



Highlights of [GAO-12-913T](#), a testimony before the Committee on Homeland Security and Governmental Affairs, U.S. Senate

Why GAO Prepared This Testimony

It is important to ensure the transparency of information detailing how the federal government spends more than \$1 trillion annually in the form of contracts, grants, loans, and other awards. Toward this end, the government has multiple initiatives under way to increase such transparency, including publicly accessible websites providing information on federal spending, such as <http://www.USAspending.gov> and <http://www.Recovery.gov>. While these efforts have increased the amount of information available, challenges have been identified to better ensure the quality of data on these sites.

GAO was asked to provide a statement addressing (1) the status of efforts to improve the quality of publicly available data on government awards and expenditures and (2) lessons that can be learned from the operation of [Recovery.gov](http://www.Recovery.gov) that can contribute to other spending transparency efforts. In preparing this statement, GAO relied on its previous work in these areas, as well as discussions with OMB officials and officials from the Recovery Accountability and Transparency Board.

What GAO Recommends

GAO previously made several recommendations to improve these transparency efforts, including that OMB clarify guidance on reporting award data and develop a procedure to ensure agencies report required information. While GAO is not making new recommendations at this time, it underscores the importance of fully implementing its prior recommendations.

View [GAO-12-913T](#). For more information, contact Stanley J. Czerwinski at (202) 512-6808 or czerwinski@gao.gov or David A. Powner at (202) 512-9286 or pownerd@gao.gov

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GOVERNMENT TRANSPARENCY

Efforts to Improve Information on Federal Spending

What GAO Found

The Office of Management and Budget (OMB) and other federal agencies have taken steps to improve federal spending data available on [USAspending.gov](http://www.USAspending.gov). This effort to publicly display comprehensive data arose from the Federal Funding Accountability and Transparency Act of 2006, which required OMB to establish a free, publicly accessible website containing data on federal awards and subawards. OMB launched [USAspending.gov](http://www.USAspending.gov) in December 2007 to meet these requirements. As GAO reported in 2010, while OMB had satisfied most of the requirements associated with the act, such as establishing the site with required data elements and search capability, it had only partially satisfied the requirement to establish a pilot program to test the collection and display of subaward data and had not met the requirements to include subaward data by January 2009, or to report to Congress on the site's usage. Also, GAO found that from a sample of 100 awards on [USAspending.gov](http://www.USAspending.gov), each award had at least one data error and that [USAspending.gov](http://www.USAspending.gov) did not include information on grants from programs at 9 agencies for fiscal year 2008. Subsequently, OMB and agencies have taken steps to improve the site and the quality of its data through increased agency-level accountability and government-wide improvements. These efforts include directing agencies to appoint a senior-level official to be accountable for the quality of federal spending information disseminated on public websites, and increasing the use of automated tools. However, OMB has not yet implemented plans to create a data quality dashboard on [USAspending.gov](http://www.USAspending.gov) and has produced only one of the required annual reports to Congress on usage of the site.

OMB, the Recovery Accountability and Transparency Board, federal agencies, and funding recipients addressed several challenges in managing reporting under the American Recovery and Reinvestment Act of 2009. [Recovery.gov](http://www.Recovery.gov) was established in 2009 to provide public access to information on Recovery Act spending. Specifically, it was to provide timely information on projects or activities funded by federal grants, contracts, or loans provided to recipients, such as state or local governments. The transparency envisioned by the act was unprecedented for the federal government, and GAO identified a number of lessons learned from the operation of [Recovery.gov](http://www.Recovery.gov):

- OMB and the Recovery board used two-way communication with recipients to refine and clarify guidance.
- Training and other assistance was provided to recipients to clarify reporting requirements and address early system problems.
- After early reporting and quality issues were identified, OMB required agencies to ensure data accuracy and completeness.
- Recipients made errors in reporting data, but these could be reduced through pre-populating data fields and other refinements to the reporting process.

Recent legislative proposals and a newly created executive branch board aim to expand and improve upon the transparency of federal spending. The challenges and lessons learned from implementing the existing reporting tools should help inform current and future efforts. In particular, attention should be given to stakeholder involvement, the effort required for reporting and oversight, and the need for clear objectives and priorities.