs are included in the orientation program. Of 9 DFEs that reported having ongoing training for governing body members covering topics such as the fiduciary duty of board members and role of the IG, only 5 addressed some of the statutory requirements and oversight topics—such as Government in the Sunshine Act and Freedom of Information Act, travel policy, and ethics—considered necessary to keep board members updated on current federal government and management practices.

DFEs are organizations unique in their missions, entity structure, governing body and oversight framework, and budget. They are also subject to varying governance and accountability statutes. Therefore, orientation and training can be especially important for new governing body members from the private sector who have not worked in the federal government and may not be familiar with the federal government statutes and environment, particularly the role of the IG and how the IG can assist the board in achieving its oversight duties.

The initial training and orientation of new governing body members is a critical area for the governing body due to the significance of the stewardship, oversight, and potential fiduciary responsibilities of individual governing body members and the governing body as a whole. Current commonly accepted practice for public companies and nonprofit corporations is to provide board members with a broad-based orientation that encompasses the organization's mission, vision, and strategic plan; its

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<sup>41</sup> For many DFEs, the distinction between governing body and management may be unclear, such as where a governing body is the chief administrator or executive of the DFE.

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history; the members' obligations and performance objectives; board policies on meetings and attendance; and board member job descriptions, including performance expectations and fiduciary obligations.

Orientation and training programs help governing bodies to stay current with information on governance practices and the regulatory environment. In addition, a governing body needs to be kept up to date on key management practices and requirements in such areas as risk assessment and mitigation, internal controls, and financial reporting so that the governing body can oversee management's key processes. As the governing body's operating environment changes, new issues—whether regulatory, current practice, or industry specific—emerge with the changes. The orientation and training programs could help members of the governing body identify and address the new issues.

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**Frequency of DFE  
Governing Body Meetings  
Varied, with Some Meeting  
Rarely or Not at All**

According to The Conference Board's corporate governance guidelines, governing bodies should meet regularly and focus principally on broader issues, such as corporate philosophy and mission, broad entitywide policy, strategic management, oversight and monitoring of management, and company performance against business plans. Of those we surveyed, the number of meetings that the 25 DFE governing bodies with more than 1 member held each year varied greatly from 2005 through 2007 (see table 6). It is critical that the number and length of governing body meetings allow the governing body members to appropriately fulfill their stewardship, oversight, and potential fiduciary duties, which include providing active oversight of the entity's strategy implementation and risk management.

**Table 6: Governing Body Meetings, 2005–2007**

<b>Designated federal entity</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Federal Maritime Commission	54	71	205
Federal Election Commission	46	52	53
Commodity Futures Trading Commission	44	44	43
The Board of Governors, Federal Reserve System	39	37	36
United States International Trade Commission	31	43	23
United States Postal Service	13	9	14
Denali Commission	4	8	12
Farm Credit Administration	12	12	12
Federal Trade Commission	33	22	12
National Credit Union Administration	11	12	12
Broadcasting Board of Governors	12	13	11
Election Assistance Commission	10	10	10
Federal Housing Finance Board	10	12	10
Equal Employment Opportunity Commission	8	7	8
Legal Services Corporation	7	8	8
Postal Regulatory Commission	3	3	8
Smithsonian Institution	4	4	8
Corporation for Public Broadcasting	11	11	7
National Science Foundation	6	6	6
Appalachian Regional Commission	3	4	4
Pension Benefit Guaranty Corporation	3	2	2
Consumer Product Safety Commission	3	2	1
Federal Labor Relations Authority	0	0	0
National Archives and Records Administration	N/A	N/A	N/A
National Endowment for the Arts	N/A	N/A	N/A
National Endowment for the Humanities	N/A	N/A	N/A
Peace Corps	N/A	N/A	N/A
National Labor Relations Board	*	*	*
Securities and Exchange Commission	**	**	**

Source: Entity head surveys.

\* In response to our question about frequency of meetings, NLRB noted that the board typically meets twice per week but may meet as often as daily when necessary.

N/A – These entities have an individual or individual with deputy as their governing body.

\*\*SEC did not directly answer this question.



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## IG Roles in Governance Vary

The IGs were created equally under the IG Act, as amended; however, the entities' structures, governance practices, and policies and procedures vary, thereby affecting the role of the IG. These variances can be seen in different ways including the IG reporting relationship, budget or spending authority, and the entity's governing body and management response to IG recommendations. The IG Act, as amended, requires that DFE IGs report to and be under the general supervision of their entity head. Most of the DFE IGs we surveyed report to the highest levels in their entities, a structure that helps to safeguard IG independence in accordance with the IG Act and generally accepted government auditing standards.

GAO's *Internal Control Management and Evaluation Tool*<sup>42</sup> states that the IG should have sufficient levels of competent and experienced staff and that the responsibilities, scope of work, and audit plans of the IG should be appropriate to the agency's needs. The IG surveys also showed that most DFE IGs had limited control over their resources and that their budgets and staffing were not always adequate to perform audits or investigations related to the missions or management challenges of their entities. *Government Auditing Standards* state that restrictions on funds or other resources provided to the audit organization can impair independence and adversely affect the organization's ability to carry out its responsibilities.<sup>43</sup> Nine of the 31 DFE IGs who responded to our survey stated that they need approval from entity management for spending on specific activities such as travel and contracting and 12 DFE IGs responded that they need entity approval to hire staff.

Management responsiveness to IG recommendations is another critical factor that can influence the effectiveness of IG oversight and the effect of IG work. IG responses to the survey showed that management responsiveness to recommendations and audit resolution activities also varied, with some DFE IGs reporting that agency responsiveness to recommendations was lacking. One entity reported having 117 outstanding recommendations, some dating to 1998. Only 10 DFEs reported that their governing bodies have written policies for monitoring the implementation of IG recommendations. Nine of those 10 have policies that require the governing body to respond in writing acknowledging the

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<sup>42</sup> GAO, *Internal Control and Management Evaluation Tool*, [GAO-01-1008G](#) (Washington, D.C.: August 2001).

<sup>43</sup> GAO, *Government Auditing Standards*, January 2007 Revision, [GAO-07-162G](#), Section 3.16 a-e (Washington, D.C.: January 2007).

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recommendations and to develop a plan to address them. Audit and oversight committees, which can help oversee implementation of recommendations, could assist IGs in providing effective oversight and actively tracking and resolving recommendations.

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### Most IGs Report to Their Entity Head or the Governing Body

The IG Act, as amended, requires that DFE IGs report to and be under the general supervision of their entity heads.<sup>44</sup> The IG Act also requires IGs to perform audits in compliance with *Government Auditing Standards*, which state that for a government internal audit function to be independent, the head of the audit organization must be accountable to the head or deputy head of the government entity or to those charged with governance and be located organizationally outside the staff or line management function of the unit under audit. Without any other safeguards, the independence of an IG who must report audit or investigative findings in areas under the direct responsibility of his or her supervisor may be impaired in both fact and appearance.

Twenty-nine of the 31 IGs we surveyed responded that they report either to their entity head or the entity governing body. Table 7 shows that 16 IGs responded that they meet with their entity heads at least weekly or monthly and 12 meet with them quarterly. *Government Auditing Standards* state that the internal audit organization, such as the IGs, should report regularly to those charged with governance.

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<sup>44</sup> 5 U.S.C. App. § 8G(d).

**Table 7: Frequency of Meetings with Entity Head/Governing Body**

	<b>Weekly</b>	<b>Monthly</b>	<b>Quarterly</b>	<b>Less than yearly</b>
Entity	<ul style="list-style-type: none"> <li>Commodity Futures Trading Commission</li> <li>Denali Commission</li> </ul>	<ul style="list-style-type: none"> <li>Amtrak</li> <li>Consumer Product Safety Commission</li> <li>Farm Credit Administration</li> <li>Federal Election Commission</li> <li>Federal Housing Finance Board</li> <li>US International Trade Commission</li> <li>National Archives and Records Administration</li> <li>National Endowment for the Humanities</li> <li>National Labor Relations Board</li> <li>National Science Foundation</li> <li>Peace Corps</li> <li>Postal Regulatory Commission</li> <li>Securities and Exchange Commission</li> <li>United States Postal Service</li> </ul>	<ul style="list-style-type: none"> <li>Appalachian Regional Commission</li> <li>Broadcasting Board of Governors</li> <li>Corporation for Public Broadcasting</li> <li>Election Assistance Commission</li> <li>Federal Communications Commission</li> <li>Federal Maritime Commission</li> <li>Federal Reserve Board</li> <li>Federal Trade Commission</li> <li>Legal Services Corporation</li> <li>National Credit Union Administration</li> <li>National Endowment for the Arts</li> <li>Smithsonian Institution</li> </ul>	<ul style="list-style-type: none"> <li>Federal Labor Relations Authority</li> <li>Equal Employment Opportunity Commission</li> </ul>

Source: IG surveys.

Note: These responses do not reflect meetings the IG may have with various committees or contacts by telephone or e-mail between meetings. Pension Benefit Guaranty Corporation did not respond to this question on the survey.

Six of the 31 IGs responded that their entity had an audit or other oversight committee that they meet with and 4 indicated that they met with the committee quarterly (See table 8). *Government Auditing Standards* state that multiple parties may be charged with governance, including oversight bodies, boards of directors, audit committees, or parties contracting for the audit. Since those charged with governance have the duty to oversee the strategic direction of the entity and obligations related to the accountability of the entity, the IG's regular communication with the audit or other oversight committee is important for the committee to carry out its governance duties.

**Table 8: Frequency of Meetings in Entities with Audit or Other Oversight Committees**

	Monthly	Quarterly
Entity	<ul style="list-style-type: none"> <li>• Amtrak</li> <li>• United States Postal Service</li> </ul>	<ul style="list-style-type: none"> <li>• Corporation for Public Broadcasting</li> <li>• Legal Services Corporation</li> <li>• National Science Foundation</li> <li>• Smithsonian Institution</li> </ul>

Source: IG surveys.

## Many DFE IGs Have Limited Control over Their Resources

*Government Auditing Standards* state that audit organizations must be free from external impairments to independence. External impairments occur when auditors are deterred from acting objectively and exercising professional skepticism by actual or perceived pressures from management and employees of the entity. For example, an IG’s lack of control over the budgetary resources from its entity, such as the entity head restricting funds or other resources to the IG, can impair an IG’s independence and ability to carry out its responsibilities.

Separate appropriation accounts for IGs can help provide transparency about the amount of the IG’s budget and reveal trends in resources provided to them. However, until passage of the 2008 Reform Act, there was no statute, including the IG Act, requiring separate appropriations accounts for all DFE IGs.<sup>45</sup> Three DFE IGs have a separate appropriation account or line item in the *Budget of the U.S. Government* (Legal Services Corporation, National Science Foundation, and Federal Reserve Board).<sup>46</sup> Twenty-six of 31 DFE IGs responding to the survey reported that they developed or oversaw development of their budgets, with 8 of the 26 receiving guidance from entity management which the survey responder indicated limited the size of the original request.

<sup>45</sup> As compared to the presidentially appointed IGs under the IG Act, who are required to have a separate appropriation account. See 31 U.S.C. 1105(a)(25).

<sup>46</sup> The Postal Accountability and Enhancement Act, Pub. L. No. 109-435, 120 Stat. 3198, 3241 (Dec. 20, 2006). The Postal Accountability and Enhancement Act provided that for fiscal years beginning on or after October 1, 2008, the Postal Service’s budget program to OMB and Congress must include a separate statement of the amount requested by the Office of the Inspector General of the United States Postal Service.

Eight DFE IGs reported that they needed approval from entity management to spend funds for purchases, travel, training, and other IG activities (see table 9).

**Table 9: Entities Whose IGs Reported Needing Approval for Spending on Certain Activities**

Entity	Activity	Person giving approval
Consumer Product Safety Commission	Procurement	Chairman
Federal Communications Commission	Contracting	CFO
Federal Labor Relations Authority	Contracted audits, training, travel, office requirements	Chairman
U.S. International Trade Commission	All activities	Procurement official; Office of Finance
National Archives and Record Administration	Contracts, purchases over \$2,500; IT system procurements; travel; training	Archivist of the United States
National Endowment for the Arts	All activities	Chairman
National Endowment for the Humanities	All activities	NEH requisition system
Postal Regulatory Commission	Travel, purchase card transactions	Chairman

Source: IG surveys.

Of the entities listed in table 9, the National Endowment for the Arts, National Endowment for the Humanities, National Archives and Records Administration, and the Consumer Product Safety Commission IGs indicated they have never had a problem obtaining additional funds when necessary. IGs at the Federal Labor Relations Authority (FLRA) and U.S. International Trade Commission, however, informed us that they had not been able to obtain funding for staff. A recent peer review of FLRA, for instance, found that the IG did not perform the required FISMA evaluations in 2006 and 2007 because management had not responded to the IG's requests for funds to hire contract auditors. The peer reviewer recommended that the FLRA IG provide a copy of the peer review report to FLRA management and that the FLRA IG use the peer review report to seek assistance from other oversight bodies—including the appropriate subcommittees of Congress and OMB—for help in addressing the existing impairments to independence.

The 2008 Reform Act mandates that IGs shall submit their budget to their entity's head, who shall include, among other things, an aggregate request for the IG in their agency budget proposal to the President. The President must include in the budget submitted to Congress a separate statement of each IG's budget request, and the amount requested by the President for each IG. This should provide more transparency to the IG budget process.

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## Many DFE IGs Have Limited Budgets and Staff to Perform Audits

GAO's *Internal Control Management and Evaluation Tool*<sup>47</sup> states that in assessing office of inspector general internal controls, the IG should consider whether it has sufficient levels of competent and experienced staff and that the responsibilities, scope of work, and audit plans of the IG should be appropriate to the agency's needs.

