

TAXPAYER FUNDS OVERSIGHT
AND ACCOUNTABILITY ACT

Mr. GILL of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8340) to modify the governmentwide financial management plan, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 8340

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Taxpayer Funds Oversight and Accountability Act”.

SEC. 2. CHIEF FINANCIAL OFFICERS; GOVERNMENTWIDE FINANCIAL MANAGEMENT PLAN.

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

(1) in section 902(a)—

(A) in the matter preceding paragraph (1), by striking “An” and inserting “It shall be the duty and responsibility of each agency Chief Financial Officer to oversee and, unless specified otherwise in law, provide leadership in the areas of budget formulation and execution, planning and performance, risk management, internal controls, financial systems, accounting, and other areas as designated by the Deputy Director of Management under their authorities described in section 503 of this title. In carrying out the preceding sentence, each”;

(B) in paragraph (3)—

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

(ii) in subparagraph (D)—

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

(II) in clause (iv), by striking “performance;” and inserting “performance and integration of performance and cost information; and”;

(III) by adding at the end the following:

“(v) annual agency financial statements prepared in accordance with applicable accounting standards;”;

(C) by redesignating paragraphs (5), (6), (7), and (8) as paragraphs (7), (8), (9), and (11) respectively;

(D) by inserting after paragraph (4) the following:

“(5) oversee and provide leadership over the design, implementation, and operation of the internal controls of the agency over financial reporting and key financial management information identified under section 3512(e)(1);

“(6) prepare, in consultation with financial management and other appropriate experts, an agency plan to implement the 4-year financial management plan prepared by the Director of the Office of Management and Budget under section 3512(a)(2) of this title and to achieve and sustain effective financial management in the agency, which shall—

“(A) be completed within 120 days after the issuance of a governmentwide plan under such section 3512(a)(2);

“(B) be revised as determined necessary by the Chief Financial Officer and the Director of the Office of Management and Budget;

“(C) include financial management metrics against which the financial management performance of the agency shall be assessed; and

“(D) be submitted upon completion or revision to the head of the agency, the Director of the Office of Management and Budget, the Comptroller General, and appropriate committees of Congress, and be made publicly available;”;

(E) in paragraph (7), as so redesignated—

(i) by striking subparagraph (A);

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

(iii) in subparagraph (C), as so redesignated, by adding “and” at the end;

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

(i) in the matter preceding subparagraph (A), by striking “and the Director of the Office of Management and Budget,” and inserting “, the Director of the Office of Management and Budget, the Comptroller General, and appropriate committees of Congress, which shall be made publicly available and”;

(ii) in subparagraph (A), by striking “agency;” and inserting “agency, including—

“(i) the progress of the agency in implementing the agency plan described in paragraph (5);

“(ii) the progress of the agency in implementing the governmentwide 4-year financial management plan prepared by the Director of the Office of Management and Budget under section 3512(a)(2) of this title; and

“(iii) the performance of the agency against financial management metrics established by the Director of the Office of Management and Budget;”;

(iii) in subparagraph (D)—

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

“(i) the reports”;

(II) in clause (i), as so designated, by striking “the amendments made by the Federal Managers’ Financial Integrity Act of 1982 (Public Law 97–255); and” and inserting “section 3512(d) of this title; and”;

(III) by adding at the end the following:

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

(G) in paragraph (9), as so redesignated—

(i) by striking “monitor the” and insert “manage the formulation and”;

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

(H) by inserting after paragraph (9), as so redesignated, the following:

“(10) coordinating with the responsible agency official to ensure performance and cost information are linked, including in the preparation and submission to the head of the agency of timely performance reports that incorporate cost information;”;

(I) in paragraph (11), as so redesignated—

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

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

(J) by adding at the end the following:

“(12) coordinate with senior agency personnel, including but not limited to, those with statutory, regulatory, and related policy responsibility which may include the Chief Data Officer, Chief Information Officer, Chief Performance Officer, Chief Acquisition Officer, Chief Risk Officer, and Chief Evaluation Officer of the agency—

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

“(B) the strategic planning, performance measurement and reporting, and risk management functions of the agency.”;

(2) in section 903—

(A) in subsection (a), by inserting “and who shall assist the agency Chief Financial Officer in the performance of each of the duties of the agency Chief Financial Officer under this chapter” after “matters”; and

(B) by adding at the end the following:

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

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

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

(1) in subsection (a)—

(A) in paragraph (1), by striking “a financial management status report and a governmentwide 5-year financial management plan” and inserting “a governmentwide 4-year financial management plan, to be included within the Federal Government performance plan described in section 1115, and a financial management status report”;

