



441 G St. N.W.  
Washington, DC 20548

Comptroller General  
of the United States

July 15, 2022

The Honorable Shalanda Young  
Director  
Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
Washington, D.C. 20503

**Priority Open Recommendations: Office of Management and Budget**

Dear Ms. Young:

I appreciate my ongoing meetings with Deputy Director Jason Miller and look forward to continuing a constructive working relationship between our two institutions. As you know, the purpose of this letter is to provide an update on the overall status of the Office of Management and Budget's (OMB) implementation of GAO's recommendations and to call your continued personal attention to critical open recommendations that should be given high priority.<sup>1</sup> In November 2021, we reported that, on a government-wide basis, 76 percent of our recommendations made 4 years ago were implemented.<sup>2</sup> OMB's recommendation implementation rate was 77 percent. As of June 2022, OMB had 150 open recommendations. Fully implementing these open recommendations could significantly improve agency operations.

Since our June 2021 letter, OMB has implemented six of our 44 open priority recommendations and we have removed the priority status from one other recommendation.<sup>3</sup>

- OMB issued a plan in November 2021 to test and implement a federal program inventory by 2025 consistent with the systematic approach we outlined in our September 2017 report on information architecture.
- OMB issued new guidance on improper payments that implements the requirements from the Payment Integrity Information Act of 2019. It also further clarified the platform's questions-and-answer section regarding payment integrity risks. This new guidance implements two priority recommendations from our May 2018 and November 2020

<sup>1</sup>Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

<sup>2</sup>GAO, *Performance and Accountability Report: Fiscal Year 2021*, [GAO-22-4SP](#) (Washington, D.C.: Nov. 15, 2021).

<sup>3</sup>We have removed the priority recommendation for OMB related to establishing an interagency forum on sexual violence statistics that was included in the 2021 OMB Priority Recommendation letter. Recently-enacted legislation tasks a separate executive branch department with establishing an interagency working group to study federal efforts to collect data on sexual violence. We believe the new legislation will address the intent of our recommendation once fully implemented.

reports related to agencies (1) having reliable improper payment estimates and formulating targeted corrective action plans to address them; and (2) including COVID-19 relief funding as part of their improper payment estimation methodologies.<sup>4</sup>

- OMB coordinated “CyberStat” meetings in 2021 that engaged agencies on a variety of cybersecurity-related topics. In addition, OMB worked with the Department of Homeland Security to update the concept of operations for CyberStat, which details the objectives and processes for the program. These actions gave OMB an opportunity to help agencies improve their cybersecurity posture, as well as increase its ability to oversee specific agency efforts to provide information security protections for federal information and information systems, as we recommended in July 2019.
- OMB developed reporting guidance, implementing one recommendation from November 2020 that will help agencies provide greater transparency regarding their use of Defense Production Act Title I authorities for COVID-19 purposes.<sup>5</sup>
- OMB updated its overarching category management guidance to emphasize the importance of developing requirements for category management products and services, implementing one priority recommendation from November 2020 that should help agencies make better-informed buying decisions and increase savings for taxpayers.<sup>6</sup>

Given the critical role OMB plays in providing oversight of vital government-wide performance and management issues, we ask for your continued attention to the remaining 37 open priority recommendations identified in the 2021 letter. We are also adding seven new recommendations related to increasing availability and transparency of government data, improving acquisition management and reducing costs, reducing government-wide improper payments, including fraud, and strengthening cybersecurity. This brings the total number of priority recommendations to 44 (see enclosure for the list of these recommendations).

The 44 priority recommendations fall into the following eight areas.

**Improving government performance.** Implementing 16 priority recommendations would help OMB better meet the information needs of various decision makers. These recommendations involve fully and effectively implementing a federal program inventory, broadening the scope of programs that OMB typically considers in assessing federal agency performance to include tax expenditures, strengthening monitoring and evaluation practices for foreign assistance programs, and developing goals to support child well-being and employment for people with disabilities.

**Increasing availability and transparency of government data.** Implementing eight priority recommendations regarding the availability and transparency of federal government data will require OMB to link financial spending data to a federal program inventory, issue additional

---

<sup>4</sup>OMB Memorandum M-21-19, *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement*. (Mar. 5, 2021) and January 2022 updates to the question and answer section of [max.omb.gov](https://www.max.omb.gov).

<sup>5</sup>Pub. L. No. 81-774, 64 Stat. 798 (1950), codified as amended at 50 U.S.C. §§ 4501 et seq. Title I authorizes the President to require priority performance on contracts or orders and allocate materials, services, and facilities as necessary or appropriate to promote the national defense.

<sup>6</sup>OMB Memorandum M-22-03, *Advancing Equity in Federal Procurement* (Dec. 2, 2021).

guidance to ensure the quality of federal spending data, and follow up with agencies that are not submitting required spending information. In addition, OMB needs to issue implementation guidance to help agencies develop and maintain comprehensive data inventories, and make their data open by default. Implementation of these statutory requirements is critical to agencies' compliance with the OPEN Government Data Act.

**Improving acquisition management and reducing costs.** Implementing nine priority recommendations related to federal acquisitions would help agencies improve the manner in which they procure, track, and manage the hundreds of billions of dollars in goods and services the federal government buys each year. For example, OMB should report cost savings from the category management initiative by agency, and establish a strategic plan to coordinate agencies' responses to government-wide data challenges hindering implementation of the category management initiative. In addition, OMB should ensure that the Federal Chief Information Officer (CIO) is directly involved in the oversight of these efforts, as appropriate.

**Reducing government-wide improper payments, including fraud.** Implementing three priority recommendations can help OMB further address improper payments, including those resulting from fraud. These recommendations involve (1) developing and implementing monitoring mechanisms to evaluate agency use of the Do Not Pay working system, (2) incorporating appropriate measures to ensure that single audit guidance is issued timely and is responsive to users' input and needs, and (3) enhancing the guidelines for agencies to establish the controls required by the Fraud Reduction and Data Analytics Act of 2015, which was superseded by the Payment Integrity Information Act of 2019.

**Strengthening cybersecurity.** Four priority recommendations are aimed at strengthening cybersecurity. Implementing these recommendations will require OMB to coordinate with DHS and the National Cyber Director on a government-wide cybersecurity workforce plan, collect data on agencies' use of cloud services, and solicit input from state and federal IT stakeholders to implement an approach that results in more effective coordination of state cybersecurity requirements.

**Establishing controls for disaster relief.** Agencies must deliver disaster relief funding expeditiously. However, the risk of improper payments increases when agencies spend billions of dollars quickly. To address these risks, OMB should develop standard guidance for federal agencies to use in designing internal control plans for disaster relief funding. It should also develop a strategy, in consultation with key stakeholders, for ensuring that agencies communicate sufficient and timely internal control plans for effective oversight of disaster relief funds. These steps could help ensure that agencies have considered the payment integrity risks associated with emergency funding and have developed internal controls to help mitigate those risks, well before disasters occur and funds start flowing.

