

119TH CONGRESS
1ST SESSION

S. 75

To modify the governmentwide financial management plan, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 13, 2025

Mr. LANKFORD introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To modify the governmentwide financial management plan,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improving Federal Fi-
5 nancial Management Act”.

6 **SEC. 2. CHIEF FINANCIAL OFFICERS; GOVERNMENTWIDE**
7 **FINANCIAL MANAGEMENT PLAN.**

8 (a) CHIEF FINANCIAL OFFICER AND DEPUTY CHIEF
9 FINANCIAL OFFICER.—Chapter 9 of title 31, United
10 States Code, is amended—

1 (1) in section 902(a)—

2 (A) in the matter preceding paragraph (1),
3 by striking “An” and inserting “It shall be the
4 duty and responsibility of each agency Chief Fi-
5 nancial Officer to oversee and provide leader-
6 ship in the areas of budget formulation and
7 execution, planning and performance, risk man-
8 agement, internal controls, financial systems,
9 accounting, and other areas as the Director of
10 the Office of Management and Budget may des-
11 ignate. In carrying out the preceding sentence,
12 each”;

13 (B) in paragraph (3)—

14 (i) in subparagraph (C), by inserting
15 “areas and” before “systems”; and

16 (ii) in subparagraph (D)—

17 (I) in clause (iii), by striking
18 “and” at the end;

19 (II) in clause (iv), by striking
20 “performance;” and inserting “per-
21 formance and integration of perform-
22 ance and cost information; and”; and

23 (III) by adding at the end the
24 following:

1 “(v) annual agency financial state-
2 ments prepared in accordance with United
3 States generally accepted accounting prin-
4 ciples;”;

5 (C) by redesignating paragraph (8) as
6 paragraph (10);

7 (D) by redesignating paragraphs (5)
8 through (7) as paragraphs (6) through (8), re-
9 spectively;

10 (E) by inserting after paragraph (4) the
11 following:

12 “(5) prepare, in consultation with financial manage-
13 ment and other appropriate experts, an agency plan to im-
14 plement the 4-year financial management plan prepared
15 by the Director of the Office of Management and Budget
16 under section 3512(a)(2) of this title and to achieve and
17 sustain effective financial management in the agency,
18 which shall—

19 “(A) be completed within 90 days of the
20 issuance of a governmentwide plan under section
21 3512(a)(2) of this title;

22 “(B) be revised as determined necessary by the
23 Chief Financial Officer;

24 “(C) include performance-based financial man-
25 agement metrics against which the financial man-

1 agement performance of the agency shall be as-
 2 sessed; and

3 “(D) be submitted upon completion or revision
 4 to the head of the agency, the Director of the Office
 5 of Management and Budget, the Comptroller Gen-
 6 eral, and appropriate committees of Congress, and
 7 be made publicly available;”;

8 (F) in paragraph (6), as so redesignated—

9 (i) by striking subparagraph (A);

10 (ii) by redesignating subparagraphs
 11 (B) through (E) as subparagraphs (A)
 12 through (D), respectively; and

13 (iii) in subparagraph (C), as so redesi-
 14 gnated, by adding “and” at the end;

15 (G) in paragraph (7), as so redesignated—

16 (i) in the matter preceding subpara-
 17 graph (A), by striking “and the Director of
 18 the Office of Management and Budget,”
 19 and inserting “, the Director of the Office
 20 of Management and Budget, the Comp-
 21 troller General, and appropriate commit-
 22 tees of Congress, which shall be made pub-
 23 licly available and”;

1 (ii) in subparagraph (A), by striking
2 “agency;” and inserting “agency, includ-
3 ing—

4 “(i) the progress of the agency in imple-
5 menting the agency plan described in paragraph
6 (5);

7 “(ii) the progress of the agency in imple-
8 menting the governmentwide 4-year financial
9 management plan prepared by the Director of
10 the Office of Management and Budget under
11 section 3512(a)(2) of this title; and