In fiscal year 2008, the 31 DFE IGs had budgets ranging from \$331,000 to \$233,300,000, with 5 having budgets \$500,000 or under and 12 having budgets under \$1,000,000. In addition to the IGs' overall mandate to prevent and detect waste, fraud, and abuse and to promote economy and efficiency, specific audit work may arise from legal mandates, requests from entity management, requests from Congress, or from discretionary work deemed necessary by the IG. The IGs also reported that the percent of IG work spent on mandatory audits ranged from 0<sup>48</sup> to 100 percent. All 19 IGs who responded that their agencies are subject to the Accountability of Tax Dollar Act of 2002 (ATDA) reported that funding for the entity's financial statements came from their IG budgets.

In fiscal year 2008, 15 of 31 DFE IGs reported having 5 or fewer staff. Twelve of the 31 IGs responded that they need entity approval to hire staff. Limited staffing may affect the ability of the IG to conduct the full range of audits required by its mandate (See table 10).

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<sup>47</sup> GAO, *Internal Control and Management Evaluation Tool*, [GAO-01-1008G](#) (Washington, D.C.: August 2001).

<sup>48</sup> Not all entities have required audits. See Appendix IV for statutory accountability requirements for each entity, as reported by each entity.

**Table 10: Inspectors General Appointed by Entity Heads, Fiscal Year 2008 IG Budgets and Full-time Equivalents (FTEs)**

<b>Entities</b>	<b>IG budgets</b>	<b>IG FTEs</b>
1. United States Postal Service	233,300,000	1,163.00
2. Amtrak	18,500,000	84.00
3. National Science Foundation	11,430,000	64.00
4. Federal Reserve Board	6,339,975	32.00
5. Pension Benefit Guaranty Corporation	4,600,598	22.00
6. Legal Services Corporation	3,815,000	21.00
7. Peace Corps	3,564,000	17.00
8. Federal Communications Commission	3,044,395	24.00
9. Securities and Exchange Commission	2,486,700	11.00
10. Smithsonian Institution	2,416,200	15.50
11. National Archives and Records Administration	2,060,000	17.00
12. National Credit Union Administration	2,000,000	7.75
13. Election Assistance Commission	1,900,000	1.00
14. Equal Employment Opportunity Commission	1,781,665	11.00
15. National Labor Relations Board	1,065,900	6.00
16. Corporation for Public Broadcasting	1,054,000	9.50
17. Farm Credit Administration	1,017,558	4.60
18. Federal Housing Finance Board	959,271	4.00
19. Federal Trade Commission	905,000	5.00
20. Commodity Futures Trading Commission	895,000	4.00
21. Federal Election Commission	758,850	4.00
22. U.S. International Trade Commission	750,000	2.80
23. National Endowment for the Humanities	627,800	5.00
24. Federal Maritime Commission	532,000	2.00
25. Appalachian Regional Commission	486,000	3.00
26. National Endowment for the Arts	483,140	4.00
27. Consumer Product Safety Commission	348,000	1.00
28. Federal Labor Relations Authority	333,680	2.00
29. Postal Regulatory Commission	331,000	2.00
30. Denali Commission <sup>a</sup>	<sup>a</sup>	1.00
31. Broadcasting Board of Governors <sup>b</sup>	<sup>b</sup>	<sup>b</sup>
<b>Total</b>	<b>\$307,785,732</b>	<b>1,548.15</b>

Source: GAO's IG survey.

<sup>a</sup>The Denali IG did not have a separate budget prior to April 1, 2008.

<sup>b</sup>The IG function at Broadcasting Board of Governors (BBG) is performed by the State Department IG.

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Twenty of 31 IGs reported they had their own full or part-time General Counsel.<sup>49</sup> The IG offices that did not have their own General Counsel had 5 or fewer staff, except for Peace Corps, which had 17.<sup>50</sup> Of those that did not have their own General Counsel, all but FLRA used a member of their entity's General Counsel staff. FLRA used the General Counsel of another entity's Office of Inspector General. Absent adequate safeguards, cases where the IG has no access to General Counsel other than that internal to entity management could pose a potential impairment to IG independence.

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### Recommendation Follow-Up and Audit Resolution Activities Vary

GAO's *Internal Control and Management Evaluation Tool* states that in assessing an entity's internal controls, the entity should consider whether its IG regularly provides recommendations to management that are evaluated and implemented when appropriate. The tool also considers whether agency management has a mechanism to ensure prompt resolution of findings and recommendations from audits and other reviews.

According to their survey responses, IGs made recommendations ranging in number from 0 to 593 in 2007. A number of the IGs we interviewed stated that agency responsiveness to IG and financial audit recommendations was lacking. One entity had 117 recommendations outstanding, some dating to 1998. Audit or advisory committees, which can play an oversight role in tracking and resolving recommendations, exist at only seven of the DFEs.

Ten of the 29 DFEs that responded to our survey reported that their governing bodies have written policies for monitoring the implementation of IG recommendations. Nine of those 10 have policies that require the governing body to respond in writing acknowledging the recommendations and develop a plan to address them. Eight of the 10 also require that the governing body provide a time frame for implementing the IG recommendations and that the IG make a determination about whether the recommendations have been implemented.

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<sup>49</sup> Since GAO's survey, the Federal Election Commission IG acquired its own General Counsel.

<sup>50</sup> The IG offices that reported they did not have their own General Counsel were Appalachian Regional Commission, Consumer Product Safety Commission, Election Assistance Commission, Federal Election Commission, Federal Labor Relations Authority, Federal Maritime Commission, National Endowment for the Arts, National Endowment for the Humanities, and Peace Corps.



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The Report Consolidation Act of 2000,<sup>51</sup> as implemented by OMB Circular No. A-136, *Financial Reporting Requirements*, requires that IGs of executive agencies summarize the most serious management challenges faced by their entities and assess their entities' progress in addressing these challenges. The challenges and any responses from the head of the agency are to be included in the agency's Performance and Accountability Report (PAR). Twenty-four DFE IGs developed a list of management challenges annually for their entities, while Amtrak, Election Assistance Commission, Federal Reserve Board,<sup>52</sup> National Credit Union Administration, Postal Regulatory Commission, and Smithsonian Institution reported they did not. Of those who prepared management challenges, 10 reported them in both their semiannual reports and their Performance and Accountability Reports. Another 10 documented management challenges only in their entity's PAR and 2 reported them only in the IG semiannual report. Some entities documented their list of challenges in multiple places. The Legal Services Corporation IG did not report management challenges in either the semiannual report or the PAR, neither of which it is required to issue, but included them in the IG's strategic plan.

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## Concluding Observations

Despite the modernization of governance structures and practices that have occurred in the private sector in recent years, many DFEs, while similar to private corporations and nonprofits, have not updated their governance structures and practices. Therefore, the DFEs lag in commonly accepted governance practices, such as the use of audit committees, ethics committees, and orientation and training of governing body members. For entities using funding from taxpayers and donors, effective governance, accountability, and internal control are keys to maintaining trust and credibility.

Although the DFE IGs receive equal treatment under the IG Act, as amended, variations in governance structures and practices among the entities create differing environments for them. Governance structures and practices can aid or hamper the work of the IGs, which were created by Congress to provide oversight and enhance the effectiveness of the mission of these entities. Reviewing and updating their governance

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<sup>51</sup> 31 U.S.C. § 3516(d).

<sup>52</sup> According to the IG of the Federal Reserve Board, it is not subject to the Reports Consolidation Act of 2000 and OMB Circular No. A-136.

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structures, and the IG's role, can provide DFE governing bodies with the opportunity to determine how to best use the IGs to enhance accountability and improve overall governance. As the 2008 Reform Act is implemented, some of the issues identified in our survey, such as lack of budget transparency and lack of control over budgets, may be mitigated. We are not making specific recommendations in this report, but are providing this information for consideration in future oversight of DFEs and their IGs. The information on governance structures and practices provided in this report can help inform continuing work to improve the effectiveness of government, such as the new IG Council established under the 2008 Reform Act, which can also use this information in its role of promoting and supporting the effectiveness of the IG community and fostering governmentwide efforts to improve management. The information provides a basis for beginning discussions on the governance structures and practices as well as the IG role, but additional individual entity analysis that considers entity structure, size, mission, and risk should be completed in order to determine whether the governance or IG practice would provide value.

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## Agency Comments

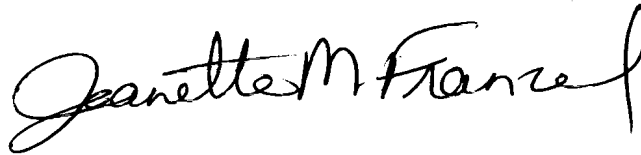
We requested comments on a draft of this report from all 31 DFE entity heads and IGs. Of the entity heads and IGs responding, a number provided technical comments that we incorporated as appropriate.

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As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. We will then send copies of this report to other appropriate congressional committees, the DFE entity heads, and the DFE IGs. The report also is available at no charge on the GAO Web site at <http://www.gao.gov>.

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If you have any questions concerning this report, please contact me at (202) 512-2600 or [franzelj@gao.gov](mailto:franzelj@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in Appendix V.

A handwritten signature in black ink that reads "Jeanette M. Franzel". The signature is written in a cursive style with a large, looping initial "J".

Jeanette M. Franzel  
Managing Director  
Financial Management and Assurance

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# Appendix I: Objectives, Scope and Methodology

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Our reporting objectives were to describe (1) the statutory structure of the governing body for each designated federal entity (DFE) organization and (2) the inspector generals' (IG) roles within the governance structure and management of their respective entities.

We conducted this engagement from September 2007 to January 2009 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objective. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusion.

To obtain the information needed for our two reporting objectives, we reviewed and summarized information from a variety of sources, including the enabling legislation of each DFE; the IG Act, as amended; the 2007 Performance and Accountability Report (PAR) or 2007 Annual Report of each DFE;<sup>1</sup> the Office of Management and Budget's (OMB) FY 2007 list of designated federal entities and federal entities; and prior GAO reports on inspectors general, accountability, and governance at the DFEs. Based on prior work, we identified relevant current private sector guidance for governance that included the following:

- The Conference Board, *Corporate Governance Handbook, 2007: Legal Standards and Board Practices*.
- National Council of Nonprofit Associations, *Financial Accountability and Audit Committees*
- Lipman, F.D. and L.K. Lipman, *Corporate Governance Best Practices: Strategies for Public, Private, and Not-For-Profit Organizations*.
- American Bar Association, *Guide to Nonprofit Corporate Governance in the Wake of Sarbanes-Oxley*.
- Organization for Economic Cooperation and Development (OECD), *OECD Principles of Corporate Governance*.

We also conducted a survey of the DFE entity heads and DFE IGs and conducted follow-up interviews as needed.

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<sup>1</sup> Some entities do not prepare a PAR or annual report. For Legal Services Corporation, we reviewed LSC's strategic plan. For National Endowment for the Arts, we reviewed NEA's 2006 Annual Report. For National Endowment for the Humanities, we reviewed NEH's 2009 budget request. For Postal Regulatory Commission, we reviewed the mission and strategy on PRC's Web site.

We also submitted a data request of the DFE general counsels to ascertain whether their entities were statutorily required to comply, voluntarily complied, or do not follow 12 key governance and accountability statutes that we selected for review. We express no opinion on the applicability of the 12 statutes selected to any of the DFEs. We summarized survey, data request, and interview results for entity head and management control and supervision over the IG, budgets, use of resources, and other operational issues. We identified key factors regarding the effectiveness of the IG and summarized survey results and other information for impact on IG effectiveness.

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## Survey Data

Much of the data presented in this report were obtained from the two surveys directed to the DFE entity heads and the DFE IGs. The DFE entity head survey included questions about governing body committees, meetings, orientation, training, financial statement audits, IG oversight, and internal controls. The DFE IG survey included questions about IG experience, staffing, budget, supervision, salary, communications, and resources. Since the population for both samples was known to be 31, we surveyed all DFE entity heads and DFE IGs.<sup>2</sup> We identified inquiry areas based on the congressional request, previously conducted literature searches on governance responsibilities and structures, and our prior internal experience and reporting on related topics. A listing of numerous relevant publications is printed as appendix VI. We conducted a pretest of our questionnaire for DFE entity heads<sup>3</sup> and for DFE IGs.<sup>4</sup> We directed our DFE entity head survey to the entity head designated by OMB under the IG Act, as amended. We directed our DFE IG survey to the IG for each entity.

We e-mailed the entity head questionnaires on March 25 and 26, 2008, and the IG questionnaires on March 25, 2008. Those entity heads not completing the questionnaire were e-mailed replacement questionnaires on April 16, 2008. Those IGs not completing the questionnaire were e-mailed replacement questionnaires on April 11, 2008. On May 21, 2008, we

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<sup>2</sup> The Department of State IG is authorized to exercise the same authorities under the IG Act, as amended, for the Broadcasting Board of Governors. Therefore, we directed the BBG IG survey to the Department of State IG.

<sup>3</sup> The agency head survey was pretested with the Denali Commission and the Appalachian Regional Commission.

<sup>4</sup> The IG survey was pretested with Federal Labor Relations Authority and U.S. International Trade Commission.

also made follow-up phone calls to nine entity heads and three IGs who had yet to complete the survey. We received 29 of 31 entity head questionnaires and all 31 of the IG questionnaires as of September 16, 2008.<sup>5</sup>

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## Data Request

We also augmented our work by conducting a data request to obtain information from DFE general counsels. The data request included 12 questions about key governance and accountability statutes we selected and whether the entity was statutorily required to comply with, voluntarily complied with, or was neither statutorily required to follow nor voluntarily chose to comply with the statute. To determine the key governance and accountability statutes for our data request, we reviewed relevant prior GAO reports and compared published governance practices to the statutes. We directed our data request to the general counsel of the individual DFEs.<sup>6</sup>

We e-mailed the data requests on June 17 and 18, 2008. Those general counsels not completing the data request were e-mailed replacement data requests on August 1, 2008. On August 19, 2008, we also made phone calls to five general counsels. We received all 31 data requests.