**Improving federal real property asset management.** OMB's attention to one priority recommendation related to improving existing information on federal asset management would help the federal government manage its real property assets more efficiently and cost effectively. Implementing this recommendation could include updating asset management guidance to reflect leading asset management practices and developing a clearinghouse of information on asset management practices and successful agency experiences.

**Improving information management.** Implementing one priority recommendation, to establish a framework for OMB to update its policies and procedures on electronic recordkeeping systems, would help improve the transparency, efficiency, and accountability of federal agency

records. The framework should ensure that policies and procedures address required functionalities for recordkeeping systems. These recordkeeping functionalities include systems being able to, among other things: capture and organize records, manage their access and retrieval, preserve them, execute their disposition, and maintain their security.

## **Key Recommendations in High-Risk Areas and Financial Management**

We also urge your attention to other agencies' priority recommendations in critical areas where OMB leadership and oversight could facilitate progress. In March 2021, we issued our biennial update to our High-Risk List, which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.<sup>7</sup> In this regard, I would like to express my appreciation for the recent tripartite meetings between GAO, OMB, and the federal agencies responsible for individual high-risk areas that were convened by Jason Miller to address these important issues. These meetings have been particularly valuable and they as well as future meetings should help to effectively meet the challenges delineated in our High-Risk List.

Several government-wide high-risk areas have direct implications for OMB and the operations of all federal agencies. These include (1) [ensuring the cybersecurity of the nation](#),<sup>8</sup> (2) [improving the management of IT acquisitions and operations](#), (3) [strategic human capital management](#), (4) [managing federal real property](#), and (5) [government-wide personnel security clearance process](#).

We also ask that OMB continue its efforts to improve federal financial management, as much work remains. In particular, the processes used to prepare the consolidated financial statements and the Department of Defense's financial management are long-standing impediments that we believe could benefit from additional focus from OMB.

Progress on high-risk and financial management issues has been possible through the concerted actions and efforts of Congress, OMB, and agencies, and we urge your continued attention to these critical issues. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.<sup>9</sup>

We are sending you copies of the priority recommendation letters as they are sent to the heads of agencies, and we are publicly releasing them as well.

Copies of this letter are also being sent to appropriate congressional committees, including the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, Budget, and Oversight and

---

<sup>7</sup>GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington, D.C.: Mar. 2, 2021).

<sup>8</sup>With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report: *GAO, Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

<sup>9</sup>GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

Reform, House of Representatives. In addition, the report will be available on the GAO website at <https://www.gao.gov>.

I appreciate OMB's continued commitment to addressing these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Michelle Sager, Managing Director, Strategic Issues, at [sagerm@gao.gov](mailto:sagerm@gao.gov) or (202) 512-6806.

Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter.

Additionally, we will continue to coordinate with your staff on all of the 150 open recommendations to OMB, as well as those recommendations in the high-risk areas for which OMB has an important role. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Gene L. Dodaro  
Comptroller General  
of the United States

Enclosure

cc: The Honorable Jason Miller, Deputy Director for Management, OMB  
The Honorable Clare Martorana, Federal CIO, OMB  
The Honorable Lesley A. Field, Acting Administrator, OFPP, OMB  
The Honorable Janet Yellen, Secretary, Treasury  
Mr. Timothy Gribben, Commissioner, Bureau of the Fiscal Service,  
Treasury

Enclosure

## Priority Open Recommendations to the Office of Management and Budget

### Improving Government Performance

*Government Efficiency and Effectiveness: Inconsistent Definitions and Information Limit the Usefulness of Federal Program Inventories.* [GAO-15-83](#). Washington, D.C.: October 31, 2014.

**Recommendations:** To ensure the effective implementation of federal program inventory requirements, make the inventories more useful, and better present a more coherent picture of all federal programs, the Director of the Office of Management and Budget (OMB) should take the following eight actions:

1. Revise relevant guidance to direct agencies to collaborate with each other in defining and identifying programs that contribute to common outcomes.
2. Revise relevant guidance to provide a time frame for what constitutes “persistent over time” that agencies can use as a decision rule for whether to include short-term efforts as programs.
3. Define plans for when additional agencies will be required to develop program inventories.
4. Include tax expenditures in the federal program inventory effort by designating tax expenditure as a program type in relevant guidance.
5. Develop, in coordination with the Secretary of the Treasury, a tax expenditure inventory that identifies each tax expenditure and provides a description of how the tax expenditure is defined, its purpose, and related performance and budget information.
6. Revise relevant guidance to direct agencies to consult with relevant congressional committees and stakeholders on their program definition approach and identified programs when developing or updating their inventories.
7. Revise relevant guidance to direct agencies to identify in their inventories the performance goal(s) to which each program contributes.
8. Ensure, during OMB reviews of inventories, that agencies consistently identify, as applicable, the strategic goals, strategic objectives, agency priority goals, and cross-agency priority goals each program supports.

**Actions needed:** OMB agreed with five of the eight recommendations and neither agreed nor disagreed with the fourth, fifth, and seventh recommendations. In November 2021, OMB issued a plan for implementing the federal program inventory through a series of pilots, with full implementation expected in 2025. However, to fully address these recommendations, OMB needs to revise its guidance and develop a federal program inventory to reflect the actions outlined above. As of April 2022, OMB has not completed these actions. These actions would help ensure the resulting inventory provides useful information for decision makers and presents a coherent picture of all federal programs.

**Managing Director:** Michelle Sager, Strategic Issues

**Contact Information:** [sagerm@gao.gov](mailto:sagerm@gao.gov), (202) 512-6806

*Managing for Results: Further Progress Made in Implementing the GPRA Modernization Act, but Additional Actions Needed to Address Pressing Governance Challenges.* [GAO-17-775](#). Washington, D.C.: September 29, 2017.

**Recommendation:** The Director of OMB should revise and publicly issue OMB guidance—through an update to its Circular No. A-11, a memorandum, or other means—to provide time frames and associated milestones for implementing the federal program inventory.

**Action needed:** OMB agreed with this recommendation. As of April 2022, OMB has taken some actions toward addressing it. In November 2021, OMB issued a plan for implementing the federal program inventory through a series of pilots, with full implementation expected in 2025. However, to fully address this recommendation, OMB needs to publicly issue guidance with time frames and milestones for implementing its plan. These actions would help ensure agencies and stakeholders are aware of how and when they will be engaged for inventory implementation.

**Managing Director:** Michelle Sager, Strategic Issues

**Contact Information:** [SagerM@gao.gov](mailto:SagerM@gao.gov), (202) 512-6806

*Improving Program Management: Key Actions Taken, but Further Efforts Needed to Strengthen Standards, Expand Reviews, and Address High-Risk Areas.* [GAO-20-44](#). Washington, D.C.: December 13, 2019.

**Recommendations:** The Deputy Director for Management of OMB should take the following actions:

1. Clarify for agencies how the different definitions of a "program" relate to each other in OMB guidance.
2. Convene trilateral meetings between OMB, relevant agencies, and us for addressing all high-risk areas during each two-year high-risk cycle.

