

COMMITTEE ON GOVERNMENT REFORM
SUBCOMMITTEE ON GOVERNMENT EFFICIENCY AND FINANCIAL MANAGEMENT
TODD RUSSELL PLATTS, CHAIRMAN



STATEMENT OF REP. TODD RUSSELL PLATTS
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As part of our ongoing oversight of financial management at Federal agencies, the Subcommittee will discuss today the business and accounting processes at the National Aeronautics and Space Administration (NASA) and the findings of its FY2003 financial audit. The audit raised some very serious concerns, but it also provided important recommendations, all of which we will discuss today.

Administrator Sean O’Keefe has made financial management a top priority at NASA. With his leadership, NASA has begun the process re-engineering the way it does business by implementing a more effective accounting system, the Integrated Financial Management Program (IFMP). The functioning of this new system will be enhanced by NASA’s plan to consolidate financial services at one center in the near future. The process of converting data from 145 different financial management systems into one core database has not been easy. In fact, the enormous number of adjustments that had to be made – and that have been widely reported in the media – came about largely because of this data conversion.

We have to make sure that we understand exactly what this number represents, and, more important, we need to make sure it does not obscure the fact that other serious problems were identified, such as a failure to comply with federal accounting standards. That is why this hearing is important. We need to get the facts behind what the audit showed, and we need to examine the recommendations that were made. We also need to make sure that NASA is managing the implementation of its new system appropriately. The IFMP is a huge investment, and it is our hope that it will bring great returns.

We are honored to have before the Subcommittee Mr. Robert Cobb, NASA’s Inspector General, Ms. Gwendolyn Brown, Chief Financial Officer for NASA, and Mr. Gregory Kutz, Director of Financial Management and Assurance at the U.S. General Accounting Office. I would like to thank each of you for being here today, and I look forward to hearing your testimony.