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# Congress of the United States

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## Opening Statement

### Todd Russell Platts

### March 10<sup>th</sup>, 2003

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Just over one year ago, the Department of Homeland Security was established in response to the most devastating attack on the homeland in our Nation's history. The ability to protect our citizens from terrorism is a national priority, and DHS has risen to the challenge.

The establishment of DHS did not add new responsibilities or increase the size of government; rather it reorganized and reprioritized functions, sharpening our focus and increasing effectiveness. One of the primary reasons for the creation of the Department was to streamline processes and realize efficiencies – in short, to spend less on overhead and more on protecting America. In this light, sound financial management must be priority.

Six months ago, the Subcommittee heard from witnesses representing the Office of Management and Budget, the General Accounting Office, the DHS Office of the Inspector General, and the Office of the Chief Financial Officer. At that time, the challenges facing the Department's financial management seemed nearly insurmountable. DHS inherited 18 serious problems or "material weaknesses" identified in previous audits of legacy agencies. The transfer had taken place five months into the fiscal year, and some of the component agencies had never been audited on a stand-alone basis. Despite these known challenges, we were encouraged by what we heard. The Department was proceeding with plans to submit its financial statements to audit, forgoing an optional waiver of the requirement, and had begun work on a new systems initiative. Despite the fact that the financial team faced serious challenges, they had chosen an aggressive plan of action.

We've seen changes during these six months, including the appointment of a new Chief Financial Officer and the recess appointment of the Inspector General, both of whom will testify here today. Most important, we now have the findings of the audit – a baseline for the future. The auditor was able to issue a qualified opinion on two of the six statements. The four remaining statements received a disclaimer of opinion. The most

important aspect of the audit, however, is information gained in the process. This information, if used effectively, will help DHS integrate its systems, establish effective controls, and function effectively as a single entity.

Last summer, 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 legislation has passed the full Government Reform Committee and awaits action on the House floor.

Continued oversight and passage of H.R. 2886 are essential steps toward ensuring that DHS establishes sound business practices, enabling the Federal government to take advantage of the efficiencies and use resources effectively to protect America.

Today the Subcommittee will hear from Inspector General, Clark Kent Ervin, and the Department's Chief Financial Officer, Andrew Maner. Thank you for agreeing to testify today. I look forward to hearing from each of you.