**Actions needed:** OMB neither agreed nor disagreed with these recommendations and stated it would consider them when making future updates to its program management policies and guidance. We continue to believe that OMB needs to clarify in guidance how different definitions of a "program" relate to each other and convene trilateral meetings on all high-risk areas. In September 2021, OMB restarted the trilateral meetings with agency leaders and us. It has reviewed five of the 38 high-risk areas since March 2021—the issuance date of our last high-risk report and the beginning of the current 2-year high-risk cycle.<sup>10</sup> However, to fully address this recommendation, OMB needs to increase the pace of these meetings to address all high-risk areas during each two-year high-risk cycle. As of April 2022, OMB had not completed this action. The increase in the pace of the trilateral meetings will help spur action toward making progress in high-risk areas.

---

<sup>10</sup>There were 36 high-risk areas when we issued our latest high-risk report in March 2021. We added one additional high-risk area, Leadership and Coordination of Public Health Emergencies, in January 2022, and another, the Unemployment Insurance System, in June 2022. There are now 38 high-risk areas. See <https://www.gao.gov/high-risk-list> for more information.

**Director:** Yvonne D. Jones, Strategic Issues

**Contact information:** [JonesY@gao.gov](mailto:JonesY@gao.gov), (202) 512-6806

*Government Performance and Accountability: Tax Expenditures Represent a Substantial Federal Commitment and Need to Be Reexamined.* [GAO-05-690](#). Washington, D.C.: September 23, 2005.

**Recommendation:** To ensure that policymakers and the public have the necessary information to make informed decisions and to improve the progress toward exercising greater scrutiny of tax expenditures, the Director of OMB, in consultation with the Secretary of the Treasury, should develop and implement a framework for conducting performance reviews of tax expenditures. In developing the framework, the Director should

- determine which agencies will have leadership responsibilities to review tax expenditures, how reviews will be coordinated among agencies with related responsibilities, and how to address the lack of credible performance information on tax expenditures;
- set a schedule for conducting tax expenditure evaluations;
- re-establish appropriate methods to test the overall evaluation framework and make improvements as experience is gained; and
- identify any additional resources that may be needed for tax expenditure reviews.

**Action needed:** At the time of our report, OMB agreed that this recommendation had promise, but had taken no actions as of March 2022 to address it. We continue to believe that OMB should develop and implement a framework for evaluating the performance of tax expenditures and preliminary performance measures. Although revenue losses from tax expenditures exceed \$1 trillion each year, tax expenditures continue to not receive the same level of scrutiny within federal budget processes as discretionary spending. Periodic reviews also determine how well specific tax expenditures work to achieve their goals, as well as how their benefits and costs compare to those of programs with similar goals.

**Director:** James R. McTigue, Jr., Strategic Issues

**Contact information:** [MctigueJ@gao.gov](mailto:MctigueJ@gao.gov), (202) 512-6806

*Tax Expenditures: Opportunities Exist to Use Budgeting and Agency Performance Processes to Increase Oversight.* [GAO-16-622](#). Washington, D.C.: July 7, 2016.

**Recommendation:** To help ensure that the contributions of tax expenditures toward the achievement of agency goals are identified and measured, the Director of OMB, in collaboration with the Secretary of the Treasury, should work with agencies to identify which tax expenditures contribute to their agency goals, as appropriate—that is, they should identify which specific tax expenditures contribute to specific strategic objectives and agency priority goals.

**Action needed:** OMB generally agreed with this recommendation. Subsequently, OMB stated that although it still agreed, it was not pursuing the effort because of competing priorities, as well as capacity and resource constraints. As of March 2022, OMB had not addressed this recommendation. We continue to believe that OMB, in collaboration with the Department of the Treasury, needs to assist agencies in identifying tax expenditures that relate to agency goals so that the agencies have a more complete understanding of how a broader range of federal



investments contributes to their goals. Without additional OMB assistance, agencies may continue to have difficulty identifying whether or which of the dozens of tax expenditures—representing an estimated \$1.41 trillion in forgone revenues in fiscal year 2021 (last revised estimates available)—contribute to their goals.

**Director:** James R. McTigue, Jr., Strategic Issues

**Contact information:** [MctigueJ@gao.gov](mailto:MctigueJ@gao.gov), (202) 512-6806

*Foreign Assistance: Federal Monitoring and Evaluation Guidelines Incorporate Most but Not All Leading Practices.* [GAO-19-466](#). Washington, D.C.: July 31, 2019.

**Recommendation:** The Director of OMB should update the Foreign Assistance Monitoring and Evaluation Guidelines to include GAO's leading practices of developing monitoring plans that are based on risks, ensuring that monitoring staff have appropriate qualifications, establishing procedures to close-out programs, developing staff skills regarding evaluations, and establishing mechanisms for following up on evaluation recommendations.

**Action needed:** OMB disagreed with the recommendation and suggested it would be more effective to remind agencies that, in addition to the guidelines, they should follow all other relevant OMB guidance affecting monitoring and evaluation. OMB asserted that this guidance contains provisions relevant to our leading practices not included in the Foreign Assistance Monitoring and Evaluation Guidelines. However, we continue to believe it is important for OMB to incorporate this other guidance into the Foreign Assistance Monitoring and Evaluation Guidelines, if only by reference, to emphasize the importance of these practices in the context of monitoring and evaluation of foreign assistance.

As of March 2022, OMB had not addressed this recommendation and has indicated that it does not plan to take any action. GAO will continue to monitor this issue. Since we made this recommendation to OMB, audits we conducted of monitoring practices at the Department of State and the U.S. Agency for International Development indicate that agencies have continued to face challenges incorporating leading practices, particularly regarding developing monitoring plans based on risks. By ensuring that its guidance includes these leading practices, OMB will have greater assurance that agencies are well-positioned to address impediments, effectively manage foreign assistance, and achieve their goals.

**Director:** Chelsa Kenney, International Affairs and Trade

**Contact information:** [KenneyC@gao.gov](mailto:KenneyC@gao.gov), (202) 512-2964

*Child Well-Being: Key Considerations for Policymakers, Including the Need for a Federal Cross-Agency Priority Goal.* [GAO-18-41SP](#). Washington, D.C.: November 9, 2017.

**Recommendation:** GAO recommends that the Director of OMB consider developing a goal that addresses a coordinated federal approach to child well-being among its next set of cross-agency priority (CAP) goals, including working with relevant agencies to ensure their strategic plans include goals and objectives related to the CAP goal.

**Action needed:** OMB neither agreed nor disagreed with this recommendation. As of March 2022, OMB reported no update on the status of our recommendation that it consider developing a CAP goal related to child well-being. To implement this recommendation, OMB should

provide documentation that it considered developing a CAP goal that addresses a coordinated federal approach to child well-being. We believe that by developing a CAP goal related to child well-being, OMB could provide an opportunity across the federal government to better address the needs of children in ways that take into account the interrelatedness of federal actions and policies that aim to improve child well-being.

**Director:** Kathryn Larin, Education, Workforce, and Income Security

**Contact information:** [larink@gao.gov](mailto:larink@gao.gov), (202) 512-7215

*2012 Annual Report: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue.* [GAO-12-342SP](#). Washington, D.C.: February 28, 2012.