12 “(iii) the performance of the agency
13 against financial management metrics estab-
14 lished by the Director of the Office of Manage-
15 ment and Budget;”; and

16 (iii) in subparagraph (D)—

17 (I) by striking “of the reports”
18 and inserting “of—

19 “(i) the reports”;

20 (II) in clause (i), as so des-
21 ignated, by striking “the amendments
22 made by the Federal Managers’ Fi-
23 nancial Integrity Act of 1982 (Public
24 law 97–255); and” and inserting “sec-
25 tion 3512(d) of this title;”; and

1 (III) by adding at the end the
2 following:

3 “(ii) agency spending data published under
4 the Federal Funding Accountability and Trans-
5 parency Act of 2006 (31 U.S.C. 6101 note);
6 and

7 “(iii) the reporting of the agency under the
8 Federal Financial Management Improvement
9 Act of 1996 (31 U.S.C. 3512 note); and”;

10 (H) in paragraph (8), as so redesignated—

11 (i) by striking “monitor the” and in-
12 sert “manage the formulation and”; and

13 (ii) by striking “, and prepare and
14 submit to the head of the agency timely
15 performance reports; and” and inserting a
16 semicolon;

17 (I) by inserting after paragraph (8), as so
18 redesignated, the following:

19 “(9) be responsible for linking performance and cost
20 information, including the preparation and submission to
21 the head of the agency of timely performance reports that
22 incorporate cost information;”;

23 (J) in paragraph (10), as so redesign-
24 nated—

1 (i) by inserting “inflation and” before
 2 “costs”; and

3 (ii) by striking the period at the end
 4 and inserting “; and”; and

5 (K) by adding at the end the following:

6 “(11) coordinate with senior agency personnel,
 7 including the Chief Data Officer, Chief Information
 8 Officer, Chief Performance Officer, Chief Acquisition
 9 Officer, Chief Risk Officer, and Chief Evaluation Of-
 10 ficer of the agency on—

11 “(A) the exercise of authorities under this
 12 subsection; and

13 “(B) the strategic planning, performance
 14 measurement and reporting, and risk manage-
 15 ment functions of the agency.”; and

16 (2) in section 903—

17 (A) in subsection (a), by inserting “and
 18 who shall assist the agency Chief Financial Of-
 19 ficer in the performance of each of the duties
 20 of the agency Chief Financial Officer under this
 21 chapter” after “matters”; and

22 (B) by adding at the end the following:

23 “(c) Notwithstanding subchapter III of chapter 33 of
 24 title 5, in the event of a vacancy in the position of Chief
 25 Financial Officer of an agency, the Deputy Chief Finan-

1 cial Officer of the agency shall serve as the acting Chief
2 Financial Officer.”.

3 (b) GOVERNMENTWIDE FINANCIAL MANAGEMENT
4 PLAN.—Section 3512 of title 31, United States Code, is
5 amended—

6 (1) in subsection (a)—

7 (A) in paragraph (1), by striking “a finan-
8 cial management status report and a govern-
9 mentwide 5-year financial management plan”
10 and inserting “a governmentwide 4-year finan-
11 cial management plan and a financial manage-
12 ment status report”;

13 (B) by striking paragraph (2);

14 (C) by redesignating paragraph (3) as
15 paragraph (2);

16 (D) in paragraph (2), as so redesignated—

17 (i) in subparagraph (A)—

18 (I) by striking “5-year” and in-
19 serting “4-year”;

20 (II) by striking “shall describe”
21 and inserting the following: “shall—

22 “(i) describe”;

23 (III) in clause (i), as so des-
24 igned, by striking “5 fiscal years to
25 improve the financial management of

the Federal Government.” and inserting “4 fiscal years to improve the financial management of the Federal Government in a manner that is strategic, comprehensive, and cost-effective; and”; and

(IV) by adding at the end the following:

“(ii) be developed in consultation with the Chief Financial Officers Council, the Chief Information Officers Council, the Chief Data Officer Council, the Chief Acquisition Officers Council, the Council of the Inspectors General on Integrity and Efficiency, the Government Accountability Office, and, as appropriate, other councils and financial management experts.”; and

