

# GAO Highlights

Highlights of [GAO-23-106726](#), a testimony before the Subcommittee on Oversight and Investigations, Committee on Energy and Commerce, House of Representatives

## Why GAO Did This Study

GAO has overseen federal agency spending over decades, including oversight of major federal investments such as the Recovery Act. In addition, GAO oversight has previously identified challenges related to programs managed by Commerce, DOE, and EPA.

This testimony discusses: (1) considerations for oversight of federal spending provided in the three acts; (2) examples of challenges associated with Commerce, DOE, and EPA programs as identified in prior GAO work; and (3) GAO's ongoing or planned work relevant to oversight of federal funding provided to Commerce, DOE, and EPA in the three acts.

This testimony is based on prior GAO work related to federal grants management challenges; lessons learned from the Recovery Act; and reviews of Commerce, DOE, and EPA programs between 2007 and 2023. Details on GAO's methodology can be found in each of the reports cited throughout this hearing statement.

## What GAO Recommends

Sixteen GAO reports included a total of 67 recommendations that could help address previously identified challenges at Commerce, DOE, and EPA discussed in this testimony statement. The agencies have implemented 38 of these recommendations. GAO maintains that implementing the remaining recommendations will help address programmatic challenges.

View [GAO-23-106726](#) For more information, contact Mark Gaffigan at (202) 512-3841 or [Gaffiganm@gao.gov](mailto:Gaffiganm@gao.gov).

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## OVERSIGHT OF AGENCY SPENDING

### Implementing GAO Recommendations Could Help Address Previously Identified Challenges at Commerce, DOE, and EPA

## What GAO Found

Congress and the administration have provided billions in funding to the Department of Commerce, the Department of Energy (DOE), and the Environmental Protection Agency (EPA) through three recently enacted laws: the Infrastructure Investment and Jobs Act, the Inflation Reduction Act of 2022, and the Creating Helpful Incentives to Produce Semiconductors for America Act of 2022.

With regard to this new funding, GAO's prior work examining federal grants management and the implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act) offers valuable lessons for overseeing agency spending and addressing long-standing challenges. For example, lessons learned include:

- **Streamlined grants management** is critical to effective use of federal funds. When grants management requirements are duplicative, unnecessarily burdensome, or conflicting, agencies must direct additional resources toward meeting them.
- **Strong internal controls** provide reasonable assurance to federal managers that grants are awarded properly, recipients are eligible, and grant funds are used as intended.
- **Adjustments and innovations in oversight** helped foster accountability for Recovery Act funding. For example, federal, state, and local officials used networks and agreements to work toward common goals.

In previous reviews of Commerce, DOE, and EPA programs, GAO has identified challenges in various aspects of some of the programs, for which Congress and the administration have provided significant funding through recent legislation. Programs examined by GAO include:

- Commerce's broadband programs,
- EPA's clean water and drinking water state revolving fund programs and EPA grants, and
- DOE's nuclear energy demonstration projects and DOE loan programs.

The challenges that GAO identified included management of fraud risk, adherence to cost controls, and ensuring that programs have the right policies and expertise in place. The agencies have implemented some GAO recommendations to help address these challenges.

GAO has ongoing or planned work more broadly examining aspects of how Commerce, DOE, and EPA spend the funds they received in the three acts. For example, GAO is currently reviewing a Commerce tribal broadband program, as well as DOE's carbon capture and storage projects and Office of Clean Energy Demonstrations activities.