**Recommendation:** To improve performance through greater coordination among the many federal programs that support employment for people with disabilities, OMB should consider establishing measurable, government-wide goals for employment of people with disabilities. Given the number of federal agencies and approaches involved in supporting employment for people with disabilities, government-wide goals could help spur greater coordination and more efficient and economical service delivery in overlapping program areas. To determine whether these goals are being met, agencies should establish related measures and indicators and collect additional data to inform these measures.

**Action needed:** OMB neither agreed nor disagreed with this recommendation. OMB has taken some steps aimed at improving performance of programs that support employment for people with disabilities. For example, it has participated in various interagency efforts to enhance coordination across federal agencies, set and tracked goals across some programs, and developed demonstration projects. However, as of March 2022, the agency does not plan to establish government-wide goals for employment of people with disabilities. We continue to believe that OMB should lead or coordinate an executive branch effort to consider establishing such goals. Government-wide goals could help foster coordination across federal agencies and improve employment outcomes for people with disabilities.

**Director:** Elizabeth Curda, Education, Workforce, and Income Security

**Contact information:** [CurdaE@gao.gov](mailto:CurdaE@gao.gov), (202) 512-7215

### **Increasing Availability and Transparency of Government Data**

*Data Transparency: Oversight Needed to Address Underreporting and Inconsistencies on Federal Award Website.* [GAO-14-476](#). Washington, D.C.: June 30, 2014.

**Recommendation:** To improve the completeness and accuracy of data submissions to the USAspending.gov website, the Director of OMB, in collaboration with Treasury's Bureau of the Fiscal Service, should clarify guidance on (1) agency responsibilities for reporting awards funded by non-annual appropriations; (2) the applicability of USAspending.gov reporting requirements to non-classified awards associated with intelligence operations; (3) the requirement that award titles describe the award's purpose (consistent with our prior recommendation); and (4) agency maintenance of authoritative records adequate to verify the accuracy of required data reported for use by USAspending.gov.

**Action needed:** OMB generally agreed with this recommendation and has taken steps to address several of the issues discussed in this recommendation, including working with agencies to identify those required to report under the Digital Accountability and Transparency Act of 2014 (DATA Act). As of March 2022, OMB has not taken additional action to address this recommendation. We continue to believe that OMB needs to clarify its guidance on topics including descriptive award titles and non-classified awards related to intelligence activities. Fully implementing this recommendation should help improve the reliability of the data displayed on USAspending.gov.

**Director:** Jennifer Franks, Information Technology and Cybersecurity

**Contact Information:** [FranksJ@gao.gov](mailto:FranksJ@gao.gov), (404) 679-1831

*DATA Act: Progress Made in Initial Implementation but Challenges Must be Addressed as Efforts Proceed.* [GAO-15-752T](#). Washington, D.C.: July 29, 2015.

**Recommendation:** To ensure that federal program spending data are provided to the public in a transparent, useful, and timely manner, the Director of OMB should accelerate efforts to determine how best to merge DATA Act purposes and requirements with the GPRAMA requirement to produce a federal program inventory.

**Action needed:** OMB did not initially comment on this recommendation. OMB has taken steps to implement this recommendation, including issuing a plan in November 2021 for fully implementing an inventory of all federal programs. In March 2022, OMB told us that establishing a complete federal program inventory will require a whole-of-government effort, similar in cost and scope to the government-wide implementation of the DATA Act. To fully address this recommendation, OMB needs to clearly communicate how its plan for implementing a federal program inventory will help achieve the purpose identified in the DATA Act of linking federal contract, loan, and grant spending information to federal programs. Such linkage will enable taxpayers and policy makers to track federal spending more effectively.<sup>11</sup>

**Director:** Jeff Arkin, Strategic Issues

**Contact information:** [ArkinJ@gao.gov](mailto:ArkinJ@gao.gov), (202) 512-6806

*DATA ACT: OMB, Treasury, and Agencies Need to Improve Completeness and Accuracy of Spending Data and Disclose Limitations.* [GAO-18-138](#) Washington, D.C.: November 8, 2017.

**Recommendations:**

1. The Director of OMB should continue to provide ongoing technical assistance that significantly contributes to agencies making their own determinations about their DATA Act reporting requirements and monitor agency submissions.
2. The Director of OMB should clarify and align existing guidance regarding the appropriate definitions agencies should use to collect and report on “Primary Place of Performance” and establish monitoring mechanisms to foster consistent application and compliance.

---

<sup>11</sup>Pub. L. No. 113-101, § 2, 128 Stat. 1146 (2014).

**Action needed:** OMB generally agreed with both recommendations. On the first recommendation, OMB previously stated that it believes that the assistance it has previously provided to help agencies make their own reporting determinations fulfills the recommendation's intent. In March 2022, OMB told us that it provides ad-hoc technical assistance to agencies on their DATA Act reporting, including when it notices gaps in quarterly updates. As a result, OMB does not plan to take further action on this recommendation. However, because we have identified instances where agencies have not submitted these data, and Treasury may forward a list of non-compliant agencies to OMB on a quarterly basis as part of its ongoing monitoring efforts, we continue to believe that OMB needs to follow up with agencies that are not submitting data to determine why they are not reporting. It also needs to update its list of agencies required to report.

On the second recommendation, OMB told us in March 2022 that, as part of the implementation of the Infrastructure Investment and Jobs Act, it is working with agencies to identify lessons learned about the places work is performed for financial assistance awards. We continue to believe that providing specific examples of how agencies should approach challenging situations when reporting on this data element for financial assistance awards would provide further clarity and improve the quality of this data element.

**Director:** Jeff Arkin, Strategic Issues

**Contact information:** [ArkinJ@gao.gov](mailto:ArkinJ@gao.gov), (202) 512-6806

*DATA Act: OMB Needs to Formalize Data Governance for Reporting Federal Spending.* [GAO-19-284](#). Washington, D.C.: March 22, 2019.

**Recommendation:** The Director of OMB should clarify and document OMB's procedure for changing official data definition standards for DATA Act reporting, for example, by explicitly describing how change procedures developed for other government-wide initiatives apply to DATA Act definition standards in a public source of guidance or information.

**Action needed:** OMB neither agreed nor disagreed with this recommendation. In July 2020, OMB provided us with clarification that the Chief Financial Officers Council's DATA Act Working Group had operational management for data standards while the Business Standards Council provided overall interagency governance. In March 2022, OMB told us that it generally agrees that documentation of procedures for updating data standards is a good practice. However, to fully implement the recommendation, OMB needs to take the next step of demonstrating that it has clearly documented this structure, as well as relevant supporting procedures, and has communicated them to the public. Without transparent communication of changes to data definition standards, stakeholders—including staff at federal agencies required to report data according to these definitions—may miss important information relating to changes in how, when, and by whom data definitions are to be applied.

**Director:** Jeff Arkin, Strategic Issues

**Contact information:** [ArkinJ@gao.gov](mailto:ArkinJ@gao.gov), (202) 512-6806

*Open Data: Agencies Need Guidance to Establish Comprehensive Data Inventories; Information on Their Progress is Limited.* [GAO-21-29](#). Washington, D.C.: October 8, 2020.