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<sup>5</sup> Amtrak and FCC were the only entity heads to not complete the surveys.

<sup>6</sup> FLRA was the only entity whose General Counsel position was vacant. Therefore, we sent our data request to the Assistant General Counsel for Appeals.

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# Appendix II: History of Inspectors General

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Statutory inspectors general were established by Congress after a series of events in the 1970s<sup>1</sup> that included:

- a 1975 study by a subcommittee of the House of Representatives that found inadequacies in internal audit and investigative procedures in the Department of Health, Education, and Welfare, and
- a 1977 study by the House Intergovernmental and Human Resources Subcommittee that found serious deficiencies in a number of audit and investigative efforts including a systemic lack of (1) central leadership for audits and investigations, (2) auditor and investigator independence, (3) procedures to ensure Congress would be informed of serious problems, and (4) programs that looked for possible fraud or abuse.

The Inspector General Act of 1978 (IG Act) was intended to address these issues by providing for independent IGs appointed by the President. The act charged the IGs with conducting and supervising audits and investigations; recommending policies to promote economy, efficiency, and effectiveness; and preventing and detecting fraud and abuse in their agencies' programs and operations. IGs are also required to report on the results of their audits and investigations and prepare semiannual reports to agency heads and the Congress.

Between 1978 and 1988, Congress passed legislation to establish statutory IGs in 8 additional agencies. The House Subcommittee on Legislation and National Security, Committee on Government Operations asked GAO to study the internal audit capabilities of smaller federal agencies. In May of 1984 GAO issued *Status of Internal Audit Capabilities of Federal Agencies Without Statutory Inspectors General*.<sup>2</sup> Based on 99 responses to surveys of 105 federal organizations, GAO uncovered many of the issues that led to the establishment of 12 IGs in the IG Act. These included auditors supervised by officials responsible for the programs under review, leading to lack of auditor independence; inadequate audit coverage of vulnerable agency operations; lack of evaluation of significant fraud problems; and audit resolution and follow-up systems that did not meet government requirements. In a June 1986 follow-up report, *Nonstatutory Audit and Investigative Groups Need to Be Strengthened*,<sup>3</sup> GAO reviewed

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<sup>1</sup> Statutory inspectors general had existed at certain agencies, such as the Department of the Army and the Department of State, long before they were considered governmentwide.

<sup>2</sup> [GAO/AFMD-84-45](#).

<sup>3</sup> [GAO/AFMD-86-11](#).

41 agencies without statutory IGs and found lack of independent and sufficient audit capabilities within agencies continued to be a problem. In its conclusion to the report, GAO supported legislation that had been recently introduced in Congress that would extend IG Act protections and requirements to most existing executive branch audit units.

The Inspector General Act Amendments of 1988<sup>4</sup> and the Government Printing Office Inspector General Act of 1988<sup>5</sup> established statutory IGs in 5 additional departments and agencies, the Government Printing Office, and 33 designated federal entities (DFE) listed in the act.<sup>6</sup> Under the 1988 amendments, the IGs established in the 5 departments and agencies were to be appointed by the President with Senate confirmation while the DFE IGs were to be appointed by entity heads. Various other statutes since 1978 have amended the IG Act to add or remove entities required to have IGs.

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<sup>4</sup> P.L. No. 100-504, Title I, 102 Stat. 2515 (Oct. 18, 1988).

<sup>5</sup> P.L. No. 100-504, Titles II, 102 Stat. 2530 (Oct. 18, 1988).

<sup>6</sup> Each year, the Office of Management and Budget, in consultation with GAO, publishes a list of DFEs and their heads. Currently there are 31 DFEs.



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# Appendix III: Description of Key Governance Statutes Observed during the DFE IG Governance Study

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## Current Governance Requirements

Since the designated federal entities (DFEs) were established with different missions and during different years, the statutory requirements for the identified key governance and accountability statutes vary. Following are the key governance and accountability statutes identified that cover funds control and budgeting, performance and financial reporting, accounting and internal control systems, human resources management, and recordkeeping and access to information.

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## Funds Control and Budgeting

- **Antideficiency Act** (codified as amended in 31 U.S.C. 1341, 1342, 1351, and 1517)—Prohibits officers and employees of the government from obligating or expending funds in advance of or in excess of appropriations.
- **Purpose Statute** (31 U.S.C. § 1301(a))—Requires federal agencies and all U.S. government corporations, both mixed ownership and wholly owned, to use appropriated funds only for the purposes provided in the law.
- **Improper Payments Information Act of 2002** (Public Law 107-300)—Requires agencies to identify susceptible programs and activities, estimate their improper payments, and report on actions to reduce improper payments.

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## Performance and Financial Reporting

- **Accountability of Tax Dollars Act of 2002** (Public Law 107-289)—The Chief Financial Officers Act of 1990 (CFO Act), as amended by the Government Management Reform Act of 1994 (GMRA), requires the 24 agencies of the federal government covered by the CFO Act,<sup>1</sup> including some independent agencies, to submit annual audited financial statements to the Office of Management and Budget (OMB) and Congress. The financial statements must be prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted government auditing standards.

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<sup>1</sup>The current 24 CFO Act agencies are the Departments of Agriculture, Commerce, Defense, Education, Energy, Health and Human Services, Homeland Security, Housing and Urban Development, the Interior, Justice, Labor, State, Transportation, the Treasury, and Veterans Affairs as well as the Environmental Protection Agency, National Aeronautics and Space Administration, Agency for International Development, General Services Administration, National Science Foundation, Nuclear Regulatory Commission, Office of Personnel Management, Small Business Administration, and Social Security Administration. 31 U.S.C. § 901(b).

The Accountability of Tax Dollars Act of 2002 (ATDA) expanded this requirement<sup>2</sup> to include most other federal executive agencies.<sup>3</sup>

- **Government Performance and Results Act of 1993** (Public Law 103-62)—Requires an annual performance report. The annual performance report<sup>4</sup> shall reflect, among other things, the agency’s or corporation’s progress in achieving the performance goals set out in its annual performance plan,<sup>5</sup> which implements a mandatory longer-term strategic plan.<sup>6</sup>

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## Accounting and Internal Control Systems

- **Federal Managers’ Financial Integrity Act of 1982 (FMFIA)** (31 U.S.C. 3512 (c), (d))—Provides the statutory basis for management’s responsibility for and assessment of internal control. OMB Circular No. A-123, *Management’s Responsibility for Internal Control* (rev. Dec. 21, 2004), sets out the guidance for implementing the statute’s provisions, including agencies’ assessment of internal control under the standards prescribed by the Comptroller General. Agencies are required to annually provide a statement of assurance on the effectiveness of internal control. U.S. government corporations are not subject to FMFIA, but they are subject to similar requirements under the Government Corporation Control Act, which incorporates by reference the FMFIA standards in requiring U.S. government corporations to include in their annual management reports a statement on internal accounting and administrative control systems.

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<sup>2</sup> The requirement for submitting annual audited financial statements to OMB and Congress under the CFO Act, GMRA, and ATDA has been codified, as amended, at 31 U.S.C. § 3515.

<sup>3</sup> 31 U.S.C. § 3515(f). OMB specifically identified 76 agencies to which ATDA expanded the annual financial reporting requirement in Appendix A of M-04-22, a July 2004 memorandum titled “Amendments to OMB Bulletin No. 01-02, *Audit Requirements for Federal Financial Statements*.” This bulletin and related memorandum have been superseded by OMB Bulletin No. 06-03, *Audit Requirements for Federal Financial Statements* (Aug. 23, 2006), which in Appendix C identifies 75 entities to which the ATDA expanded the annual financial reporting requirement.

<sup>4</sup> 31 U.S.C. § 1116.

<sup>5</sup> 31 U.S.C. § 1115.

<sup>6</sup> 5 U.S.C. § 306.

- **Federal Information Security Management Act of 2002 (FISMA)** (Public Law 107-347)<sup>7</sup>—Requires the development and implementation of an entitywide information security program. As part of that program, FISMA requires entity heads to periodically (1) perform risk assessments of the harm that could result from information security problems, such as the unauthorized disclosure or destruction of information; (2) test and evaluate the effectiveness of elements of the information security program; and (3) provide security awareness training to personnel and contractors. FISMA also requires the federal entity to annually have its IG or an external auditor perform an independent evaluation of the entity’s information security programs and practices to determine their effectiveness and to annually submit a report on the adequacy and effectiveness of information systems to OMB, GAO, and Congress.
- **Travel, Transportation, and Subsistence** (5 U.S.C. Chapter 57) and **Federal Travel Regulation**—Statutory requirements and executive branch policies for travel by federal civilian employees and others authorized to travel at government expense.

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## Human Resources Management

- **Whistleblower Protection Act** (5 U.S.C. 2302)—Provides certain protections to employees of federal agencies and, to a limited extent, U.S. government corporations, when they engage in “whistleblowing,” which involves reporting evidence of illegal or improper federal employer activities to the relevant authorities.
- **Ethics in Government Act of 1978**<sup>8</sup> (Public Law 95-521)—Governs ethical conduct, including public financial disclosure requirements, and limits outside earned income and activities.

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## Recordkeeping and Access to Information

- **Freedom of Information Act**<sup>9</sup> (5 U.S.C. 552)—Requires that federal entities make their records available for public inspection and copying unless one of the listed FOIA exemptions applies, such as for records pertaining to medical files, internal personnel practices, or trade secrets.

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<sup>7</sup> P.L. No. 107-347, tit. III, § 301(b)(1), 116 Stat. 2946, 2949 (Dec. 17, 2002), *codified at* 44 U.S.C. § 3544.

<sup>8</sup> 5 U.S.C. appx. §§ 101-111, 501-505.

<sup>9</sup> FOIA, P.L. No. 89-487, 80 Stat. 250 (July 4, 1976), *codified, as amended, at* 5 U.S.C. § 552.

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**Appendix III: Description of Key Governance  
Statutes Observed during the DFE IG  
Governance Study**

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- **Government in the Sunshine Act**<sup>10</sup>(5 U.S.C. 552b; Public Law 94-409)—Requires that all board meetings, including meetings of any executive committee of the board, must be open to public observation, unless an exception applies.

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<sup>10</sup> Government in the Sunshine Act, P.L. No. 94-409, 90 Stat. 1241 (Sept. 13, 1976), *codified, as amended, at* 5 U.S.C. § 552b.

# Appendix IV: Profiles of Designated Federal Entities

This appendix contains profiles of the 31 designated federal entities (DFEs) and their offices of inspectors general (IG).

**Table 11: DFEs and Corresponding Section Number**

Designated federal entity	Section number
Amtrak (National Railroad Passenger Corporation)	1
Appalachian Regional Commission	2
The Board of Governors, Federal Reserve System	3
Broadcasting Board of Governors	4
Commodity Futures Trading Commission	5
Consumer Product Safety Commission	6
Corporation for Public Broadcasting	7
Denali Commission	8
Election Assistance Commission	9
Equal Employment Opportunity Commission	10
Farm Credit Administration	11
Federal Communications Commission	12
Federal Election Commission	13
Federal Housing Finance Board <sup>1</sup>	14
Federal Labor Relations Authority	15
Federal Maritime Commission	16
Federal Trade Commission	17
Legal Services Corporation	18
National Archives and Records Administration	19
National Credit Union Administration	20
National Endowment for the Arts	21
National Endowment for the Humanities	22
National Labor Relations Board	23
National Science Foundation	24
Peace Corps	25
Pension Benefit Guaranty Corporation	26

<sup>1</sup> Under the Housing and Economic Recovery Act (HERA) of 2008 (P.L. No. 110-289, 122 Stat. 2654, July 30, 2008), the Federal Housing Finance Board will cease to exist 1 year after the effective date of HERA, or July 30, 2009, to be replaced by the Federal Housing Finance Agency (FHFA). HERA sections 1105(a)(5), and (c) provide that the FHFA has an IG appointed by the President and confirmed by the Senate.

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**Appendix IV: Profiles of Designated Federal Entities**

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<b>Designated federal entity</b>	<b>Section number</b>
Postal Regulatory Commission	27
Securities and Exchange Commission	28
Smithsonian Institution	29
United States International Trade Commission	30
United States Postal Service	31

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Source: IG Act, as amended.

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## 1. Amtrak

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Purpose	The National Railroad Passenger Corporation was statutorily established to meet the nation's intercity passenger transportation needs.
Background	Legal authority: 49 U.S.C. Chapter 243  Fiscal year 2007 employment: 18,760
Governing body structure <sup>2</sup>	Amtrak's board statutorily consists of seven voting members and one ex-officio, nonvoting member (the President of Amtrak). The voting members are appointed by the President and confirmed by the Senate for a 5-year term. The President may choose to appoint the Secretary of Transportation to be a voting member. The Secretary of Transportation does not require the advice and consent of the Senate. As of October 2008, Amtrak had five voting board members including the Secretary of Transportation, and two vacancies.  <b>Head of entity as of January 2009:</b> The Honorable Thomas Carper, Chairman
Governing body committees <sup>3</sup>	Audit and Finance; Government Relations, Legal, and Corporate Affairs; Personnel and Compensation; Security, Safety, and Environmental Affairs; and Service Development, Marketing, Product Management and Customer Service.

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<sup>2</sup> Under the provisions of the Passenger Rail Investment and Improvement Act of 2008 (P.L. 110-432), Amtrak's Board of Directors will be reorganized in April 2009 and expanded to nine voting members: the Secretary of Transportation, the President of Amtrak, and seven individuals appointed by the President of the United States, by and with the advice and consent of the Senate for 5-year terms. As of March 2009, Amtrak had four voting board members, including the Secretary of Transportation, and the board had three vacancies.

