

GAO Highlights

Highlights of [GAO-14-476](#), a report to congressional requesters

Why GAO Did This Study

The Federal Funding Accountability and Transparency Act was enacted in 2006 to increase the transparency over the more than \$1 trillion spent by the federal government on awards annually. Among other things, the act requires OMB to establish a website that contains data on federal awards (e.g., contracts and grants) and guidance on agency reporting requirements for the website, USASpending.gov.

GAO's objectives were to determine the extent to which (1) agencies report required award data and (2) the data on the website are consistent with agency records. To assess reporting, GAO reviewed laws and guidance, analyzed reported award data, and interviewed agency officials. To assess inconsistency, GAO selected a representative sample of 385 fiscal year 2012 awards and traced them back to agency source records.

What GAO Recommends

To improve reliability of information on the USASpending.gov website, GAO is making recommendations to the Director of OMB to (1) clarify guidance on reporting award information and maintaining supporting records, and (2) develop and implement oversight processes to ensure that award data are consistent with agency records. GAO also recommends that the Chief Executive Officer of the Millennium Challenge Corporation report its award information, as required. OMB generally agreed with GAO's recommendations. While the Millennium Challenge Corporation neither agreed nor disagreed with the recommendation, GAO believes it is needed, as discussed in this report.

View [GAO-14-476](#). For more information, contact Carol R. Cha at (202) 512-4456 or chac@gao.gov.

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DATA TRANSPARENCY

Oversight Needed to Address Underreporting and Inconsistencies on Federal Award Website

What GAO Found

Although agencies generally reported required contract information, they did not properly report information on assistance awards (e.g., grants or loans), totaling approximately \$619 billion in fiscal year 2012. Specifically, 33 of 37 agencies with a budget authority of at least \$400 million reported at least one contract. The other four claimed exemptions from reporting, such as the use of non-appropriated funds, but gaps in Office of Management and Budget (OMB) guidance make it unclear whether such exemptions are appropriate. Also, agencies reported required information for at least one assistance award for 1,390 of 2,183 programs listed in a federal catalog. Another 451 programs did not make an award subject to USASpending.gov reporting. However, agencies did not appropriately submit the required information for the remaining 342 programs, although many reported the information after GAO informed them of the omission. Officials with the Millennium Challenge Corporation said that they could not report because its recipients are foreign. However, OMB's guidance describes how to report foreign assistance and other agencies report such awards. OMB has taken steps to improve the completeness of assistance awards on the website, including issuing a memorandum in June 2013 directing agencies to ensure that data on USASpending.gov are consistent with agency financial records. If properly implemented, these procedures could better ensure that agencies report future assistance awards.

Few awards on the website contained information that was fully consistent with agency records. GAO estimates with 95 percent confidence that between 2 percent and 7 percent of the awards contained information that was fully consistent with agencies' records for all 21 data elements examined. The element that identifies the name of the award recipient was the most consistent, while the elements that describe the award's place of performance were generally the most inconsistent. GAO could not determine whether the remaining data elements were significantly consistent or inconsistent, in large part because of incomplete or inadequate agency records. Four data elements in particular (e.g., program source information and the state of performance) had inadequacies that were significant. This means that for each of the four data elements, at least 10 percent of awards contained unverifiable information. While OMB placed responsibilities on agencies to ensure their reported information is accurate and substantiated by supporting documentation, this approach has had limited effect on the overall quality of the data on the website, reinforcing the need for a more comprehensive oversight process by OMB and more specific guidance from OMB on how agencies are to validate information reported to USASpending.gov. Until these weaknesses are addressed, any effort to use the data will be hampered by uncertainties about accuracy.