## Recommendations:

1. The Director of OMB should comply with its statutory requirement to issue implementation guidance to agencies to develop and maintain comprehensive data inventories.
2. The Director of OMB should comply with the statutory requirement to electronically publish a report on agencies' performance and compliance with the OPEN Government Data Act.

**Action Needed:** OMB did not initially comment on these recommendations. In March 2022, OMB told us that it is revising draft guidance based on comments received by agencies. To address the first recommendation, OMB needs to issue guidance to federal agencies to help them develop and maintain comprehensive data inventories. Without this guidance, agencies do not have clarity on timeframes for meeting their requirements under the OPEN Government Data Act or guidance to help prioritize data assets for publication in their data inventories, which could delay their progress in meeting their requirements under the act.

To address the second recommendation, OMB needs to ensure that it reports information on all agencies subject to the requirements of the OPEN Government Data Act, as well as information on agency progress toward meeting all of their requirements. In March 2022, OMB told us that it is discussing approaches for improving reporting of agency performance and compliance with the General Services Administration and the Chief Data Officer Council. Without OMB fully reporting on agency performance and compliance with the OPEN Government Data Act, Congress and the public lack key information about the extent to which agencies are meeting their requirements under the act, including whether agencies have made all required data assets open and available to the public.

**Managing Director:** Michelle Sager, Strategic Issues

**Contact information:** [SagerM@gao.gov](mailto:SagerM@gao.gov), (202) 512-6806

*Open Data: Additional Action Required for Full Access.* [GAO-22-104574](#). Washington, D.C.: December 16, 2021.

**Recommendation:** The Director of OMB should comply with its statutory requirement under the OPEN Government Data Act to issue implementation guidance to agencies on making data open by default.

**Action Needed:** OMB neither agreed nor disagreed with our recommendation. In September 2020, OMB provided draft implementation guidance to federal agencies for comment, but has yet to issue final guidance on making data open by default, as required by statute.<sup>12</sup> In March 2022, OMB staff told us that action to implement this recommendation is in progress, but they have not determined a time frame for issuing the guidance. To fully implement this recommendation, OMB will need to issue guidance to agencies on making data open by default that takes into account relevant considerations for this guidance laid out in the OPEN Government Data Act. Although agencies are making some progress toward implementing their requirements under the act, without this guidance, they do not have all the information required to address the act's requirements on making data open by default. Furthermore, OMB's delay in

---

<sup>12</sup>44 U.S.C. § 3504(b) (6).

issuing the guidance could lead to increased costs for agencies if they are required to revise their approaches to implementation after OMB releases the guidance.

**Managing Director:** Michelle Sager, Strategic Issues

**Contact information:** [SagerM@gao.gov](mailto:SagerM@gao.gov), (202) 512-6806

### **Improving Acquisition Management and Reducing Costs**

*Information Technology: OMB Needs to Report On and Improve Its Oversight of the Highest Priority Programs.* [GAO-18-51](#). Washington, D.C.: November 21, 2017.

**Recommendation:** To enhance the oversight of high-priority programs and to improve program outcomes, the Director of OMB should ensure that the Federal Chief Information Officer (CIO) is directly involved in the oversight of high priority programs.

**Action needed:** OMB neither agreed nor disagreed with this recommendation. In May 2020, OMB told us that its process for identifying high priority programs had evolved and been superseded by a process for identifying and securing high value assets. It also told us that the Federal CIO and Federal Chief Information Security Officer were engaged in overseeing these assets through their involvement on the CIO and Chief Information Security Officer Councils. Further, in March 2022, OMB stated that the Federal CIO and Federal Chief Information Security Officer had been involved in the oversight of the high-priority IT projects identified in our report. We recognize the importance of ensuring the security of high value assets and continuing to oversee the programs identified in our report. However, these programs do not comprise the full range of high priority programs currently under development across the federal government that was intended by our recommendation.

To fully implement this recommendation, OMB needs to ensure that the Federal CIO is involved in the full range of high-priority programs. In addition, OMB should provide evidence of its oversight of high-value assets and programs identified in our report to substantiate its claims. As we reported, such oversight would improve accountability and achieve positive results for the federal government's investments.

### **High-risk area: [Improving the Management of IT Acquisitions and Operations](#)**

**Acting Director:** David B. Hinchman, Information Technology and Cybersecurity

**Contact Information:** [HinchmanD@gao.gov](mailto:HinchmanD@gao.gov), (214) 777-5719

*Reverse Auctions: Guidance Is Needed to Maximize Competition and Achieve Cost Savings.* [GAO-14-108](#). Washington, D.C.: December 9, 2013.

**Recommendation:** To help mitigate confusion about the use of reverse auctions in federal acquisitions, the Director of OMB should take steps to amend the Federal Acquisition Regulation (FAR) to address agencies' use of reverse auctions.

**Action needed:** OMB generally agreed with this recommendation. In response, in December 2020, FAR Council members published a notice of proposed rulemaking to amend the FAR to provide guidance on reverse auctions.<sup>13</sup> The notice required that comments on the proposed rule be submitted by early February 2021. As of June 2022, OMB had received comments and planned to publish the final rule in December 2022. To fully implement the recommendation, OMB should finalize the FAR amendment to address agencies' use of reverse auctions. Completing this step could help mitigate confusion among agencies and vendors about how to use reverse auctions and maximize potential benefits such as competition and savings.

**Managing Director:** Timothy J. DiNapoli, Contracting and National Security Acquisitions

**Contact information:** [DinapoliT@gao.gov](mailto:DinapoliT@gao.gov), (202) 512-4841

*Sole Source Contracting: Defining and Tracking Bridge Contracts Would Help Agencies Manage Their Use.* [GAO-16-15](#). Washington, D.C.: October 14, 2015.

**Recommendations:**

1. To gain visibility and enable efficient management on the use of bridge contracts in federal agencies, the Administrator of the Office of Federal Procurement Policy (OFPP) should take appropriate steps to develop a standardized definition for bridge contracts and incorporate it as appropriate into relevant FAR sections.
2. To gain visibility and enable efficient management on the use of bridge contracts in federal agencies, the Administrator of OFPP should, as an interim measure, until the FAR is amended, provide guidance to agencies on
  - a. a definition of bridge contracts, with consideration of contract extensions as well as stand-alone bridge contracts; and
  - b. suggestions for agencies to track and manage their use of these contracts, such as identifying a contract as a bridge in a Justification and Approval (J&A) when it meets the definition, and listing the history of previous extensions and stand-alone bridge contracts back to the predecessor contract in the J&A.

**Action needed:** OMB stated its intention to explore addressing our first recommendation, and agreed with our second recommendation. OMB staff had previously told us that they had drafted guidance, which included a definition for bridge contracts, and that it was under review. In January 2020, OMB staff stated that they were reviewing the extent to which this guidance is necessary moving forward. As of March 2022, however, OFPP staff stated they have no current plans to address these recommendations. We continue to believe these actions are important to help ensure agencies do not continue to use these noncompetitive contracts frequently or for prolonged periods of time, thereby risking paying more than they should for goods and services.