<sup>3</sup> Amtrak did not complete the entity head survey, but provided us the committee information during the comment period to this report. This committee information is not reflected in the body of the report, since the body reflects information provided from the entity head survey.

## Funding information

**Table 12: Amtrak Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$1,001	\$1,283	\$1,221	\$1,268	\$1,274
Nonfederal collections	3	-	-	11	-
Net federal outlays	998	1,283	1,221	1,257	1,274

Source: Summary of information from MAX database of the Budget of the U.S. Government.

## Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 13: Applicability of 12 Selected Federal Statutes to Amtrak**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	No	
Purpose Statute (31 U.S.C. 1301(a))	No	
Improper Payments Information Act of 2002 (P.L. 107-300)	No	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	
Government Performance and Results Act of 1993 (P.L. 103-62)	No	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	
Federal Information Security Management Act of 2002 (P.L. 107-347)	No	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	Has implemented alternative mechanisms to attain the objectives of the statute.
Whistleblower Protection Act (5 U.S.C. 2302)	No	Has implemented alternative mechanisms to attain the objectives of the statute.
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	No	Has implemented alternative mechanisms to attain the objectives of the statute.
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	No	Has implemented alternative mechanisms to attain the objectives of the statute.

Source: Response of Amtrak General Counsel to GAO data request.



Office of Inspector General

Fiscal year 2008 Full time equivalent (FTE) provided: 89

Fiscal year 2008 FTE actual: 84

Fiscal year 2008 IG budget: \$18.5 million

**Table 14: Amtrak's Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent		
	FTE allotment	Budget allotment
Audit	40	35
Investigations	38	34
Inspections or evaluations	10	20
Office administration	2	3
Other	10	8

Source: Amtrak IG survey.

Number of outstanding recommendations as of March 31, 2008

There were 166 recommendations for which management action was still needed.

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## 2. Appalachian Regional Commission (ARC)

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### Purpose

The Appalachian Regional Commission is a federal-state partnership that works with the people of Appalachia to create opportunities for self-sustaining economic development and improved quality of life. The commission's purpose is to reduce the substantial socioeconomic gaps between Appalachia and the rest of the nation. The commission, a federal program, attempts to reduce these gaps by awarding grants to various projects such as workforce training, highway construction, small business start-up assistance, and education programs.

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### Background

Legal authority: 40 U.S.C. § 14301

Fiscal year 2007 FTE employment: 8<sup>4</sup>

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### Governing body structure

The ARC has a 14-member commission composed of a cochairman and the governors of 13 Appalachian states. The federal cochairman is appointed by the President and confirmed by the Senate. The governors select a state cochairman from their number. The commission has an executive director responsible for carrying out the administrative functions of the commission and directing commission staff. Only the federal cochairman and his or her staff are federal employees.

**Head of entity as of January 2009:** The Honorable Anne B. Pope, Federal Co-chairman

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### Governing body committees

None.

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<sup>4</sup> ARC also has 40-45 permanent nonfederal employees not included in the FTE numbers.

## Funding information

**Table 15: ARC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$86	\$82	\$81	\$79	\$82
Nonfederal collections	1	1	1	1	2
Net federal outlays	85	81	80	78	80

Source: Summary of information from MAX database of the Budget of the U.S. Government.

## Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 16: Applicability of 12 Selected Federal Statutes to ARC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	No	Has implemented alternative mechanisms to attain the objectives of the statute.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	Has implemented alternative mechanisms to attain the objectives of the statute.
Government Performance and Results Act of 1993 (P.L. 103-62)	No	ARC voluntarily complies.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	ARC voluntarily complies.
Federal Information Security Management Act of 2002 (P.L. 107-347)	No	ARC follows FISMA as closely as practical.
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	ARC uses the travel regulations as the basis for its policies.
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	No	ARC treats requests for information in accordance with the act.
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	No	Provisions of the ARC code attain the objectives of the statute.

Source: Response of ARC General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 3

Fiscal year 2008 FTE actual: 3

Fiscal year 2008 IG budget: \$486,000

**Table 17: ARC's Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	60	75
<b>Investigations</b>	1	0
<b>Inspections or evaluations</b>	4	0
<b>Office administration</b>	35	15
<b>Other</b>	0	10

Source: Appalachian Regional Commission IG survey.

Number of outstanding recommendations as of March 31, 2008

There were six outstanding recommendations.

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### 3. The Board of Governors, Federal Reserve System

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#### Purpose

The Federal Reserve System (Federal Reserve), the central bank of the United States, is charged with conducting the nation's monetary policy. Through its supervisory and regulatory banking functions, the Federal Reserve maintains the safety and soundness of the nation's financial system. The Federal Reserve also maintains the stability of the financial system and provides services to depository institutions, the U.S. government, and foreign official institutions.

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#### Background

Legal authority: 12 U.S.C. §241

Fiscal year 2007 FTE employment: 1,891

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#### Governing body structure

The seven members of the Board of Governors of the Federal Reserve System are appointed by the President and confirmed by the Senate. A full term is 14 years. A member who serves a full term may not be reappointed. The chairman and the vice chairman of the board are designated by the President from among the members and are confirmed by the Senate. They serve a term of 4 years. A member's term on the board is not affected by his or her status as chairman or vice chairman.

**Head of entity as of January 2009:** The Honorable Ben Bernanke, Chairman

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#### Governing body committees

The Committee on Board Affairs combines functions of finance, budget, performance review, and operations. Regulations are assigned to the committees on Supervisory and Regulatory Affairs and Consumer and Community Affairs.

Funding information

**Table 18: Federal Reserve Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	N/A	N/A	N/A	N/A	N/A
Nonfederal collections	N/A	N/A	N/A	N/A	N/A
Net federal outlays	N/A	N/A	N/A	N/A	N/A

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Note: Under the provisions of section 10 of the Federal Reserve Act, the Board of Governors levies upon the Federal Reserve banks, in proportion to their capital and surplus, an assessment sufficient to pay its estimated expenses. The board, under this act, determines and prescribes the manner in which its obligations are incurred and its expenses paid.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 19: Applicability of 12 Selected Federal Statutes to the Federal Reserve**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	No	
Purpose Statute (31 U.S.C. 1301(a))	No	
Improper Payments Information Act of 2002 (P.L. 107-300)	No	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	No	The board voluntarily submits a GPRA performance plan and report in its published annual report.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	
Whistleblower Protection Act (5 U.S.C. 2302)	No	Board employees are covered by a separate whistleblower statute, 12 U.S.C. § 2302.
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Federal Reserve Board General Counsel to GAO data request.

Office of Inspector General Fiscal year 2008 FTE provided: 37

Fiscal year 2008 FTE actual: 32

Fiscal year 2008 IG budget: \$6.3 million

**Table 20: Federal Reserve Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	45	48
<b>Investigations</b>	13	14
<b>Inspections or evaluations</b>	23	20
<b>Office administration</b>	6	6
<b>Other</b>	13	12

Source: Federal Reserve Board IG survey.

Number of outstanding recommendations as of March 31, 2008

There were 16 outstanding recommendations.

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## 4. Broadcasting Board of Governors (BBG)

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### Purpose

The Broadcasting Board of Governors oversees all U.S. government and government-sponsored, nonmilitary, international broadcasting. These functions are carried out by the individual BBG international broadcasters: the Voice of America, Alhurra, Radio Sawa, Radio Farda, Radio Free Europe/Radio Liberty, Radio Free Asia, and Radio and TV Marti, with the assistance of the International Broadcasting Bureau.

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### Background

Legal authority: 22 U.S.C. §6203

Fiscal year 2007 FTE employment: 2,024

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### Governing body structure

The board has nine members, eight appointed by the President and confirmed by the Senate, and the Secretary of State. The President appoints one member as chairman subject to the advice and consent of the Senate. No more than four members, excluding the Secretary of State, may be of the same political party. Members serve 3 years, excepting the Secretary of State, and receive compensation for time spent on BBG matters at the Level IV rate of the Executive Schedule. The Secretary of State does not receive any compensation for service to the board. All members are eligible for expense related to travel.

**Head of entity as of January 2009:** Chairman, vacant

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### Governing body committees

Voice of America; International Broadcasting Bureau; Office of Cuba Broadcasting; Radio Free Europe/Radio Liberty; Radio Free Asia; Middle East (MBN); Personnel; and Language Service Review.



Funding information

**Table 21: BBG Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$517	\$667	\$643	\$642	\$656
Nonfederal collections	2	13	3	7	5
Net federal outlays	515	654	640	635	651

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 22: Applicability of 12 Selected Federal Statutes to BBG**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (b), (c))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Broadcasting Board of Governors General Counsel to GAO data request.

Office of Inspector General<sup>5</sup>

Fiscal year 2008 FTE provided: N/A

Fiscal year 2008 FTE actual: N/A

Fiscal year 2008 IG budget: N/A

**Table 23: BBG Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	N/A	N/A
<b>Investigations</b>	N/A	N/A
<b>Inspections or evaluations</b>	N/A	N/A
<b>Office administration</b>	N/A	N/A
<b>Other</b>	N/A	N/A

Source: Broadcasting Board of Governors IG survey.

Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

<sup>5</sup> The Inspector General of the Department of State also serves as the Inspector General of BBG. In response to survey questions, the IG stated that FTE and budget information was not divided between the Department of State and BBG.

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## 5. Commodity Futures Trading Commission (CFTC)

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Purpose	The Commodity Futures Trading Commission protects market users and the public from fraud, manipulation, and abusive practices related to the sale of commodity futures and options, and fosters open, competitive, and financially sound futures and option markets.
Background	Legal authority: 7 U.S.C. § 2  Fiscal year 2007 FTE employment: 437
Governing body structure	The President appoints, and the Senate confirms, five commissioners with demonstrated knowledge in futures trading or its regulation, or the production, merchandising, processing, or distribution of one or more of the commodities or other goods and articles, services, rights, and interests covered by 7 U.S.C. Chapter 1. No more than three commissioners can be of the same political party, and one commissioner is appointed as the chairman by the President, by and with the advice and consent of the Senate. Commissioners serve 5-year terms and generally serve until their successor is appointed and qualified. The chairman serves at the pleasure of the President.  <b>Head of entity as of January 2009:</b> The Honorable Michael V. Dunn, Acting Chairman
Governing body committees	None

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## Funding information

**Table 24: CFTC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$83	\$91	\$94	\$100	\$98
Nonfederal collections	-	-	-	-	-
Net federal outlays	83	91	94	100	98

Source: Summary of information from MAX database of the Budget of the U.S. Government.

## Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 25: Applicability of 12 Selected Federal Statutes to CFTC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	No	Have not adopted the statute administratively.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Commodity Futures Trading Commission General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 4

Fiscal year 2008 FTE actual: 4

Fiscal year 2008 IG budget: \$895,000

**Table 26: CFTC's Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	60	70
<b>Investigations</b>	5	5
<b>Inspections or evaluations</b>	5	5
<b>Office administration</b>	25	10
<b>Other</b>	5	10

Source: Commodity Futures Trading Commission IG survey.

Number of outstanding recommendations as of March 31, 2008

There was one outstanding recommendation.

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## 6. Consumer Product Safety Commission (CPSC)

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### Purpose

The Consumer Product Safety Commission protects the public against unreasonable risks of injury from consumer products; assists consumers in evaluating the comparative safety of consumer products; develops uniform safety standards for consumer products and minimizes conflicting state and local regulations; and promotes research and investigation into the causes and prevention of product-related deaths, illnesses, and injuries.

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### Background

Legal authority: 15 U.S.C. §2053

Fiscal year 2007 FTE employment: 393

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### Governing body structure

There are five commissioners, who are appointed by the President, with the advice and consent of the Senate. Commission members can be removed by the President for neglect of duty or malfeasance in office, but for no other reason. Commissioners are appointed to 7-year terms, with any vacancies filled for the remainder of the term. No more than three members may be of the same political party. The chairman is appointed by the President from among the members of the commission and confirmed by the Senate. The commission elects a vice chairman annually to act in the absence or disability of the chairman or in the case of a vacancy in the office of the chairman. The chairman, subject to commission approval, appoints the various officers for the commission's operations. At least 30 days before the beginning of each fiscal year, the commission must establish an agenda for commission action.

**Head of entity as of January 2009:** The Honorable Nancy Nord, Chairman

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### Governing body committees

None

Funding information

**Table 27: CPSC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$62	\$63	\$65	\$64	\$62
Nonfederal collections	3	3	3	3	3
Net federal outlays	59	60	62	61	59

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 28: Applicability of 12 Selected Federal Statutes to CPSC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Consumer Product Safety Commission General Counsel to GAO data request.

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**Appendix IV: Profiles of Designated Federal Entities**

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Office of Inspector General

Fiscal year 2008 FTE provided: 3

Fiscal year 2008 FTE actual: 1

Fiscal year 2008 IG budget: \$348,000

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**Table 29: CPSC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	50	60
<b>Investigations</b>	0	20
<b>Inspections or evaluations</b>	0	10
<b>Office administration</b>	0	10
<b>Other</b>	50	0

Source: Consumer Product Safety Commission IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.



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## 7. Corporation for Public Broadcasting (CPB)

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### Purpose

The Corporation for Public Broadcasting is a steward of the federal government's investment in public broadcasting. It helps support the operations of more than 1,000 locally owned and operated public television and radio stations nationwide and is a source of funding for research, technology, and program development for public radio, television, and related on-line services.

