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Opening Statement Rep. Edolphus Towns, Ranking Member

Subcommittee on Government Organization, Efficiency, and Financial Management Hearing on "Department of Homeland Security Financial Management"

May 13, 2011

Mr. Chairman, the DHS Financial Accountability Act which you and I co-sponsored as Chairman and Ranking Member, is one of the most important pieces of legislation that affects an issue that we are both committed to—proper financial management within the United States Government. This hearing will provide us with up-to-date information on how DHS is managing its finances and I thank you for holding it.

Ms. Sherry, as the acting Chief Financial Officer at DHS, everyone in your agency reports to you about how well financial accountability is proceeding. I welcome you. I am looking forward to your testimony.

The Department of Homeland Security has an extremely important mission: "to ensure a homeland that is safe secure and resilient against terrorism and other hazards." That mission protects each and every one of us, and we must provide the necessary support in order to for it to be carried out.

The GAO and DHS Inspector General have been keeping your financial management system under constant scrutiny. It is encouraging to see that the Department has made some improvements in internal controls over the years. Material weaknesses are down from 18 to 6 across the Department. Improper payments have been decreased from nearly \$929,000 down to \$38,000. That is great work.

However, there is still room for improvement. It is absolutely critical that DHS establish an integrated financial system. It is nearly impossible to achieve an unqualified audit opinion without one. DHS has been on the GAO High Risk List since its creation. You have to work on not becoming a permanent resident of that list.

I see from the testimony that your office is working very closely with the Coast Guard to improve internal controls. I would like to hear more about those efforts and the work being done with the other DHS components.

Ms. Sherry, thank you for visiting with us today. Please let us know how we can help DHS continue to improve financial management.