**Managing Director:** Timothy J. DiNapoli, Contracting and National Security Acquisitions

**Contact information:** [DinapoliT@gao.gov](mailto:DinapoliT@gao.gov), (202) 512-4841

---

<sup>13</sup>Federal Acquisition Regulation: Reverse Auction Guidance, 85 Fed. Reg. 78815 (proposed Dec. 7, 2020).

*Federal Buying Power: OMB Can Further Advance Category Management Initiative by Focusing on Requirements, Data, and Training.* [GAO-21-40](#). Washington, D.C.: November 30, 2020.

**Recommendations:**

1. The Director of the Office of Management and Budget should ensure that designated Senior Accountable Officials have the authority necessary to hold personnel accountable for defining requirements for common products and services as well as contracting activities.
2. The Director of the Office of Management and Budget should report cost savings from the category management initiative by agency.
3. The Director of the Office of Management and Budget should work with the Category Management Leadership Council and the Performance Improvement Council to establish additional performance metrics for the category management initiative that are related to agency requirements.
4. The Director of the Office of Management and Budget should, in coordination with the Category Management Leadership Council and the Chief Data Officer Council, establish a strategic plan to coordinate agencies' responses to government-wide data challenges hindering implementation of the category management initiative, including challenges involving prices-paid and spending data.

**Actions needed:** OMB agreed with the substance of our four recommendations, and provided an update on efforts to address them in April 2022. To address the first three recommendations, OMB should complete actions it plans to take in the coming year, including updating its Key Performance Indicators with new metrics for cost savings and requirements definition. To address the fourth recommendation, OMB should expand its existing plans by pursuing a strategic plan for addressing government-wide data challenges. OMB can help agencies more effectively implement category management by addressing all of these recommendations, which will result in cost savings for taxpayers.

**Managing Director:** Timothy J. DiNapoli, Contracting and National Security Acquisitions

**Contact information:** [DinapoliT@gao.gov](mailto:DinapoliT@gao.gov), (202) 512-4841

*Buy American Act: Actions Needed to Improve Exception and Waiver Reporting and Selected Agency Guidance.* [GAO-19-17](#). Washington, D.C.: December 18, 2018.

**Recommendation:** The Director of the Office of Management and Budget should instruct the Office of Federal Procurement Policy:

- To facilitate additional training to improve the understanding of the contracting workforce regarding the Buy American Act requirements; and
- To facilitate clarifying revisions to FPDS-NG, where needed, and provide training and guidance for recording Buy American Act information in FPDS-NG to improve the accuracy of the Buy American data.



**Action needed:** OFPP generally agreed with our recommendation and as of April 2022, it is considering actions to implement it. To address the recommendation, OFPP needs to facilitate additional training to ensure the contracting workforce at federal agencies is able to identify whether a Buy American Act exception or trade agreement waiver is applicable and, subsequently, to record this information accurately in FPDS. Additionally, OFPP needs to facilitate clarifying revisions to FPDS to reduce data entry errors and ensure the data collected are complete and accurate. Until OFPP takes these actions, the contracting workforce at federal agencies may face challenges applying Buy American Act requirements and recording related information in FPDS accurately—potentially hindering congressional oversight.

**Managing Director:** Timothy DiNapoli, Contracting and National Security Acquisitions

**Contact information:** [DinapoliT@gao.gov](mailto:DinapoliT@gao.gov), (202) 512- 3665

### **Reducing Government-wide Improper Payments, Including Fraud**

*Improper Payments: Strategy and Additional Actions Needed to Help Ensure Agencies Use the Do Not Pay Working System as Intended.* [GAO-17-15](#). Washington, D.C.: October 14, 2016.

**Recommendation:** To better monitor agency use of the Do Not Pay (DNP) working system once a strategy has been developed, the Director of OMB should develop and implement monitoring mechanisms—such as goals, benchmarks, and performance measures—to evaluate agency use of the DNP working system.

**Action needed:** OMB agreed with the concepts of monitoring mechanisms and said it would work with agencies to address this recommendation. OMB previously informed us that Treasury conducts this monitoring and reports quarterly updates to OMB. Treasury provided us examples of reports that it provides to OMB. However, OMB still needs to provide more information on how it uses these reports, as well as documentation related to this monitoring and reporting. OMB also informed us that it will be using the information collected on [paymentaccuracy.gov](http://paymentaccuracy.gov) to meet the requirements under 31 U.S.C. § 3354(b)(5), which requires OMB to submit an annual report to Congress on the operation of DNP. In March 2022, OMB informed us that due to policy priorities and limited resources, it is not able to completely implement this recommendation. OMB stated that DNP currently works closely with agencies on usage and will report to OMB as appropriate for assistance if needed.

OMB needs to provide more information on monitoring and reporting of agencies' use of DNP, as well as how it plans to meet the requirements under 31 U.S.C. § 3354(b)(5), as applicable. Without monitoring mechanisms and reliable and complete data, OMB will not be able to effectively evaluate agencies' use of the DNP working system or remediate any issues identified.

**High-risk areas:** [Medicare Program & Improper Payments](#) and [Strengthening Medicaid Program Integrity](#)

**Director:** M. Hannah Padilla, Financial Management and Assurance

**Contact information:** [PadillaH@gao.gov](mailto:PadillaH@gao.gov), (202) 512-5683

*COVID-19: Sustained Federal Action Is Crucial as Pandemic Enters Its Second Year.* [GAO-21-387](#). Washington, D.C.: March 31, 2021.

**Recommendation:** The Director of OMB should work in consultation with federal agencies and the audit community (e.g., agency Offices of Inspector General; National Association of State Auditors, Comptrollers, and Treasurers; and American Institute of Certified Public Accountants), to the extent practicable, to incorporate appropriate measures in the Office of Management and Budget's process for preparing single audit guidance, including the annual Single Audit Compliance Supplement, to better ensure that such guidance is issued in a timely manner and is responsive to users' input and needs.

**Action Needed:** OMB neither agreed nor disagreed with this recommendation. OMB stated that it is actively working to issue single audit guidance in a timely manner. It issued a Controller Alert in December 2021 that included a timeline for preparing the 2022 Compliance Supplement (in consultation with federal agencies and the audit community), and estimated publishing by April 30, 2022. OMB published the 2022 Compliance Supplement on May 11, 2022. We will review the issued guidance and obtain feedback from members of the audit community (e.g., agency Offices of Inspector General; National Association of State Auditors, Comptrollers, and Treasurers; and American Institute of Certified Public Accountants) to determine if the guidance is sufficient.

To fully address the recommendation, OMB should incorporate appropriate measures, such as establishing formal written policies and procedures, for ensuring timely issuance of future Compliance Supplements and other single audit guidance that is responsive to users' input and needs. Auditors have expressed a need for guidance by no later than April of each year to effectively plan their audits and conduct interim testing for entities with June 30 year-ends. Timely preparing and providing the guidance contained in the annual Compliance Supplement to auditors is essential to help ensure that single audits can be performed timely and enhance the federal government's ability to help safeguard billions of dollars in federal funds, including those provided under COVID-19 relief laws.