(B) by striking paragraph (2);

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

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

(i) in subparagraph (A)—

(I) by striking “5-year” and inserting “4-year”;

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

“(i) describe”;

(III) in clause (i), as so redesignated, by striking “5 fiscal years to 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 shall also include strategies for enabling data sharing in accordance with applicable law and joint fraud prevention initiatives with State (meaning a State of the United States, the District of Columbia, a territory or possession of the United States, or a federally recognized Indian tribe) and local governments that administer federally funded programs or disburse Federal funds on behalf of the Federal Government; and”;

(IV) by adding at the end the following:

“(ii) be developed in consultation with the Chief Financial Officers Council and, as appropriate, other councils and financial management experts, including the Chief Information Officers Council, the Chief Data Officer Council, the Chief Acquisition Officers Council, and the Government Accountability Office, as determined by the Director of the Office of Management and Budget in consultation with the Chief Financial Officers Council.”;

(ii) in subparagraph (B)—

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

(II) in clause (ii)—

(aa) by striking “for developing” and inserting “for improving financial management systems, including—

“(I) developing”;

(bb) by adding at the end the following:

“(II) describe how performance and cost information are linked in order to facilitate effective and efficient decision making;

“(III) eliminating duplicative and unnecessary systems and activities; and

“(IV) identifying opportunities for agencies to share systems and services and encouraging agencies to do so where practicable.”;

(III) by striking clause (iv);

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

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

“(v) provide a strategy for reporting performance and cost information;”;

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

(VII) in clause (vii), by striking “identify” and inserting “provide a strategy for strengthening the Federal financial management workforce, including identification of”;

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

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

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

“(ix) include financial management metrics against which the performance of executive agencies can be assessed; and”;

(XI) in clause (x), as so redesignated, by striking “5-year” and inserting “4-year”;

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

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

“(A) a description and analysis of the status of financial management in the executive branch, including the progress made towards implementing the governmentwide 4-year financial management plan, and the status of remaining challenges to implementing the governmentwide 4-year financial management plan;

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

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

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

“(ii) of Government corporations;

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

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

“(ii) of Government corporations;

“(E) a summary of reports on internal accounting and administrative control systems submitted to the President and Congress under subsection (d);

“(F) a listing of agencies whose financial management systems do not comply substantially with the requirements of section 803(a) of the Federal Financial Management Improvement Act of 1996 (31 U.S.C. 3512 note), and a summary statement of the efforts underway to remedy the noncompliance; and

“(G) any other information the Director considers appropriate to fully inform Congress regarding the financial management of the Federal Government.”;

(F) in paragraph (4)—

(i) in subparagraph (A)—

(I) by striking “15 months after the date of the enactment of this subsection” and inserting “12 months after the date of the enactment of the Taxpayer Funds Oversight and Accountability Act”;

(II) by striking “5-year” and inserting “4-year”;

(ii) in subparagraph (B)—

(I) in clause (i)—

(aa) by striking “Not later than January 31 of each year thereafter” and inserting “At a minimum, concurrently with the submission of the budget of the United States Government under section 1105(a) of this title made in the first full fiscal year following any year in which the term of the President commences under section 101 of title 3”;

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

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

(II) in clause (ii)—

(aa) by striking “revised governmentwide 5-year” and inserting “governmentwide 4-year”;

(bb) by striking “paragraph (3)(B)(viii)” and inserting “paragraph (2)(B)(viii)”;

(iii) by adding at the end the following: “(C) Each year, concurrently with the submission of the budget of the United States Government under section 1105(a) of this title, the Director of the Office of Manage-

ment and Budget shall submit to the appropriate committees of Congress and the Comptroller General a financial management status report.”;

(G) by striking paragraph (5);

(2) in subsection (d)(2)—

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

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

(C) by adding at the end the following:

“(C) a separate report on the results of the assessment and conclusion required under subsection (e)(2).”;

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

(4) by inserting after subsection (d) the following:

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

“(1) in establishing the internal accounting and administrative controls under subsection (c), identify the key financial management information needed for effective financial management and decision making, which shall include a consideration of—

“(A) the agency spending data required to be published under the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note); and

“(B) the information used by the agency to report on improper payments under section 3352 of this title; and

“(2) annually assess and make a conclusion on the effectiveness of the internal controls of the executive agency over financial reporting and key financial management information identified under paragraph (1) consistent with guidance provided by the Director of the Office of Management and Budget.”;

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 3348(e) of title 5, United States Code, is amended—

(1) in paragraph (3), by adding “or” at the end;

(2) by striking paragraph (4); and

(3) by redesignating paragraph (5) as paragraph (4).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. GILL) and the gentleman from Virginia (Mr. SUBRAMANYAM) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. GILL of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GILL of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 8340, the Taxpayer Funds Oversight and Accountability Act.