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### Background

Legal authority: 47 U.S.C. §396

Fiscal year 2007 FTE employment: 105

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### Governing body structure

The CPB board has nine members, appointed by the President with advice and consent of the Senate to terms of 6 years. No more than five may be members of the same political party. Annually, the board elects a chairman from its members as well as one or more vice chairmen. The board also selects the president of the corporation and appoints other corporate officers. A member whose term has expired may serve until his successor has taken office or until the end of the calendar year, whichever comes first. No member may serve in excess of two consecutive terms. The members of the board are not considered officers or employees of the United States. Members receive \$150 per day for meetings and board work, including travel time and are reimbursed for actual, reasonable, and necessary expenses. No member may receive compensation of more than \$10,000 in any fiscal year.

**Head of entity as of January 2009:** Board of Directors

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### Governing body committees

Audit and Finance; Executive Compensation; Corporate Governance; Education; New Media; and Public Broadcasting Awareness

Funding information

**Table 30: CPB Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions

Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$411	\$437	\$466	\$460	\$464
Nonfederal collections	-	-	-	-	-
Net federal outlays	411	437	466	460	464

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Appendix IV: Profiles of Designated Federal Entities**

**Table 31: Applicability of 12 Selected Federal Statute to CPB**

<b>Statute</b>	<b>Subject to statute?</b>	<b>Comments</b>
Anti-Deficiency Act (31 U.S.C. 1341)	No	Subject to comparable legislative controls under 47 U.S.C. 396(k)(3).
Purpose Statute (31 U.S.C. 1301(a))	No	Subject to comparable legislative controls under 47 U.S.C. 396(k)(3).
Improper Payments Information Act of 2002 (P.L. 107-300)	No	47 U.S.C. 396(1)(1)(A) requires an annual independent audit.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	47 U.S.C. 396(1)(1)(A) requires an annual independent audit.
Government Performance and Results Act of 1993 (P.L. 103-62)	No	CPB adopted alternative mechanisms to attain the objective of this statute.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	CPB adopted alternative mechanisms to attain the objective of this statute.
Federal Information Security Management Act of 2002 (P.L. 107-347)	No	CPB adopted alternative mechanisms to attain the objective of this statute.
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	CPB adopted its own policies on travel.
Whistleblower Protection Act (5 U.S.C. 2302)	No	CPB adopted alternative mechanisms to attain the objective of this statute.
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	No	CPB adopted policies to attain the objectives of this statute.
Freedom of Information Act (5 U.S.C. 552)	No	CPB is subject to other disclosure requirements.
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	No	47 U.S.C. 396(g)(4) requires public meetings.

Source: Response of Corporation for Public Broadcasting General Counsel to GAO data request.

**Office of Inspector General**

Fiscal year 2008 FTE provided: 9.5

Fiscal year 2008 FTE actual: 9.5

Fiscal year 2008 IG budget: \$1.1 million

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**Table 32: CPB Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	70	70
<b>Investigations</b>	10	20
<b>Inspections or evaluations</b>	10	10
<b>Office administration</b>	10	0
<b>Other</b>	0	0

Source: Corporation for Public Broadcasting IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were six outstanding recommendations.

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## 8. Denali Commission

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Purpose	The Denali Commission is a federal-state partnership designed to provide critical utilities, infrastructure, and economic support throughout Alaska.
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Background	Legal authority: 42 U.S.C. §3121 note  Fiscal year 2007 FTE employment: 17
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Governing body structure	There are seven board members including the federal cochair. Six of the seven positions are statutorily defined as the Governor of the State of Alaska, who serves as the state cochair; the President of the University of Alaska; the President of the Alaska Municipal League; the President of the Alaska Federation of Natives; the Executive President of the Alaska State AFL/CIO; and the President of the Associated General Contractors of Alaska. The Secretary of Commerce appoints the federal cochair from a list of nominations from the President pro tempore of the Senate and the Speaker of the House of Representatives. The federal cochair serves for 4 years and may be reappointed. Except for the federal cochair, members receive a basic rate of pay at Level IV of the Executive Schedule plus travel expenses for time spent on commission work. The commission must meet at least twice a year.
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**Head of entity as of January 2009:** The Honorable George Cannelos, Federal Cochair

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Governing body committees	None
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Funding information

**Table 33: Denali Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$79	\$84	\$123	\$106	\$99
Nonfederal collections	58	59	70	62	64
Net federal outlays	21	25	53	44	35

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 34: Applicability of 12 Selected Federal Statutes to Denali**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	Not required to file annual report.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	Not required to file quarterly reports.
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Denali Commission General Counsel to GAO data request.

Office of Inspector General:

Fiscal year 2008 FTE provided: 2

Fiscal year 2008 FTE actual: 1

Fiscal year 2008 IG budget<sup>6</sup>: N/A

**Table 35: Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent		
	FTE allotment	Budget allotment <sup>a</sup>
<b>Audit</b>	20	N/A
<b>Investigations</b>	10	N/A
<b>Inspections or evaluations</b>	40	N/A
<b>Office administration</b>	20	N/A
<b>Other</b>	10	N/A

Source: Denali Commission IG survey.

<sup>a</sup>Denali's OIG did not have a separate budget at the time of GAO's survey.

Number of outstanding recommendations as of March 31, 2008

There were 27 outstanding recommendations as of March 31, 2008.

<sup>6</sup> Denali's IG did not have a separate budget at the time of GAO's survey.

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## 9. Election Assistance Commission (EAC)

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### Purpose

The EAC, established by the Help America Vote Act of 2002, serves as a national clearinghouse and resource for information and review of procedures with respect to the administration of federal elections.

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### Background

Legal authority: 42 U.S.C. §15321

Fiscal year 2007 FTE employment: 26

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### Governing body structure

The commission has four members appointed by the President with the advice and consent of the Senate. The commission selects the chair and vice chair, who may not be from the same political party, from among its members. The chair and vice chair each serve 1-year terms and may only serve in that position once during each term of office. Members serve for 4 years and may only serve two terms. Each member is compensated at the annual rate of basic pay for Level IV of the Executive Schedule.

**Head of entity as of January 2009:** The Honorable Rosemary Rodriguez, Chairman

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### Governing body committees

Finance; Budget; Performance Review; Operations; Research and Clearinghouse; Legislative Activities; and Voting Systems Guidelines



Funding information

**Table 36: EAC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	-	\$1,284	\$984	\$69	\$10
Nonfederal collections	-	-	-	-	-
Net federal outlays	-	1,284	984	69	10

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 37: Applicability of 12 Selected Federal Statutes to EAC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Election Assistance Commission General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 1

Fiscal year 2008 FTE actual: 1

Fiscal year 2008 IG budget: \$1.9 million

**Table 38: EAC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	70	70
<b>Investigations</b>	20	20
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	10	10
<b>Other</b>	0	0

Source: Election Assistance Commission IG survey.

Number of outstanding recommendations as of March 31, 2008

There were 41 recommendations outstanding.

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## 10. Equal Employment Opportunity Commission (EEOC)

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Purpose	The Equal Employment Opportunity Commission enforces laws that prohibit discrimination based on race, color, religion, sex, national origin, disability, or age in hiring, promoting, firing, setting wages, testing, training, and all other terms and conditions of employment.
Background	Legal authority: 42 U.S.C. § 2000e-4  Fiscal year 2007 FTE employment: 2,157
Governing body structure	The commission has five members, no more than three of whom may be from the same political party. They are appointed by the President with the advice and consent of the Senate. The President also designates two of the members to be the chairman and vice chairman. The chairman runs the commission's operations. Members serve for 5 years.  <b>Head of entity as of January 2009:</b> The Honorable Stuart J. Ishimaru, Acting Chairman
Governing body committees	None.

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Funding information

**Table 39: EEOC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$319	\$329	\$325	\$325	\$328
Nonfederal collections	4	4	4	5	5
Net federal outlays	315	325	321	320	323

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 40: Applicability of 12 Selected Federal Statutes to EEOC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended).	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Equal Employment Opportunity Commission's General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 11

Fiscal year 2008 FTE actual: 11

Fiscal year 2008 IG budget: \$1.8 million

**Table 41: EEOC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	21	64
<b>Investigations</b>	32	15
<b>Inspections or evaluations</b>	21	11
<b>Office administration</b>	26	10
<b>Other</b>	0	0

Source: Equal Employment Opportunity Commission IG survey.

Number of outstanding recommendations as of March 31, 2008

There were 12 recommendations outstanding.

## 11. Farm Credit Administration (FCA)

**Purpose** The Farm Credit Administration is responsible for ensuring the safe and sound operation of the banks, associations, affiliated service organizations, and other entities that collectively comprise what is known as the Farm Credit System, and for protecting the interests of the public and those who borrow from Farm Credit institutions or invest in Farm Credit securities.

**Background** Legal authority: 12 U.S.C. § 2241  
Fiscal Year 2007 FTE employment: 253

**Governing body structure** The FCA board has three members appointed by the President with the advice and consent of the Senate. One member is designated by the President as the chairman and also serves as the CEO. Members serve for 6 years and may not be reappointed unless they were appointed to fill unexpired terms of 3 years or less.  
**Head of entity as of January 2009:** The Honorable Leland A. Strom, Chairman

**Governing body committees** None

### Funding information

**Table 42: FCA Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$37	\$39	\$40	\$39	\$40
Nonfederal collections	37	39	41	43	44
Net federal outlays	-	-	(1)	(4)	(4)

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

Table 43: Applicability of 12 Selected Federal Statutes to FCA

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	No	FCA does not receive line item appropriations specifying the purpose for which funds are to be used
Improper Payments Information Act of 2002 (P.L. 107-300)	No	FCA's programs and activities do not fall under the purview of the act
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Farm Credit Association General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 4.6

Fiscal year 2008 FTE actual: 4.6

Fiscal year 2008 IG budget: \$1.0 million

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**Table 44: FCA Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	60	60
<b>Investigations</b>	6	6
<b>Inspections or evaluations</b>	15	15
<b>Office administration</b>	5	5
<b>Other</b>	14	14

Source: Farm Credit Association IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were three outstanding recommendations.



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## 12. Federal Communications Commission (FCC)

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### Purpose

The Federal Communications Commission regulates interstate and foreign commerce in communications by radio, television, wire, satellite, and cable. It is responsible for the provision of rapid, efficient nationwide and worldwide communication services at reasonable rates. Its responsibilities also include the use of communications for promoting safety of life and property and for strengthening the national defense.

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### Background

Legal authority: 47 U.S.C. §151

Fiscal year 2007 FTE employment: 1,794

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### Governing body structure

Five commissioners are appointed by the President, with the advice and consent of the Senate for a term of 5 years. The President designates one commissioner to be chairman. Commissioners receive an annual rate of pay at Level IV of the Executive Schedule, with the chairman receiving Level III. The commission has the authority to appoint the officers and staff of the FCC and determine their compensation. Meetings of the commission must be held no less than once a month.

**Head of entity as of January 2009:** The Honorable Kevin J. Martin, Chairman

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### Governing body committees

No data.<sup>7</sup>

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<sup>7</sup> FCC did not complete the entity head survey; as a result, we do not have data on whether it has governance committees.

Funding information

**Table 45: FCC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$6,896	\$13,798	\$9,388	\$8,067	\$7,882
Nonfederal collections	448	430	416	384	383
Net federal outlays	6,448	13,368	8,972	7,683	7,499

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 46: Applicability of 12 Selected Federal Statutes to FCC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Federal Communications Commission General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 24

Fiscal year 2008 FTE actual: 24

Fiscal year 2008 IG budget: \$3,044,395

**Table 47: FCC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	50	72
<b>Investigations</b>	34	15
<b>Inspections or evaluations</b>	4	3
<b>Office administration</b>	12	10
<b>Other</b>	0	0

Source: Federal Communications Commission IG survey.

Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

### 13. Federal Election Commission (FEC)

**Purpose:** The FEC ensures the campaign finance process is fully disclosed and that laws regarding campaign finance are enforced. It also enforces the Federal Election Campaign Act (FECA) and oversees the Presidential public funding program.

**Background** Legal authority: 2 U.S.C. § 437c  
Fiscal year 2007 FTE employment: 350

**Governing body structure** The commission is made up of six members, who are appointed by the President and confirmed by the Senate. Each member serves a single, 6-year term. By law, no more than three commissioners can be members of the same political party, and at least four votes are required for any official commission action. A new chairman is chosen each year from among the members, with no member serving as chairman more than once during his or her term.

**Head of entity as of January 2009:** The Honorable Steven T. Walther, Chairman

**Governing body committees** Finance; Regulations; Litigation; and Personnel

#### Funding information

**Table 48: FEC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$46	\$50	\$55	\$52	\$53
Nonfederal collections	-	-	-	-	-
Net federal outlays	46	50	55	52	53

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 49: Applicability of 12 Selected Federal Statutes to FEC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	No	FEC adopted alternative mechanisms to attain the objective of this statute.
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Federal Election Commission General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 6

Fiscal year 2008 FTE actual: 6

Fiscal year 2008 IG budget: \$758,850

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**Table 50: FEC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	85	85
<b>Investigations</b>	5	5
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	10	10
<b>Other</b>	0	0

Source: Federal Election Commission IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were 51 outstanding recommendations.

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## 14. Federal Housing Finance Board (FHFB)

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### Purpose

The Federal Housing Finance Board ensures the safety and soundness of the Federal Home Loan Banks, their access to the capital markets, and the fulfillment of their housing finance mission. Under the Housing and Economic Recovery Act (HERA) of 2008 (Pub. L. No. 110-289, 122 Stat. 2654 (July 30, 2008)), the FHFB will cease to exist 1 year after the effective date of HERA, or July 30, 2009, to be replaced by the Federal Housing Finance Agency (FHFA). HERA also amended the IG Act to require that the FHFA have an IG appointed by the President and confirmed by the Senate.