**Director:** Jim Dalkin, Financial Management and Assurance

**Contact information:** [DalkinJ@gao.gov](mailto:DalkinJ@gao.gov), (202) 512-3133

*Fraud Risk Management: OMB Should Improve Guidelines and Working-Group Efforts to Support Agencies' Implementation of the Fraud Reduction and Data Analytics Act.* [GAO-19-34](#). Washington, D.C.: December 4, 2018.

**Recommendation:** The Director of OMB should enhance the guidelines for agencies to establish the controls required by the Fraud Reduction and Data Analytics Act of 2015 (FRDAA) by clarifying the difference between FRDAA and Enterprise Risk Management requirements, and through collaboration with agencies to determine what additional information agencies need to implement the controls.<sup>14</sup>

---

<sup>14</sup>In March 2020, the Payment Integrity Information Act of 2019 (PIIA) was enacted to improve efforts to identify and reduce government-wide improper payments, including payments that are the result of fraud. While PIIA repealed and replaced FRDAA, it maintains the requirements for OMB to provide implementing guidelines and for agencies to establish financial and administrative controls for managing fraud risk, among other things.

**Action Needed:** OMB disagreed with this recommendation, stating that Circular A-123 incorporates all of the guidance that agencies need to implement FRDAA and, outside of the current guidance in Circular A-123, agencies are in the best position to make decisions about how they should implement FRDAA/Payment Integrity Information Act of 2019 (PIIA). As of April 2022, OMB had not enhanced its published guidelines to implement FRDAA requirements—carried forward in the Payment Integrity Information Act of 2019—for establishing financial and administrative controls, as we recommended. In our 2018 report, we found that 40 percent of agencies indicated that OMB’s guidelines were insufficient. Based on that finding and subsequent reviews of agencies’ fraud risk management efforts, we continue to believe that enhanced guidelines from OMB would better position agencies to improve controls and procedures to assess and mitigate fraud risks, as FRDAA/PIIA intends.

To fully address the recommendation, OMB should incorporate additional information that clarifies the distinction between FRDAA requirements to establish fraud-related financial and administrative controls and Enterprise Risk Management to ensure fraud risks are appropriately managed. Agencies continue to neglect to establish controls to prevent, detect, and respond to fraud risks in their programs and operations, sometimes confusing requirements for fraud risk and enterprise risk management. Additional supplemental guidance to Circular A-123 is essential to help ensure that agencies are better positioned to improve controls and procedures to assess and mitigate fraud risks, as FRDAA/PIIA intends.

**Director:** Rebecca Shea, Forensic Audits and Investigative Service

**Contact information:** [SheaR@gao.gov](mailto:SheaR@gao.gov), (202) 512-6722

### **Strengthening Cybersecurity**

*Cloud Computing Security: Agencies Increased Their Use of the Federal Authorization Program, but Improved Oversight and Implementation Are Needed.* [GAO-20-126](#). Washington, D.C.: December 12, 2019.

**Recommendation:** The Director of OMB should establish a process for monitoring and holding agencies accountable for authorizing cloud services through FedRAMP.

**Action needed:** OMB agreed with this recommendation but as of April 2022 had not taken any action to address it. To fully implement this recommendation, OMB needs to collect data on the extent to which federal agencies are using cloud services authorized outside of FedRAMP and oversee agencies’ compliance with using the program. Greater OMB oversight through such a process could increase federal agency participation in the FedRAMP program. It also may provide greater assurance that agency information stored in a cloud environment is better protected and aligns with federal security requirements.

### **High-risk area:** [Ensuring the Cybersecurity of the Nation](#)

**Director:** Jennifer R. Franks, Information Technology and Cybersecurity

**Contact Information:** [FranksJ@gao.gov](mailto:FranksJ@gao.gov), (404) 679-1831

*Cybersecurity: Selected Federal Agencies Need to Coordinate on Requirements and Assessments of States.* [GAO-20-123](#). Washington, D.C.: May 27, 2020.

## Recommendations:

1. The Director of OMB should ensure that CMS, FBI, IRS, and SSA are collaborating on their cybersecurity requirements pertaining to state agencies to the greatest extent possible and direct further coordination where needed.
2. The Director of OMB should take steps to ensure that CMS, FBI, IRS, and SSA coordinate, where feasible, on assessments of state agencies' cybersecurity, which may include steps such as leveraging other agencies' security assessments or conducting assessments jointly.

**Action Needed:** OMB did not agree or disagree with these recommendations. As of March 2022, OMB stated that it has continued to review these recommendations with the Federal Chief Information Officer Council, Federal Chief Information Security Officer Council, and the National Association of State Chief Information Officers, but had no new information to provide. To fully address the first recommendation, OMB needs to determine and implement an approach that encourages federal agencies to collaborate, or direct agencies to further coordinate. To fully address the second recommendation, OMB needs to determine and implement an approach that encourages agencies to coordinate on assessments of state agencies' cybersecurity where feasible. As of April 2022, OMB has not completed these actions.

Without OMB's involvement and encouragement that federal agencies collaborate to make their cybersecurity requirements for state agencies consistent to the greatest extent possible, federal agencies are less likely to prioritize such efforts, which could lead to greater fragmentation of cybersecurity policies for states. Further, OMB will not have reasonable assurance that federal agencies are leveraging compatible assessments, where practicable, which could lead to fragmented assessments across federal agencies.

**Acting Director:** David B. Hinchman, Information Technology and Cybersecurity

**Contact information:** [hinchmanD@gao.gov](mailto:hinchmanD@gao.gov), (214) 777-5719

*Federal Management: Selected Reforms Could Be Strengthened By Following Additional Planning, Communication, and Leadership Practices. GAO-20-322. Washington, D.C.: April 23, 2020.*

**Recommendation:** The Director of OMB, working with DHS, should develop a government-wide workforce plan that assesses the effects of the reform proposal to solve the cybersecurity workforce shortage on the current and future federal workforce.

**Action Needed:** OMB did not comment on this recommendation. In April 2022, OMB relayed that it had placed efforts to implement this recommendation on hold because the National Cyber Director is planning to take the lead on cybersecurity workforce issues going forward. To fully implement this recommendation, OMB, working with DHS and the National Cyber Director, will need to develop a government-wide cybersecurity workforce plan to address the cybersecurity workforce shortage. Without this workforce plan, OMB will not be able to determine if the government is making progress, or when the government's cybersecurity workforce shortage has been addressed.

**High-risk area:** [Ensuring the Cybersecurity of the Nation](#)

**Acting Director:** Alissa Czyz, Strategic Issues

**Contact information:** [CzyzA@gao.gov](mailto:CzyzA@gao.gov), (202)-512-6806

### **Establishing Controls for Disaster Relief**

*Hurricane Sandy Relief: Improved Guidance on Designing Internal Control Plans Could Enhance Oversight of Disaster Funding.* [GAO-14-58](#). Washington, D.C.: November 26, 2013.