(ii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking “5-year” and inserting “4-year”;

(II) in clause (iii)—

(aa) by striking “for developing” and inserting “for im-

1 proving financial management
2 systems, including—

3 “(I) developing”; and

4 (bb) by adding at the end
5 the following:

6 “(II) linking performance and cost in-
7 formation to facilitate effective and effi-
8 cient decision making;

9 “(III) eliminating duplicative and un-
10 necessary systems and activities; and

11 “(IV) identifying opportunities for
12 agencies to share systems and services and
13 encouraging agencies to do so where prac-
14 ticable;”;

15 (III) by striking clause (iv);

16 (IV) by redesignating clause (v)
17 as clause (iv);

18 (V) by inserting after clause (iv),
19 as so redesignated, the following:

20 “(v) provide a strategy for reporting per-
21 formance and cost information;”;

22 (VI) in clause (vi), by striking
23 “5-year” and inserting “4-year”;

24 (VII) in clause (vii), by striking
25 “identify” and inserting “provide a

1 strategy for strengthening the Federal
2 financial management workforce, in-
3 cluding identification of”;

4 (VIII) in clause (viii), by striking
5 “and” at the end;

6 (IX) by redesignating clause (ix)
7 as clause (x);

8 (X) by inserting after clause
9 (viii) the following:

10 “(ix) include comprehensive financial man-
11 agement performance-based metrics against
12 which the financial management performance of
13 executive agencies can be assessed; and”; and

14 (XI) in clause (x), as so redesign-
15 nated, by striking “5-year” and in-
16 serting “4-year”;

17 (E) by inserting after paragraph (2) the
18 following:

19 “(3) A financial management status report under this
20 subsection shall include—

21 “(A) a description and analysis of the status of
22 financial management in the executive branch, in-
23 cluding the progress made towards implementing the
24 governmentwide 4-year financial management plan,
25 the status of remaining challenges, and, as necessary

1 based on obligations or expenditures, any updates or
2 revisions to the cost estimates included in the most
3 recent governmentwide 4-year financial management
4 plan;

5 “(B) a summary of the performance of agencies
6 against the metrics developed and identified by the
7 Director of the Office of Management and Budget in
8 the governmentwide 4-year financial management
9 plan;

10 “(C) a summary of the most recently completed
11 financial statements—

12 “(i) of Federal agencies under section
13 3515 of this title; and

14 “(ii) of Government corporations;

15 “(D) a summary of the most recently completed
16 financial statement audits and reports—

17 “(i) of Federal agencies under subsections
18 (e) and (f) of section 3521 of this title; and

19 “(ii) of Government corporations;

20 “(E) a summary of reports on internal account-
21 ing and administrative control systems submitted to
22 the President and Congress under subsection (d);

23 “(F) a listing of agencies whose financial man-
24 agement systems do not comply substantially with
25 the requirements of section 803(a) of the Federal

1 Financial Management Improvement Act of 1996
2 (31 U.S.C. 3512 note), and a summary statement of
3 the efforts underway to remedy the noncompliance;
4 and

5 “(G) any other information the Director con-
6 siders appropriate to fully inform Congress regard-
7 ing the financial management of the Federal Gov-
8 ernment.”;

9 (F) in paragraph (4)—

10 (i) in subparagraph (A)—

11 (I) by striking “15 months after
12 the date of the enactment of this sub-
13 section” and inserting “6 months
14 after the date of enactment of the Im-
15 proving Federal Financial Manage-
16 ment Act”; and

17 (II) by striking “5-year” and in-
18 serting “4-year”; and

19 (ii) in subparagraph (B)—

20 (I) in clause (i)—

21 (aa) by striking “Not later
22 than January 31 of each year
23 thereafter” and inserting “At a
24 minimum, concurrently with the
25 submission of the budget of the

1 United States Government under
2 section 1105(a) of this title made
3 in the first full fiscal year fol-
4 lowing any year in which the
5 term of the President commences
6 under section 101 of title 3”;