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### Background

Legal authority: 12 U.S.C. §1422a

Fiscal year 2007 FTE employment: 133

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### Governing body structure

The board is comprised of four members appointed by the President and confirmed by the Senate, who serve a 7-year term, and the Secretary of HUD. The President designates one of the board members as chairman. No more than three may be of the same political party and terms are staggered to end every other year. Members filling a vacancy serve only the remainder of the predecessor's term.

**Head of entity as of January 2009:** The Honorable Ronald A. Rosenfeld, Chairman

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### Governing body committees

None.

## Funding information

**Table 51: FHFB Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$24	\$23	\$32	\$31	\$33
Nonfederal collections	22	26	29	32	31
Net federal outlays	2	(3)	3	(1)	2

Source: Summary of information from MAX database of the Budget of the U.S. Government.

## Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 52: Applicability of 12 Selected Federal Statutes to FHFB**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	No	Have not adopted the statute administratively.
Purpose Statute (31 U.S.C. 1301(a))	No	Have not adopted the statute administratively.
Improper Payments Information Act of 2002 (P.L. 107-300)	No	Have not adopted the statute administratively.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	FHFB's financial statements are audited each year and copies provided to Congress and OMB.
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	FHFB travel policies incorporate some of the federal travel regulations.
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Federal Housing Finance Board General Counsel to GAO data request.



Office of Inspector General

Fiscal year 2008 FTE provided: 4

Fiscal year 2008 FTE actual: 4

Fiscal year 2008 IG budget: \$959,271

**Table 53: FHFB Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	50	53
<b>Investigations</b>	20	14
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	30	33
<b>Other</b>	0	0

Source: Federal Housing Finance Board IG survey.

Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

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## 15. Federal Labor Relations Authority (FLRA)

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### Purpose

The Federal Labor Relations Authority oversees the federal service labor-management relations program. It administers the law that protects the right of employees of the federal government to organize, bargain collectively, and participate through labor organizations of their own choosing in decisions affecting them. The authority also ensures compliance with the statutory rights and obligations of federal employees and the labor organizations that represent them in their dealings with federal agencies.

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### Background

Legal authority: 5 U.S.C. § 7104

Fiscal year 2007 FTE employment: 129

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### Governing body structure

The authority is comprised of three board members who are appointed to 5-year terms by the President and confirmed by the Senate. No more than two may be from the same political party. The President designates one member to be chairman, who acts as chief executive and administrative officer of the authority. The chairman is compensated at Level III of the Executive Schedule and the other members are compensated at Level IV.

**Head of entity as of January 2009:** The Honorable Thomas M. Beck, Chairman

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### Governing body committees

None.

Funding information

**Table 54: FLRA Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$28	\$26	\$25	\$23	\$23
Nonfederal collections	-	-	-	-	-
Net federal outlays	28	26	25	23	23

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 55: Applicability of 12 Selected Federal Statutes to FLRA**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1968 (P.L. 95-521, October 26, 1978 as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Federal Labor Relations Authority General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 2

Fiscal year 2008 FTE actual: 2

Fiscal year 2008 IG budget: \$333,680

**Table 56: FLRA Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	45	30
<b>Investigations</b>	35	30
<b>Inspections or evaluations</b>	10	30
<b>Office administration</b>	10	10
<b>Other</b>	0	0

Source: Federal Labor Relations Authority IG survey.

Number of outstanding recommendations as of March 31, 2008

There were 179 outstanding recommendations.

## 16. Federal Maritime Commission (FMC)

**Purpose** The Federal Maritime Commission is responsible for regulating the waterborne foreign commerce of the United States. It ensures that U.S. ocean-borne trades are open to all on fair and equitable terms and protects against concerted activities and unlawful practices.

**Background** Legal authority: 46 U.S.C. § 301  
Fiscal year 2007 FTE employment: 119

**Governing body structure** The commission is comprised of five commissioners, who are appointed by the President and confirmed by the Senate to 5-year terms. The President designates one of the commissioners as chairman. No more than three may be members of the same political party. The chairman is the chief executive and administrative officer for the commission.  
**Head of entity as of January 2009:** Chairman, vacant

**Governing body committees** None

### Funding information

**Table 57: FMC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$17	\$18	\$19	\$20	\$20
Nonfederal collections	-	-	-	-	-
Net federal outlays	17	18	19	20	20

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 58: Applicability of 12 Selected Federal Statutes to FMC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Federal Maritime Commission General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 3

Fiscal year 2008 FTE actual: 2

Fiscal year 2008 IG budget: \$532,000

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**Table 59: FMC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	70	70
<b>Investigations</b>	5	5
<b>Inspections or evaluations</b>	15	15
<b>Office administration</b>	10	10
<b>Other</b>	0	0

Source: Federal Maritime Commission IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

## 17. Federal Trade Commission (FTC)

**Purpose** The Federal Trade Commission enforces the laws that prohibit business practices that are deceptive or unfair to consumers; promotes informed consumer choice and public understanding of the competitive process; and seeks to accomplish its mission without impeding legitimate business activity.

**Background** Legal authority: 15 U.S.C. § 41  
Fiscal Year 2007 FTE employment: 1,061

**Governing body structure** The commission is comprised of five commissioners, nominated by the President and confirmed by the Senate, each serving a 7-year term. The President chooses one commissioner to act as chairman. No more than three commissioners can be of the same political party.  
  
**Head of entity as of January 2009:** The Honorable William E. Kovacic, Chairman

**Governing body committees** None

### Funding information

**Table 60: FTC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions

Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$166	\$183	\$189	\$201	\$214
Nonfederal collections	62	99	119	133	167
Net federal outlays	104	84	70	68	47

Source: Summary of information from MAX database of the Budget of the U.S. Government.



Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 61: Applicability of 12 Selected Federal Statutes to FTC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Federal Trade Commission General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 5

Fiscal year 2008 FTE actual: 5

Fiscal year 2008 IG Budget: \$905,000

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**Table 62: FTC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	50	50
<b>Investigations</b>	30	40
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	20	10
<b>Other</b>	0	0

Source: Federal Trade Commission IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were three outstanding recommendations.

## 18. Legal Services Corporation (LSC)

**Purpose** The Legal Services Corporation’s mission is to promote equal access to justice and to provide high-quality civil legal assistance to low-income persons.

**Background** Legal authority: 42 U.S.C. §2996b  
Fiscal year 2007 FTE employment: 111

**Governing body structure** The board has 11 members appointed by the President and confirmed by the Senate for 3-year terms. The board elects a chairman annually from among its members and appoints the president of the corporation. The board must meet at least four times per year.  
**Head of entity as of January 2009:** Board of Directors

**Governing body committees** Audit; Finance; Governance and Performance Review; Operations and Regulations; Provision for the Delivery of Legal Services.

### Funding information

**Table 63: LSC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$338	\$336	\$332	\$328	\$350
Nonfederal collections	1	1	1	1	1
Net federal outlays	337	335	331	327	349

Source: Summary of information from MAX database of the Budget of the U.S. Government.

**Governance and accountability statutes** GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Appendix IV: Profiles of Designated Federal Entities**

**Table 64: Applicability of 12 Selected Federal Statutes to LSC**

<b>Statute</b>	<b>Subject to Statute?</b>	<b>Comments</b>
Anti-Deficiency Act (31 U.S.C. 1341)	No	Has implemented alternative mechanisms to attain the objective of the statute.
Purpose Statute (31 U.S.C. 1301(a))	No	LSC's administrative manual addresses the objectives of the statute.
Improper Payments Information Act of 2002 (P.L. 107-300)	No	The LSC Act requires an annual audit.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	The LSC Act requires an annual audit.
Government Performance and Results Act of 1993 (P.L. 103-62)	No	LSC has adopted a 5-year plan for 2006-2010 that includes performance measures.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	LSC is developing a risk assessment and includes an internal controls review in its yearly audit.
Federal Information Security Management Act of 2002 (P.L. 107-347)	No	Has implemented alternative mechanisms to attain the objective of the statute.
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	Internal travel policies mirror those of the federal government.
Whistleblower Protection Act (5 U.S.C. 2302)	No	Has implemented alternative mechanisms to attain the objective of the statute.
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	No	Has implemented alternative mechanisms to attain the objective of the statute.
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Legal Services Corporation General Counsel to GAO data request.

**Office of Inspector General**

Fiscal year 2008 FTE provided: 23

Fiscal year 2008 FTE actual: 21

Fiscal year 2008 IG Budget: \$3.8 million

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**Table 65: LSC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	45	48
<b>Investigations</b>	20	18
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	20	21
<b>Other</b>	15	13

Source: Legal Services Corporation IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

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## 19. National Archives and Records Administration (NARA)

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### Purpose

The National Archives and Records Administration safeguards and preserves the records of our government, ensuring that the people can discover, use, and learn from this documentary heritage; establishes policies and procedures for managing U.S. government records; manages the Presidential Libraries system; and publishes the laws, regulations, and presidential and other public documents.

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### Background

Legal authority: 44 U.S.C. §2102

Fiscal year 2007 FTE employment: 2,759

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### Governing body structure

The Archivist is appointed by the President and confirmed by the Senate. There is no set term of office. The Archivist chooses the Deputy Archivist.

**Head of entity as of January 2009:** The Honorable Adrienne Thomas, Acting Archivist

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### Governing body committees

Not applicable.

## Funding Information

**Table 66: NARA Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$450	\$468	\$507	\$490	\$514
Nonfederal collections	151	161	167	167	174
Net federal outlays	299	307	340	323	340

Source: Summary of information from MAX database of the Budget of the U.S. Government.

## Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 67: Applicability of 12 Selected Federal Statutes to NARA**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Data request to National Archives and Records Administration General Counsel.

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**Appendix IV: Profiles of Designated Federal Entities**

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Office of Inspector General

Fiscal year 2008 FTE provided: 19

Fiscal year 2008 FTE actual: 17

Fiscal year 2008 IG Budget: \$2.1 million

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**Table 68: NARA Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	60	50
<b>Investigations</b>	30	40
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	10	10
<b>Other</b>	0	0

Source: National Archives and Records Administration IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.



## 20. National Credit Union Administration (NCUA)

**Purpose** The National Credit Union Administration is responsible for chartering, insuring, and supervising federal credit unions and administering the National Credit Union Share Insurance Fund. The administration also administers the Community Development Revolving Loan Fund and manages the Central Liquidity Facility, a mixed-ownership government corporation that supplies emergency loans to member credit unions.

**Background** Legal authority: 12 U.S.C. §1752a  
Fiscal year 2007 FTE Employment: 934

**Governing body structure** The management of NCUA is vested in a full-time, three-member board appointed by the President and confirmed by the Senate. No more than two board members can be from the same political party, and each member serves a staggered 6-year term. The NCUA board normally meets monthly, except August.  
**Head of entity as of January 2009:** Board of Directors

**Governing body committees** None

### Funding information

**Table 69: NCUA Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$387	\$386	\$376	\$403	\$461
Nonfederal collections	958	737	715	681	825
Net Federal outlays	(571)	(351)	(339)	(278)	(364)

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 70: Applicability of 12 Selected Federal Statutes to NCUA**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	No	Have not adopted the statute administratively.
Improper Payments Information Act of 2002 (P.L. 107-300)	No	NCUA does not have significant erroneous payments as defined by OMB.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	NCUA submits an audited financial statement for the preceding fiscal year to Congress and the President each year.
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of National Credit Union Administration General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 7.75

Fiscal year 2008 FTE actual: 7.75

Fiscal year 2008 IG budget: \$2.0 million

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**Table 71: NCUA Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	60	80
<b>Investigations</b>	25	10
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	15	10
<b>Other</b>	0	0

Source: National Credit Union Administration IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

## 21. National Endowment for the Arts (NEA)

**Purpose** The National Endowment for the Arts, established by Congress in 1965 as an independent federal agency, is the official arts organization of the United States government. It is dedicated to supporting excellence in the arts, both new and established; bringing the arts to all Americans; and providing leadership in arts education.

**Background** Legal authority: 20 U.S.C. §954  
Fiscal year 2007 FTE employment: 157

**Governing body structure** The NEA is headed by a chairperson appointed by the President and confirmed by the Senate. The chairperson serves for 4 years and may be reappointed or serve until a successor is appointed.  
Head of entity as of January 2009: Chairman, vacant

**Governing body committees** None

### Funding information

**Table 72: NEA Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$115	\$123	\$127	\$126	\$128
Nonfederal collections	3	3	3	5	3
Net federal outlays	112	120	124	121	125

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 73: Applicability of 12 Selected Federal Statutes to NEA**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of National Endowment for the Arts General Counsel.

Office of Inspector General

Fiscal year 2008 FTE provided: 3.38

Fiscal year 2008 FTE actual: 4

Fiscal year 2008 IG Budget: \$483,140

**Table 74: NEA Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	15	15
<b>Investigations</b>	1	1
<b>Inspections or evaluations</b>	69	69
<b>Office administration</b>	15	15
<b>Other</b>	0	0

Source: National Endowment for the Arts IG survey.

Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

## 22. National Endowment for the Humanities (NEH)

Purpose	The National Endowment for the Humanities is an independent federal agency established by Congress in 1965 to support research, education, preservation, and public programs in the humanities.
Background	<p>Legal authority: 20 U.S.C. §956</p> <p>Fiscal Year 2007 FTE employment: 152</p>
Governing body structure	<p>NEH is directed by a chairperson, who is appointed by the President and confirmed by the U.S. Senate, for a term of 4 years. The chairperson is eligible for reappointment and may continue to serve until a successor has been appointed and qualified.</p> <p><b>Head of entity as of January 2009:</b> Chairman, vacant</p>
Governing body committees	None
Funding information	

**Table 75: NEH Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$123	\$128	\$137	\$140	\$140
Nonfederal collections	2	1	2	2	2
Net federal outlays	121	127	135	138	138

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 76: Applicability of 12 Selected Federal Statutes to NEH**

Statute	Subject to Statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of National Endowment for the Humanities General Counsel.