**Recommendation:** To prepare for oversight of future disaster relief funding, the Director of OMB should develop standard guidance for federal agencies to use in designing internal control plans for disaster relief funding. Such guidance could leverage existing internal control review processes and should include, at a minimum, the following elements: (1) robust criteria for identifying and documenting incremental risks and mitigating controls related to the funding and (2) requirements for documenting the linkage between the incremental risks related to disaster funding and efforts to address known internal control risks.

**Action needed:** OMB generally agreed with this recommendation. OMB staff previously stated that they believe they addressed the intent of this recommendation through broader government-wide guidance for enterprise risk management.<sup>15</sup> However, this guidance does not include specific guidance for identifying risks related to disaster funding. In March 2022, OMB did not indicate any change in its position. To fully implement this recommendation, OMB should issue standard guidance for federal agencies to use in designing internal control plans for disaster relief funding, as required by the Bipartisan Budget Act of 2018.<sup>16</sup> Without standard internal control guidance in place prior to future disasters, agencies may not be able to ensure that internal controls for disaster relief funding are effectively designed and implemented to reasonably assure that funds are used appropriately.

**Director:** M. Hannah Padilla, Financial Management and Assurance

**Contact information:** [PadillaH@gao.gov](mailto:PadillaH@gao.gov), (202) 512-5683

*2017 Disaster Relief Oversight: Strategy Needed to Ensure Agencies' Internal Control Plans Provide Sufficient Information.* [GAO-19-479](#). Washington, D.C.: June 28, 2019.

**Recommendation:** The Director of OMB, after consulting with key stakeholders (e.g., the Chief Financial Officers Council), should develop a strategy for ensuring that agencies communicate sufficient and timely internal control plans for effective oversight of disaster relief funds.

**Action needed:** OMB disagreed with this recommendation. OMB staff previously stated that they believe agency management, not OMB, has responsibility for ensuring compliance with applicable laws and regulations. Although agencies are responsible for submitting their internal control plans, federal law placed the responsibility for establishing the criteria for the internal control plans with OMB. In March 2022, OMB did not indicate any change in its position.

To fully implement this recommendation, OMB should develop a strategy for ensuring that agencies communicate sufficient and timely internal control plans for effective oversight of disaster relief funds. Without a clear OMB strategy for preparing for oversight of future disaster

---

<sup>15</sup>OMB, *Management's Responsibility for Enterprise Risk Management and Internal Control*, Circular No. A-123 (July 15, 2016).

<sup>16</sup>Pub. L. No. 115-123, § 21208(c), 132 Stat. 64, 108 (2018).

relief funding, there is an increased risk that agencies will not appropriately assess risks associated with disaster relief funding. As a result, Congress and others may not receive the necessary information about internal controls, which will affect Congress' and others' ability to provide effective oversight.

**Director:** M. Hannah Padilla, Financial Management and Assurance

**Contact information:** [PadillaH@gao.gov](mailto:PadillaH@gao.gov), (202) 512-5683

### **Improving Federal Real Property Asset Management**

*Federal Real Property Asset Management: Agencies Could Benefit from Additional Information on Leading Practices.* [GAO-19-57](#). Washington, D.C.: November 5, 2018.

**Recommendation:** The Director of OMB should take steps to improve existing information on federal asset management to reflect leading practices such as those described in ISO 55000 and the key characteristics we identified and make it readily available to federal agencies. These steps could include updating asset management guidance and developing a clearinghouse of information on asset management practices and successful agency experiences.

**Action needed:** OMB staff neither agreed nor disagreed with this recommendation. In March 2022, OMB staff said that they did not plan to take action on our recommendation but that they will continue to engage the Federal Real Property Council to determine whether additional asset management practices are needed. OMB staff previously told us that their November 2019 and March 2020 memorandums provide federal agencies a framework for managing their portfolio of assets.<sup>17</sup> For example, the November 2019 memorandum requires federal agencies to identify and prioritize real property gaps in meeting mission requirements—one of the key characteristics for effective asset management that we identified in our report. However, the 2019 memorandum does not fully address other characteristics, such as collecting, analyzing, and verifying the accuracy of data on assets to inform decision-making. Further, neither the 2019 nor the 2020 memorandums provide agencies with information on leading asset management practices.

We continue to believe that to fully implement our recommendation, OMB needs to develop more comprehensive asset management requirements—such as using quality data—as well as identify leading asset management practices and make them available to federal agencies. Identifying leading asset management practices will help federal agencies more strategically manage their real property portfolios in line with their missions and avoid unnecessary expenditure of resources.

**High-risk area:** [Managing Federal Real Property](#)

**Acting Director:** Jill Naamane, Physical Infrastructure

**Contact information:** [NaamaneJ@gao.gov](mailto:NaamaneJ@gao.gov), (202) 512-2834

---

<sup>17</sup>OMB Memorandum M-20-03, *Implementation of Agency-wide Real Property Capital Planning* (Nov. 6, 2019); and OMB Memorandum M-20-10, *Issuance of an Addendum to the National Strategy for the Efficient Use of Real Property* (Mar. 6, 2020).

## Improving Information Management

*Information Management: Selected Agencies Need to Fully Address Federal Electronic Recordkeeping Requirements.* [GAO-20-59](#). Washington, D.C.: February 27, 2020.

**Recommendation:** The Director of the Office of Management and Budget should establish a time frame to update its policies and procedures to include all of the required electronic information system functionalities for recordkeeping systems.

**Action needed:** In March 2022, in response to our recommendation, OMB stated that the Executive Office of the President's Office of Administration is responsible for records management for all Executive Office components, which includes OMB, and now has procedures that incorporate electronic information system functionalities. However, OMB did not provide a time frame for when or documentation that demonstrated that its policies and procedures were updated to include all of the required electronic information system functionalities for recordkeeping systems.

To fully implement the recommendation, OMB will need to provide the time frame and documentation that show its updated policies and procedures includes the required electronic information system functionalities for recordkeeping systems. Without using electronic recordkeeping systems with appropriate functionalities, OMB faces increased risk of not being able to reliably access and retrieve the records needed to conduct agency business.

**Director:** Marisol Cruz Cain, Information Technology and Cybersecurity

**Contact information:** [CruzCainM@gao.gov](mailto:CruzCainM@gao.gov), (202) 512-5017

---

---

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



---

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its [website](#) newly released reports, testimony, and correspondence. You can also [subscribe](#) to GAO's email updates to receive notification of newly posted products.

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).  
Subscribe to our [RSS Feeds](#) or [Email Updates](#). Listen to our [Podcasts](#).  
Visit GAO on the web at <https://www.gao.gov>.

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/about/what-gao-does/fraudnet>

Automated answering system: (800) 424-5454 or (202) 512-7700

---

## Congressional Relations

A. Nicole Clowers, Managing Director, [ClowersA@gao.gov](mailto:ClowersA@gao.gov), (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, DC 20548

---

## Strategic Planning and External Liaison

Stephen J. Sanford, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707  
U.S. Government Accountability Office, 441 G Street NW, Room 7814,  
Washington, DC 20548