7 (bb) by striking “financial
8 management status report and a
9 revised governmentwide 5-year”
10 and inserting “governmentwide
11 4-year”; and

12 (cc) by striking “5 fiscal
13 years” and all that follows
14 through the period at the end
15 and inserting “4 fiscal years.”;
16 and

17 (II) in clause (ii)—

18 (aa) by striking “revised
19 governmentwide 5-year” and in-
20 serting “governmentwide 4-year”;
21 and

22 (bb) by striking “paragraph
23 (3)(B)(viii)” and inserting “para-
24 graph (2)(B)(viii)”;

1 (iii) by adding at the end the fol-
 2 lowing:

3 “(C) Each year, concurrently with the submis-
 4 sion of the budget of the United States Government
 5 under section 1105(a) of this title, the Director of
 6 the Office of Management and Budget shall submit
 7 to the appropriate committees of Congress and the
 8 Comptroller General a financial management status
 9 report.”; and

10 (G) by striking paragraph (5);

11 (2) in subsection (d)(2)—

12 (A) in subparagraph (A), by striking
 13 “and” at the end;

14 (B) in subparagraph (B), by striking the
 15 period at the end and inserting “; and”; and

16 (C) by adding at the end the following:

17 “(C) a separate report on the results of the as-
 18 sessment and conclusion required under subsection
 19 (e)(2).”;

20 (3) by redesignating subsections (e), (f), and
 21 (g) as subsections (f), (g), and (h), respectively; and

22 (4) by inserting after subsection (d) the fol-
 23 lowing:

24 “(e) The head of each executive agency shall—

1 “(1) in establishing the internal accounting and
 2 administrative controls under subsection (c), identify
 3 the key financial management information needed
 4 for effective financial management and decision
 5 making; and

6 “(2) annually assess and make a conclusion on
 7 the effectiveness of the internal controls of the exec-
 8 utive agency over financial reporting and key finan-
 9 cial management information identified under para-
 10 graph (1).”.

11 (c) AUDITS BY AGENCIES.—Section 3521 of title 31,
 12 United States Code, is amended—

13 (1) in subsection (e)—

14 (A) by redesignating paragraphs (1) and
 15 (2) as subparagraphs (A) and (B), respectively,
 16 and adjusting the margins accordingly;

17 (B) by striking “(e) Each financial” and
 18 inserting “(e)(1) Each financial”;

19 (C) in paragraph (1), as so designated, by
 20 striking “standards—” and inserting “stand-
 21 ards.”; and

22 (D) by inserting after paragraph (1), as so
 23 designated, the following:

24 “(2) As part of each audit under this subsection, the
 25 auditor shall—

1 “(A) evaluate the design of the internal control
2 of the agency over financial reporting and key finan-
3 cial information, as assessed and reported on by the
4 head of the agency under section 3512(d)(2)(C) of
5 this title;

6 “(B) determine whether those controls have
7 been implemented;

8 “(C) for controls that are properly designed and
9 implemented, perform sufficient tests of those con-
10 trols to conclude whether the controls are operating
11 effectively, including sufficient tests to support a low
12 level of assessed control risk; and

13 “(D) communicate controls that the auditor
14 concludes are not suitably designed and implemented
15 or are not operating effectively, as appropriate under
16 applicable generally accepted government auditing
17 standards.

18 “(3) Audits under this subsection shall be con-
19 ducted—”; and

20 (2) in subsection (h), by striking “section
21 3512(a)(3)(B)(viii)” and inserting “section
22 3512(a)(2)(B)(viii)”.

23 (d) TECHNICAL AND CONFORMING AMENDMENT.—
24 Section 3348(e) of title 5, United States Code, is amend-
25 ed—

- 1 (1) in paragraph (3), by adding “or” at the
- 2 end;
- 3 (2) by striking paragraph (4); and
- 4 (3) by redesignating paragraph (5) as para-
- 5 graph (4).

○