Office of Inspector General

Fiscal year 2008 FTE provided: 5

Fiscal year 2008 FTE actual: 5

Fiscal year 2008 IG Budget: \$627,800



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**Table 77: NEH Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	0	0
<b>Investigations</b>	12	12
<b>Inspections or evaluations</b>	53	54
<b>Office administration</b>	24	23
<b>Other</b>	11	11

Source: National Endowment for the Humanities IG survey.

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Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

## 23. National Labor Relations Board (NLRB)

**Purpose** The National Labor Relations Board is vested with the power to prevent and remedy unfair labor practices committed by private sector employers and unions and to safeguard employees' rights to organize and determine whether to have unions as their bargaining representative.

**Background** Legal authority: 29 U.S.C. §153  
Fiscal year 2007 FTE employment: 1,729

**Governing body structure** The chairman and four board members are selected by the President and confirmed by the Senate. Board members serve staggered 5-year terms. The President designates one member to serve as chairman of the board.  
**Head of entity as of January 2009:** The Honorable Wilma B. Liebman, Chairman

**Governing body committees** None

### Funding information

**Table 78: NLRB Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$231	\$243	\$245	\$249	\$253
Nonfederal collections	-	-	-	-	-
Net federal outlays	231	243	245	249	253

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 79: Applicability of 12 Selected Federal Statutes to NLRB**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Data request to National Labor Relations Board General Counsel.

Office of Inspector General

Fiscal year 2008 FTE provided: 7

Fiscal year 2008 FTE actual: 6

Fiscal year 2008 IG Budget: \$1.1 million

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**Table 80: NLRB Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	58	85
<b>Investigations</b>	14	10
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	14	5
<b>Other</b>	14	0

Source: Survey of National Labor Relations Board IG.

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Number of outstanding recommendations as of March 31, 2008

There were 20 outstanding recommendations.

## 24. National Science Foundation (NSF)

**Purpose** The National Science Foundation promotes the progress of science and engineering through the support of research and education programs.

**Background** Legal authority: 42 U.S.C. §1861  
Fiscal year 2007 FTE employment: 1,314

**Governing body structure** The National Science Board (NSB) is made up of 24 members appointed by the President and confirmed by the Senate, and the NSF director is an ex officio member. Members serve 6-year terms; one-third of the board is appointed every 2 years. NSB members are drawn from industry and universities, and represent a variety of science and engineering disciplines and geographic areas. The NSB meets about six times a year. It reviews and approves major NSF awards and new programs and initiates and conducts studies and reports on a broad range of policy topics. The NSB also publishes occasional policy papers or statements on issues of importance to U.S. science and engineering.

**Head of entity as of January 2009:** National Science Board

**Governing body committees** Audit and Oversight; Strategy and Budget; Programs and Plans; Education and Human Resources; and Executive.

### Funding information

**Table 81: NSF Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$4,754	\$5,190	\$5,541	\$5,656	\$5,692
Nonfederal collections	18	72	106	110	161
Net federal outlays	4,736	5,118	5,435	5,546	5,531

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 82: Applicability of 12 Selected Federal Statutes to NSF**

Statute	Subject to Statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	NSF submits an annual audited financial statement to OMB under the CFO Act.
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of National Science Foundation General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 71

Fiscal year 2008 FTE actual: 64

Fiscal year 2008 IG Budget: \$11.4 million

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**Table 83: NSF Allotment of IG FTEs and Budget for Fiscal Year 2007**

Number in percent

	FTE allotment	Budget allotment
<b>Audit</b>	50	65
<b>Investigations</b>	34	25
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	16	10
<b>Other</b>	0	0

Source: Survey of National Science Foundation IG.

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Number of outstanding recommendations as of March 31, 2008

There were 76 outstanding recommendations.

## 25. Peace Corps

**Purpose** The mission of the Peace Corps is to help the people of interested countries in meeting their need for trained men and women, and to help promote better mutual understanding between Americans and citizens of other countries.

**Background** Legal authority: 22 U.S.C. § 2501  
Fiscal year 2007 FTE employment: 1,075

**Governing body structure** The director and deputy director are appointed by the President and confirmed by the Senate.  
**Head of entity as of January 2009:** The Honorable Jody Olsen, Acting Director

**Governing Body Committees** Not applicable

### Funding information

**Table 84: Peace Corps Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$316	\$310	\$313	\$320	\$341
Nonfederal collections	5	4	5	7	6
Net federal outlays	311	306	308	313	335

Source: Summary of information from MAX database of the Budget of the U.S. Government.

**Governance and accountability statutes** GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.



**Appendix IV: Profiles of Designated Federal Entities**

**Table 85: Applicability of 12 Selected Federal Statutes to Peace Corps**

<b>Statute</b>	<b>Subject to statute?</b>	<b>Comments</b>
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	Peace Corps Manual is being revised to combine provisions of the federal travel regulation and the FAM.
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	No	Peace Corps is not headed by a "Collegial Body."

Source: Response of Peace Corps General Counsel to GAO data request.

**Office of Inspector General**

Fiscal year 2008 FTE provided: 19.24

Fiscal year 2008 FTE actual: 17

Fiscal year 2008 IG Budget: \$3.6 million

**Table 86: Peace Corps Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent		
	<b>FTE allotment</b>	<b>Budget allotment</b>
<b>Audit</b>	30	30
<b>Investigations</b>	30	30
<b>Inspections or evaluations</b>	30	30
<b>Office administration</b>	9	10
<b>Other</b>	1	0

Source: Survey of Peace Corps IG.

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**Number of outstanding  
recommendations as of  
March 31, 2008**

There were 113 outstanding recommendations.

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## 26. Pension Benefit Guaranty Corporation (PBGC)

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Purpose	The Pension Benefit Guaranty Corporation provides for timely and uninterrupted pension benefits payments to participants and beneficiaries of voluntary private pension plans.
Background	Legal authority: 29 U.S.C. §1302  Fiscal year 2007 FTE employment: 815
Governing body structure	PBGC is administered by a director who reports to a board of directors, which consists of the Secretaries of Labor, Commerce, and Treasury. The Secretary of Labor is chairman of the board and calls meetings. Members serve without compensation, but are reimbursed for expenses incurred during board business. The corporation is aided by a seven-member Advisory Committee appointed by the President.  <b>Head of entity as of January 2009:</b> Chairman, vacant
Governing body committees	None

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Funding information

**Table 87: PBGC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$2,529	\$3,161	\$3,571	\$4,444	\$4,576
Nonfederal collections	2,300	3,408	3,477	7,062	4,119
Net federal outlays	229	(247)	94	(2,618)	457

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Note: The treatment of PBGC in the federal budget is complicated by the use of two accounts—an on-budget revolving fund and a nonbudgetary trust fund. PBGC’s receipts and disbursements are required by law to be included in the federal budget. These cash flows are reported in the budget in a single revolving fund account. The cash flows include premiums paid, interest income on federal securities, benefit payments, administrative expenses, and reimbursements from PBGC’s nonbudgetary trust fund. The nonbudgetary trust fund includes assets obtained from terminated plans and is managed by private money managers. Because the trust fund is a nonbudgetary account, the transfer of assets from terminated plans to PBGC is not considered a receipt to the government. Likewise, the liabilities PBGC incurs when it takes over an underfunded plan or other changes in PBGC’s assets and liabilities are not reflected in the budget.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Appendix IV: Profiles of Designated Federal Entities**

**Table 88: Applicability of 12 Selected Federal Statutes to PBGC**

<b>Statute</b>	<b>Subject to Statute?</b>	<b>Comments</b>
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	PBGC submits an annual report and financial statement to Congress.
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	PBGC is governed by the Government Corporation Control Act of 1945.
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Not applicable	PBGC has not adopted the statute administratively.

Source: Response of Pension Benefit Guaranty Corporation General Counsel to GAO data request.

**Office of Inspector General**

Fiscal year 2008 FTE provided: 22

Fiscal year 2008 FTE actual: 22

Fiscal year 2008 IG Budget: \$4.6 million

**Table 89: PBGC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent		
	<b>FTE allotment</b>	<b>Budget allotment</b>
<b>Audit</b>	55	71
<b>Investigations</b>	29	18
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	16	11
<b>Other</b>	0	0

Source: Survey of Pension Benefit Guaranty Corporation IG.

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Number of outstanding  
recommendations as of  
March 31, 2008

There were 113 outstanding recommendations.

## 27. Postal Regulatory Commission (PRC)

**Purpose** The Postal Regulatory Commission oversees the Market Dominant and Competitive Products of the U.S. Postal Service, adjusts as necessary lists of these products, and reviews related complaints.

**Background** Legal authority: 39 U.S.C. §501  
Fiscal year 2007 FTE employment: 59

**Governing body structure** The commission is composed of five commissioners, each of whom is appointed by the President, with the advice and by consent of the Senate, for a term of 6 years. The Chairman is designated by the President. A commissioner may continue to serve after the expiration of his or her term for up to 1 year. No more than three members of the commission may be members of the same political party.

**Head of entity as of January 2009:** The Honorable Dan G. Blair, Chairman

**Governing body committees** None

### Funding information

**Table 90: PRC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	N/A	N/A	N/A	N/A	N/A
Nonfederal collections	N/A	N/A	N/A	N/A	N/A
Net federal outlays	N/A	N/A	N/A	N/A	N/A

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Note: Section 603(a) of the Postal Accountability and Enhancement Act (P.L. 109-435) authorizes appropriations from the Postal Service Fund for PRC for fiscal years beginning on or after October 1, 2008.

**Governance and accountability statutes**

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 91: Applicability of 12 Selected Federal Statutes to PRC**

<b>Statute</b>	<b>Subject to Statute?</b>	<b>Comments</b>
Anti-Deficiency Act (31 U.S.C. 1341)	No	PRC uses its Performance Budget Plan to attain the objectives of the statute.
Purpose Statute (31 U.S.C. 1301(a))	No	PRC uses its Performance Budget Plan to attain the objectives of the statute.
Improper Payments Information Act of 2002 (P.L. 107-300)	No	Provisions of 5 U.S.C. Appendix 3, Section 4, attain the objectives of the statute.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	PRC has implemented alternative mechanisms to attain the objectives of the statute.
Government Performance and Results Act of 1993 (P.L. 103-62)	No	PRC Strategic and Operational Plan 2008-2012.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	PRC has implemented alternative mechanisms to attain the objectives of the statute.
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	PRC has implemented alternative mechanisms to attain the objectives of the statute.
Whistleblower Protection Act (5 U.S.C. 2302)	No	Provisions of 5 U.S.C. Appendix 3, Section 7(c), attain the objectives of the statute.
Ethics in Government Act of 1978 (P.L. 95-521, as amended))	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Postal Regulatory Commission General Counsel to GAO data request.

**Office of Inspector General**

Fiscal year 2008 FTE provided: 2

Fiscal year 2008 FTE actual: 2

Fiscal year 2008 IG Budget: \$331,000



**Table 92: PRC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	N/A	N/A
<b>Investigations</b>	N/A	N/A
<b>Inspections or evaluations</b>	N/A	N/A
<b>Office administration</b>	N/A	N/A
<b>Other</b>	N/A	N/A

Source: Survey of Postal Regulatory Commission IG.

Note: PRC's IG did not have a separate budget since it was a newly created office established under P.L. 109-435 when GAO's survey was administered.

Number of outstanding recommendations as of March 31, 2008

There were no outstanding recommendations.

## 28. Securities and Exchange Commission (SEC)

**Purpose** The Securities and Exchange Commission administers federal securities laws that seek to provide protection for investors; to ensure that securities markets are fair; and, when necessary, to provide the means to enforce securities laws through sanctions.

**Background** Legal authority: 15 U.S.C. §78d  
Fiscal year 2007 FTE employment: 3,465

**Governing body structure** The SEC consists of five commissioners appointed by the President and confirmed by the Senate, with staggered 5-year terms. One of them is designated by the President as chairman of the commission—the agency’s chief executive. No more than three of the commissioners may belong to the same political party.  
**Head of entity as of January 2009:** The Honorable Mary Schapiro, Chairman

**Governing body committees** None

### Funding information

**Table 93: SEC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$469	\$708	\$865	\$872	\$829
Nonfederal collections	1,000	1,393	1,665	1,905	1,539
Net federal outlays	(531)	(685)	(800)	(1,033)	(710)

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 94: Applicability of 12 Selected Federal Statutes to SEC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	No response	Statute applies to executive agencies. SEC is an independent regulatory agency but complies with the statute voluntarily.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	No response	Statute applies to executive agencies. SEC is an independent regulatory agency but complies with the statute voluntarily.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No response	Statute applies to executive agencies. SEC is an independent regulatory agency but complies with the statute voluntarily.
Whistleblower Protection Act (5 U.S.C. 2302)	No response	Statute applies to executive agencies. SEC is an independent regulatory agency but complies with the statute voluntarily.
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of Securities and Exchange Commission General Counsel to GAO data request.

Note: SEC did not indicate in its response if it is subject or not subject to the Improper Payments Information Act of 2002; the Government Performance and Results Act of 1993; Travel, Transportation and Subsistence; and the Whistleblower Protection Act.

Office of Inspector General

Fiscal year 2008 FTE provided: 13

Fiscal year 2008 FTE actual: 11

FY 2008 IG Budget: \$2.5 million

**Table 95: SEC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	40	35
<b>Investigations</b>	40	35
<b>Inspections or evaluations</b>	20	30
<b>Office administration</b>	0	0
<b>Other</b>	0	0

Source: Survey of Securities and Exchange Commission IG.

Number of outstanding recommendations as of March 31, 2008

There were 59 outstanding recommendations.

