

GAO Highlights

Highlights of [GAO-13-758](#), a report to congressional requesters

Why GAO Did This Study

The federal government spends more than \$3.7 trillion annually, with more than \$1 trillion awarded through contracts, grants, and loans. Improving transparency of spending is essential to improve accountability. Recent federal laws have required increased public information on federal awards and spending. GAO was asked to review current efforts to improve transparency. This report examines (1) transparency efforts under way and (2) the extent to which new initiatives address lessons learned from the Recovery Act. GAO reviewed relevant legislation, executive orders, OMB circulars and guidance, and previous GAO work, including work on Recovery Act reporting. GAO also interviewed officials from OMB, the GAT Board, and other federal entities; government reform advocates; associations representing fund recipients; and a variety of contract and grant recipients.

What GAO Recommends

GAO recommends that the Director of OMB, with the GAT Board, develop a long-term plan to implement comprehensive transparency reform, and increase efforts for obtaining stakeholder input to ensure reporting challenges are addressed. Further, Congress should consider legislating transparency requirements and establishing clear authority to implement these requirements to ensure that recommended approaches for improving transparency are carried out across the federal government. The GAT Board, OMB and other cognizant agencies generally concurred with GAO's recommendations and provided further information, which was incorporated into the report as appropriate.

View [GAO-13-758](#). For more information, contact Stanley J. Czerwinski, (202) 512-6806, czerwinski@gao.gov

FEDERAL DATA TRANSPARENCY

Opportunities Remain to Incorporate Lessons Learned as Availability of Spending Data Increases

What GAO Found

Several federal entities, including the Government Accountability and Transparency Board (GAT Board), the Recovery Accountability and Transparency Board (Recovery Board), and the Office of Management and Budget (OMB), have initiatives under way to improve the accuracy and availability of federal spending data. The GAT Board, through its working groups, developed approaches to standardize key data elements to improve data integrity; link financial management systems with award systems to reconcile spending data with obligations; and leverage existing data to help improve oversight. With no dedicated funding, GAT Board plans are incremental and leverage ongoing agency initiatives designed to improve existing business processes as well as improve data transparency. These initiatives are in an early stage, and some progress has been made to bring greater consistency to award identifiers. The GAT Board's mandate is to provide strategic direction, not to implement changes. Further, while these early plans are being developed with input from a range of federal stakeholders, the GAT Board and OMB have not developed mechanisms for obtaining input from non-federal fund recipients.

Lessons from implementing the transparency objectives of the Recovery Act could help inform these new initiatives:

- **Standardize data to integrate systems and enhance accountability.** Similar to the GAT Board's current focus on standardization, the Recovery Board recognized that standardized data would be more usable by the public and the Recovery Board for identifying potential misuse of federal funds. However, reporting requirements under the Recovery Act had to be met quickly. Because agencies did not collect spending data in a consistent manner, the most expedient approach was to collect data from fund recipients, even though similar data already existed in agency systems. Given the longer timeframes to develop current transparency initiatives, OMB and the GAT Board are working toward greater data consistency by focusing on data standards. Their plans, however, do not include long-term steps, such as working toward uniform award identifiers that would improve award tracking with less burden on recipients.
- **Obtain stakeholder involvement as reporting requirements are developed.** During the Recovery Act, federal officials listened to the concerns of recipients and made changes to guidance in response, which helped ensure they could meet those requirements. Without similar outreach under current initiatives, reporting challenges may not be addressed, potentially impairing the data's accuracy and completeness, and increasing burden on those reporting.
- **Delineate clear requirements and lines of authority for implementing transparency initiatives.** Unlike the present efforts to expand spending transparency, the Recovery Act provided OMB and the Recovery Board with clear authority and mandated reporting requirements. Given this clarity, transparency provisions were carried out successfully and on time. Going forward, without clear, legislated authority and requirements, the ability to sustain progress and institutionalize transparency initiatives may be jeopardized as priorities shift over time.