

TOM DAVIS, VIRGINIA,
CHAIRMAN

DAN BURTON, INDIANA
CHRISTOPHER SHAYS, CONNECTICUT
ILEANA ROS-LEHTINEN, FLORIDA
JOHN M. McHUGH, NEW YORK
JOHN L. MICA, FLORIDA
MARK E. SOUDER, INDIANA
STEVEN C. LATOURETTE, OHIO
DOUG OSE, CALIFORNIA
RON LEWIS, KENTUCKY
JO ANN DAVIS, VIRGINIA
TODD RUSSELL PLATT, PENNSYLVANIA
CHRIS CANNON, UTAH
ADAM H. PUTNAM, FLORIDA
EDWARD L. SCHROCK, VIRGINIA
JOHN J. DUNCAN, JR., TENNESSEE
JOHN SULLIVAN, OKLAHOMA
NATHAN DEAL, GEORGIA
CANDICE MILLER, MICHIGAN
TIM MURPHY, PENNSYLVANIA
MICHAEL R. TURNER, OHIO
JOHN R. CARTER, TEXAS
WILLIAM J. JANKLOW, SOUTH DAKOTA
MARSHA BLACKBURN, TENNESSEE

ONE HUNDRED EIGHTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074
FACSIMILE (202) 225-3974
MINORITY (202) 225-5051
TTY (202) 225-6852

www.house.gov/reform

HENRY A. WAXMAN, CALIFORNIA,
RANKING MINORITY MEMBER

TOM LANTOS, CALIFORNIA
MAJOR R. OWENS, NEW YORK
EDOLPHUS TOWNS, NEW YORK
PAUL E. KANJORSKI, PENNSYLVANIA
CAROLYN B. MALONEY, NEW YORK
ELIJAH E. CUMMINGS, MARYLAND
DENNIS J. KUCINICH, OHIO
DANNY K. DAVIS, ILLINOIS
JOHN F. TIERNEY, MASSACHUSETTS
WM. LACY CLAY, MISSOURI
DIANE E. WATSON, CALIFORNIA
STEPHEN F. LYNCH, MASSACHUSETTS
CHRIS VAN HOLLEN, MARYLAND
LINDA T. SANCHEZ, CALIFORNIA
C.A. DUTCH RUPPERSBERGER,
MARYLAND
ELEANOR HOLMES NORTON,
DISTRICT OF COLUMBIA
JIM COOPER, TENNESSEE
CHRIS BELL, TEXAS

BERNARD SANDERS, VERMONT,
INDEPENDENT

Opening Statement

Todd Russell Platts

September 10th, 2003

Two years ago tomorrow, America sustained the most devastating attack on the homeland in our history. We will always remember the tragic loss of life as a result of this attack. That day dealt a crushing blow to the confidence our citizens had in the Federal government. The ability to protect the country from terrorism has become a national priority, and, to that end, Congress and the President established the Department of Homeland Security last year.

The creation of DHS is the largest reorganization of the Federal government since the Department of Defense was established more than fifty years ago. It presents, arguably, the greatest management challenge in our Nation's history, bringing together 22 diverse entities under one umbrella, creating an entirely new organizational culture.

The establishment of this new Department does not add new responsibilities or increase the size of government; rather it reorganizes and reprioritizes functions, sharpening focus and increasing effectiveness. In that light, improving our nation's security is essentially a test of the management and leadership abilities of the Federal, state and local governments.

DHS inherits agencies in varying financial condition with 19 different financial management systems and 15 compensation systems. Given the magnitude and importance of the Department's mission, sound business practices are critical to success and must be established at the outset. An important aspect of this realignment is to spend less on overhead and more on protecting America.

As part of this Subcommittee's continuing oversight of Federal agency financial management, today we will examine the status of integrating component agencies into a single, effective department through the efficient consolidation of overlapping functions. Management consolidation and reform efforts at DHS deserve appropriate attention and oversight from Congress.

On July 24, 2003, I, along with full Committee Chairman Tom Davis, Ranking Member Towns, full Committee Ranking Member Waxman, and Vice Chair Blackburn introduced H.R. 2886, *The Department of Homeland Security Financial Accountability Act*, which would apply the provisions of the Chief Financial Officers Act to DHS.

This hearing and the proposed legislation are essential steps toward ensuring that DHS establishes sound business practices from the outset, enabling the Federal government to take advantage of the efficiencies and use resources effectively to protect America.

We have asked each of our witnesses to comment on the specific provisions of the legislation. It had been my expectation that we would mark this bill up today, however, we continue to work out the details with the Office of Management and Budget and the Department. Let me assure everyone in this room today that we will take this legislation up in the near future to ensure that financial accountability at DHS is prioritized and well achieved.

Today the Subcommittee will hear from Ms. Linda Springer, Controller at the Office of Management and Budget, Mr. McCoy Williams, Director of Financial Management and Assurance at GAO; Dr. Bruce Carnes, Chief Financial Officer at the Department of Homeland Security; and Mr. Dick Berman, Assistant Inspector General for Audit in the Office of the Inspector General at DHS. Thank you for agreeing to testify today. I look forward to hearing from each of you.