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## 29. Smithsonian Institution

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Purpose	The Smithsonian Institution is an independent trust instrumentality of the United States which comprises an extensive museum and research complex. It is dedicated to the increase and diffusion of knowledge.
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Background	Legal authority: 20 U.S.C. §41  Fiscal year 2007 FTE employment: 5,006
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Governing body structure	The Board of Regents has 17 members, including the Vice President, the Chief Justice of the United States, 3 members of the U.S. Senate, and 3 members of the House of Representatives. Nine other persons other than members of Congress, 2 of whom must be Washington D.C. residents and 7 from U.S. states, make up the remainder. House members serve for 2 years, the Senate members serve their term as Senators, and the other 9 members serve for 6 years. The board elects its own chancellor, who is the presiding officer of the Board of Regents. The board also elects the Secretary of the institution and three board members as an executive committee. At least 8 members must be present for the meeting to have a quorum. Members are paid travel expenses to attend meetings but their service is otherwise gratuitous.
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**Head of entity as of January 2009:** Board of Regents

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Governing body committees	Audit and Review; Executive; Compensation and Human Resources; Facilities; Finance; Investment; Governance and Nominating; Advancement; and Strategic Planning and Programs.
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Funding information

**Table 96: Smithsonian Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$480	\$629	\$613	\$645	\$630
Nonfederal collections	4	5	3	-	-
Net federal outlays	476	624	610	645	630

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 97: Applicability of 12 Selected Federal Statutes to Smithsonian**

<b>Statute</b>	<b>Subject to statute?</b>	<b>Comments</b>
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	No	Smithsonian conducts annual independent audits of its finances and operations.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	Smithsonian voluntarily provides its annual audited financial statements to OMB.
Government Performance and Results Act of 1993 (P.L. 103-62)	No	Smithsonian voluntarily submits GPRA performance plans and reports to OMB.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	Smithsonian has adopted alternatives to meet objectives of this statute.
Federal Information Security Management Act of 2002 (P.L. 107-347)	No	Smithsonian has adopted the statute administratively.
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	Smithsonian policies comply with the federal travel regulations.
Whistleblower Protection Act (5 U.S.C. 2302)	No	Smithsonian employees are protected from reprisal under Section 7(c) of the Inspector General Act.
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	No	An internal directive largely mirrors the act's requirements.
Freedom of Information Act (5 U.S.C. 552)	No	An internal directive consistent with FOIA governs requests for records.
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	No	Smithsonian has implemented a public meeting process.

Source: Response of Smithsonian Institution General Counsel to GAO data request.

**Office of Inspector General**

Fiscal year 2008 FTE provided: 19

Fiscal year 2008 FTE actual: 15.5

Fiscal year 2008 IG Budget: \$2.4 million

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**Table 98: Smithsonian Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	62	62
<b>Investigations</b>	15	15
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	23	23
<b>Other</b>	0	0

Source: Survey of Smithsonian Institution IG.

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Number of outstanding recommendations as of March 31, 2008

There were 61 outstanding recommendations.



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### 30. United States International Trade Commission (USITC)

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Purpose	The United States International Trade Commission administers U.S. trade remedy laws within its mandate; provides the President, the United States Trade Representative, and Congress with analysis, information, and support on matters of tariffs and international trade and competitiveness; and maintains the Harmonized Tariff Schedule of the United States.
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Background	Legal authority: 19 U.S.C. §1330  Fiscal year 2007 FTE employment: 374
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Governing body structure	The USITC is headed by six commissioners who are nominated by the President and confirmed by the U.S. Senate. No more than three commissioners may be members of the same political party. The commissioners serve overlapping terms of 9 years each, with a new term beginning every 18 months. The chairman and vice chairman are designated by the President from among the current commissioners for 2-year terms. The chairman and vice chairman must be from different political parties, and the chairman cannot be from the same political party as the preceding chairman.
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**Head of Entity as of January 2009:** The Honorable Shara L. Aranoff, Chairman

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Governing body committees	Executive Resources Board
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Funding information

**Table 99: USITC Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$52	\$54	\$60	\$64	\$63
Nonfederal collections	-	-	-	-	-
Net federal outlays	52	54	60	64	63

Source: Summary of information from MAX database of the Budget of the U.S. Government.

Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 100: Applicability of 12 Selected Federal Statutes to USITC**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	Yes	
Purpose Statute (31 U.S.C. 1301(a))	Yes	
Improper Payments Information Act of 2002 (P.L. 107-300)	Yes	
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	Yes	
Government Performance and Results Act of 1993 (P.L. 103-62)	No	USITC has implemented an internal directive to attain the objectives of the statute.
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	Yes	
Federal Information Security Management Act of 2002 (P.L. 107-347)	Yes	
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	Yes	
Whistleblower Protection Act (5 U.S.C. 2302)	Yes	
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of United States International Trade Commission General Counsel to GAO data request.

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**Appendix IV: Profiles of Designated Federal Entities**

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Office of Inspector General

Fiscal year 2008 FTE provided: 4

Fiscal year 2008 FTE actual: 2.8

Fiscal year 2008 IG Budget: \$750,000

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**Table 101: USITC Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	60	60
<b>Investigations</b>	10	10
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	30	30
<b>Other</b>	0	0

Source: Survey of United States International Trade Commission IG.

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Number of outstanding recommendations as of March 31, 2008

There was one outstanding recommendation.

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## 31. United States Postal Service (USPS)

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Purpose	The mission of the USPS is to provide the nation with reliable, affordable, universal mail service.
Background	Legal authority: 39 U.S.C. §201  Fiscal Year 2007 FTE employment: 785,929
Governing Body Structure	<p>The Board of Governors of USPS is composed of 11 members. It includes nine governors who are appointed by the President and confirmed by the Senate and the Postmaster General and the Deputy Postmaster General. The nine governors select the Postmaster General, who becomes a member of the board, and those 10 select the Deputy Postmaster General, who also serves on the board. The Postmaster General serves at the pleasure of the governors for an indefinite term. The Deputy Postmaster General serves at the pleasure of the governors and the Postmaster General. Members of the Board of Governors serve for 7 years. Each governor receives \$300 per day for not more than 42 days of meetings each year and travel expenses, in addition to an annual salary of \$30,000.</p> <p><b>Head of entity as of January 2009:</b> Governors of the Postal Service</p>
Governing body committee	Audit and Finance; Compensation and Management Resources; Government Relations and Regulatory; Governance and Strategic Planning; and Ad Hoc Committee on Operations.

## Funding information

**Table 102: USPS Gross Outlays, Nonfederal Collections, and Net Federal Outlays for Fiscal Years 2003-2007**

Dollars in millions					
Budget category	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Gross outlays	\$63,595	\$64,782	\$68,725	\$70,467	\$80,170
Nonfederal collections	68,764	68,852	69,948	71,438	74,973
Net federal outlays	(5,169)	(4,070)	(1,223)	(971)	5,197

Source: Summary of information from MAX database of the Budget of the U.S. Government.

## Governance and accountability statutes

GAO sent a data request to the general counsel of each DFE asking about the applicability of 12 governance and accountability statutes to their entity. The table below reflects the response of the general counsel. We did not independently analyze the applicability of these statutes to each entity.

**Table 103: Applicability of 12 Selected Federal Statutes to USPS**

Statute	Subject to statute?	Comments
Anti-Deficiency Act (31 U.S.C. 1341)	No	Has not adopted the statute administratively.
Purpose Statute (31 U.S.C. 1301(a))	No	Has not adopted the statute administratively.
Improper Payments Information Act of 2002 (P.L. 107-300)	No	Has not adopted the statute administratively.
Accountability of Tax Dollars Act of 2002 (P.L. 107-289)	No	Has not adopted the statute administratively.
Government Performance and Results Act of 1993 (P.L. 103-62)	Yes	
Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (c), (d))	No	Has not adopted the statute administratively.
Federal Information Security Management Act of 2002 (P.L. 107-347)	No	Has not adopted the statute administratively.
Travel, Transportation and Subsistence (5 U.S.C. Chapter 57)	No	USPS internal directive attains objectives of the statute.
Whistleblower Protection Act (5 U.S.C. 2302)	No	USPS internal directive attains objectives of the statute.
Ethics in Government Act of 1978 (P.L. 95-521, as amended)	Yes	
Freedom of Information Act (5 U.S.C. 552)	Yes	
Government in the Sunshine Act (5 U.S.C. 552b; P.L. 94-409)	Yes	

Source: Response of United States Postal Service General Counsel to GAO data request.

Office of Inspector General

Fiscal year 2008 FTE provided: 1,190

Fiscal year 2008 FTE actual: 1,147

Fiscal year 2008 IG Budget: \$233.3 million

**Table 104: USPS Allotment of IG FTEs and Budget for Fiscal Year 2007**

Numbers in percent

	FTE allotment	Budget allotment
<b>Audit</b>	28	28
<b>Investigations</b>	62	63
<b>Inspections or evaluations</b>	0	0
<b>Office administration</b>	10	9
<b>Other</b>	0	0

Source: Survey of United States Postal Service IG.

Number of outstanding recommendations as of March 31, 2008

There were 212 outstanding recommendations.

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# Appendix V: Contact and Staff Acknowledgments

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## GAO Contact

Jeanette Franzel (202) 512-2600 or [franzelj@gao.gov](mailto:franzelj@gao.gov).

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## Acknowledgments

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# Appendix VI: Relevant GAO Reports

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*Inspectors General: Independent Oversight of Financial Regulatory Agencies.* [GAO-09-524T](#). Washington, D.C.: March 25, 2009.

*Inspectors General: Actions Needed to Improve Audit Coverage of NASA.* [GAO-09-88](#). Washington, D.C.: December 18, 2008.

*Legal Services Corporation: Improvements Needed in Governance, Accountability, and Grants Management and Oversight.* [GAO-08-833T](#). Washington, D.C.: May 22, 2008.

*Smithsonian Institution: Board of Regents Has Implemented Many Governance Reforms, but Ensuring Accountability and Oversight Will Require Ongoing Action.* [GAO-08-632](#). Washington, D.C.: May 15, 2008.

*Federal Oversight: The Need for Good Governance, Transparency, and Accountability.* [GAO-07-788CG](#). Washington, D.C.: April 16, 2007.

*Smithsonian Institution: Status of Efforts to Address a Range of Funding and Governance Challenges.* [GAO-08-250T](#). Washington, D.C.: December 12, 2007.

*Inspectors General: Limitations of IG Oversight at the Department of State.* [GAO-08-135T](#). Washington, D.C.: October 31, 2007.

*Legal Services Corporation: Governance and Accountability Practices Need to Be Modernized and Strengthened.* [GAO-07-993](#). Washington, D.C.: August 15, 2007.

*Pension Benefit Guaranty Corporation: Governance Structure Needs Improvements to Ensure Policy Direction and Oversight.* [GAO-07-808](#). Washington, D.C.: July 6, 2007.

*Inspectors General: Proposals to Strengthen Independence and Accountability.* [GAO-07-1021T](#). Washington, D.C.: June 20, 2007.

*Inspectors General: Activities of the Department of State Office of Inspector General.* [GAO-07-138](#). Washington, D.C.: March 23, 2007.

*Corporate Governance: NCUA's Controls and Related Procedures for Board Independence and Objectivity Are Similar to Other Financial Regulators, but Opportunities Exist to Enhance Its Governance Structure.* [GAO-07-72R](#). Washington, D.C.: November 30, 2006.



*Suggested Areas for Oversight for the 110th Congress.* [GAO-07-235R](#). Washington, D.C.: November 17, 2006.

*Intercity Passenger Rail: National Policy and Strategies Needed to Maximize Public Benefits from Federal Expenditures.* [GAO-07-15](#). Washington, D.C.: November 13, 2006.

*Highlights of the Comptroller General's Panel on Federal Oversight and the Inspectors General.* [GAO-06-931SP](#). Washington, D.C.: September 11, 2006.

*United Nations: Funding Arrangements Impede Independence of Internal Auditors.* [GAO-06-575](#). Washington, D.C.: April 25, 2006.

*Activities of the Treasury Inspector General for Tax Administration.* [GAO-05-999R](#). Washington, D.C.: September 27, 2005.

*Amtrak: Management and Accountability Issues Contribute to Unprofitability of Food and Beverage Service.* [GAO-05-761T](#). Washington, D.C.: June 9, 2005.

*Kennedy Center: Stronger Oversight of Fire Safety Issues, Construction Projects, and Financial Management Needed.* [GAO-05-334](#). Washington, D.C.: April 22, 2005.

*Tax-Exempt Sector: Governance, Transparency, and Oversight Are Critical for Maintaining Public Trust.* [GAO-05-561T](#). Washington, D.C.: April 20, 2005.

*Activities of the Amtrak Inspector General.* [GAO-05-306R](#). Washington, D.C.: March 4, 2005.

*Inspectors General: Enhancing Federal Accountability.* [GAO-04-117T](#). Washington, D.C.: October 8, 2003.

*Department of Health and Human Services: Review of the Management of Inspector General Operations.* [GAO-03-685](#). Washington, D.C.: June 10, 2003.

*Inspectors General: Office Consolidation and Related Issues.* [GAO-02-575](#). Washington, D.C.: August 15, 2002.

*Inspectors General: Comparison of Ways Law Enforcement Authority Is Granted.* [GAO-02-437](#). Washington, D.C.: May 22, 2002.

*Inspectors General: Department of Defense IG Peer Reviews.* [GAO-02-253R](#). Washington, D.C.: December 20, 2001.

*U.S. Export-Import Bank: Views on Inspector General Oversight.* [GAO-01-1038R](#). Washington, D.C.: September 6, 2001.

*HUD Inspector General: Actions Needed to Strengthen Management and Oversight of Operation Safe Home.* [GAO-01-794](#). Washington, D.C.: June 29, 2001.

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