

A testimony before the Committee on Small Business and Entrepreneurship, United States Senate

For more information, contact: Jeff Arkin at arkinj@gao.gov.

What GAO Found

Congress and the executive branch have taken steps to improve the transparency of information on federal spending and programs. However, GAO has found that challenges remain in various areas and has made recommendations to federal agencies and Congress to help address them.

- **Federal spending data transparency.** Agencies are required by law to report federal spending data to USAspending.gov, the government's official public source of such data. While progress has been made to improve the data on USAspending.gov, GAO has continued to identify challenges. For example, federal agencies do not consistently report spending data for other transaction agreements—legally binding agreements other than standard contracts or grants that are not subject to certain federal acquisition laws and requirements. GAO also has identified issues with the completeness and accuracy of data on USAspending.gov describing subawards—awards provided by a recipient to a subrecipient to carry out part of a federal award.
- **Improper payments.** Improper payments—those that should not have been made or were made in the incorrect amount—have been a longstanding and persistent issue for the federal government. For fiscal year 2025, 15 federal agencies reported an estimated total of \$186 billion in improper payments across 64 programs. However, that estimate does not include certain programs that agencies have determined are susceptible to significant improper payments and does not represent the full extent of government-wide improper payments.
- **Federal Program Inventory.** The Office of Management and Budget (OMB) is required to develop and update annually an inventory of federal programs on a publicly available website. In recent years, OMB has made progress developing a complete inventory. However, the inventory does not yet include all federal programs—such as acquisitions, defense, or foreign assistance programs—or provide all required information—such as each program's contribution to its agency's mission and goals.
- **Freedom of Information Act (FOIA) request processing.** FOIA seeks to improve public access to government information and requires agencies to provide the public with access to certain government records. Federal agencies have faced persistent challenges processing requests within required time frames, resulting in government-wide FOIA request backlogs.

Improving the transparency of information on federal programs and spending is foundational for increasing the efficiency and effectiveness of the federal government as well as addressing persistent management challenges, such as preventing fraud and reducing improper payments. In addition, expanding the quality and availability of federal spending data opens the potential for federal program managers to make data-driven decisions about how they use government resources to meet agency goals. Improving transparency also provides taxpayers with key information on how their tax dollars are spent. However, to realize this promise, agencies need to continue to take steps to improve the transparency of federal programs. Congress can play a critical role by acting on needed legislation and continuing to exercise active oversight.

Why GAO Did This Study

The federal government is one of the world's largest and most complex entities. About \$7 trillion in outlays in fiscal year 2025 funded a broad array of programs and operations. Access to quality data on federal programs and spending is important for policymaking, oversight of federal dollars, and fostering public trust in government. It is also important for assessing whether federal agencies are meeting program objectives, for identifying and reducing fraud and improper payments, and for providing transparency to taxpayers on how their tax dollars are spent.

This statement highlights efforts to improve the quality, transparency, and accessibility of information on federal programs and spending, as well as remaining challenges that require additional attention. The statement is based on prior reports from GAO's large body of work on federal spending data transparency, improper payments, implementation of the Federal Program Inventory, and FOIA.

What GAO Recommends

Across the reports summarized in this statement, GAO has made numerous recommendations to OMB, the Department of the Treasury, and other federal agencies to address these challenges. Federal agencies have taken action to address some of these recommendations, but additional action is needed to fully implement others. GAO has also made several matters for congressional consideration, which if enacted, would enhance the transparency of federal spending data. For example, GAO suggested that Congress consider requiring agencies to report other transaction agreements to USAspending.gov.