

Statement of Congressman Gerald E. Connolly
Subcommittee on Government Organization, Efficiency, and Financial Management
“Financial Management at the Department of Homeland Security”
May 13th, 2011

Thank you, Chairman Platts for holding the latest in a series of substantive hearings in this subcommittee. If the rest of the House had your discipline to focus on issues rather than politics then we would get a lot more legislative work done.

Financial management at an agency as large as the Department of Homeland Security (DHS) is a monumental challenge, particularly considering DHS’s recent genesis. It is reassuring that DHS has made progress toward closing the financial management weaknesses for which it was placed on GAO’s high risk list, such as terminating stand alone audits of agency components in FY 2010. Undoubtedly much of this progress is a result of the DHS Financial Accountability Act of 2005, which was introduced by Chairman Platts and Ranking Member Towns.

However, a great deal of work remains to be done. The Transportation Security Administration still has inadequate financial management and reporting. The Coast Guard fails six of seven internal control categories identified by GAO. Several components of DHS are very close to eliminating these material weaknesses, however, such as Immigrations and Customs Enforcement and the Federal Law Enforcement Training Center. I look forward to learning more about how these components have improved their financial management and eliminated shortcomings identified by GAO.

The recent cancellation of the Transformation and Systems Consolidation program’s solicitation suggests that DHS has not figured out the best way to move forward with agency-wide acquisition and financial management reform. Based on the failure of large, long term, sole and closed source acquisition contracts, it is understandable that agencies would want to break up acquisition functions into manageable parts, such as GSA has proposed with its Integrated Acquisition Environment. However, many agencies will face challenges related to a much more active management role of multiple complex contracts, a challenge which also has the potential benefit of increasing agency contract management expertise. I appreciate the opportunity to learn more about DHS’s plans for the Transformation and Systems Consolidation program and would welcome the opportunity to work with Chairman Platts and Ranking Member Towns on future oversight.

Thank you, Ms. Sherry for joining us here today, and congratulations for eliminating twelve of thirteen material weaknesses at DHS. I also applaud DHS’s progress in reducing improper payments in each of the last two fiscal years. However, it is unfortunate that the Senate has not confirmed a permanent Chief Financial Officer for DHS. It is unfair to the agency and to career employees like Ms. Sherry to be left in limbo for years while important positions remain unconfirmed, particularly because those appointed positions are critical to remedying problems at DHS components like the Coast Guard.

Thank you again, Chairman Platts for holding this hearing. We are making progress on several of the issues this subcommittee has addressed, including on improper payments. With continued vigilance I am confident we can continue to support improved financial management at DHS.