It is no secret that weak internal controls and agency inaction on known fraud risks enables fraud.

Federal agency chief financial officers play a vital role in the financial management of their agencies. But, unfortunately, their roles are frequently undefined and their positions are often left vacant.

Stakeholders in financial management have been calling for agencies to establish clear accountability in government structures for program integrity, including designating an accountable senior official.

The Taxpayer Funds Oversight and Accountability Act ensures each agency chief financial officer is responsible for overseeing and providing leadership on risk management and internal controls.

Specifically, the bill requires chief financial officers to identify key information such as spending and reporting on improper payments and assess the effectiveness of internal controls annually. This ensures that a top-level official is responsible for effective and targeted financial management.

In the event of a vacancy, this bill enables a deputy CFO to serve as an interim CFO, an important change that allows for leadership continuity over agency financial management.

Mr. Speaker, I thank my Oversight Committee colleagues, Congressmen DAVE MIN and William Timmons, for championing this smart legislation. I encourage my colleagues to support this bill, and I reserve the balance of my time.

Mr. SUBRAMANYAM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today also in support of H.R. 8340, the Taxpayer Funds Oversight and Accountability Act. This bill would make a number of improvements to the financial management at Federal agencies.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. MIN).

Mr. MIN. Mr. Speaker, I rise today to speak in favor of H.R. 8340, the Taxpayer Funds Oversight and Accountability Act.

I introduced this legislation alongside Representative WILLIAM TIMMONS, and I thank him again for co-leading this important bill to promote efficiency and optimization in Federal agencies.

I would note that this legislation was originally lead by former Ranking Member Gerry Connolly, and I am proud that I can help carry forward this tool and hopefully continue forward his legacy of trying to improve the way that our Federal Government functions.

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This legislation is straightforward. It is designed to modernize how Federal agencies track spending, strengthen financial oversight, and improve accountability in how the Federal Government manages our precious taxpayer dollars.

This bill makes long-overdue updates to the decades-old Chief Financial Officers Act of 1990, incorporating longstanding recommendations from the GAO to ensure that agencies can make better management decisions, improve efficiency, and prevent waste, fraud, and abuse.

For example, this legislation would require Federal agencies to annually assess financial reporting internal controls, link agency performance and cost data to enhance financial valuations, and prioritize the elimination of duplicative systems and unnecessary spending.

As someone who started my career at the Securities and Exchange Commission tracking fraud in the private sector, I think it is important we also try to prevent fraud in the public sector, as well. I think this bill would take an important step forward in achieving that goal.

Congress has to play an active role in reducing waste, fraud, and abuse, and we can do so by ensuring that Federal agency chief financial officers are responsible stewards of taxpayer money.

I am confident this legislation will play an important role in doing so, and I urge my colleagues to support this commonsense legislation.

Mr. GILL of Texas. Mr. Speaker, I reserve the balance of my time.

Mr. SUBRAMANYAM. Mr. Speaker, I yield myself the balance of my time for the purpose of closing.

Mr. Speaker, as the gentleman from California mentioned, this is a great accountability bill. It requires the Federal Government to create a governmentwide financial management plan every 4 years and increases the responsibilities of agency CFOs to implement those plans.

It is common sense and bipartisan, and I urge my colleagues to support the bill.

Mr. Speaker, I yield back the balance of my time.

Mr. GILL of Texas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I encourage my colleagues to support H.R. 8340, the Taxpayer Funds Oversight and Accountability Act, which implements important reforms for improving agency financial management planning.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. GILL) that the House suspend the rules and pass the bill, H.R. 8340, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. GILL of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

GOVERNMENT AUDIT AND ACCOUNTABILITY OF FEDERALLY FUNDED STATE-ADMINISTERED PROGRAMS ACT

Mr. GILL of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8107) to require the establishment of a list identifying program areas and administrative practices presenting the greatest risk to the integrity of Federal funds administered by States and local governments, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 8107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Audit and Accountability of Federally Funded State-Administered Programs Act".

SEC. 2. FEDERALLY-FUNDED STATE-ADMINISTERED PROGRAMS VULNERABILITY ASSESSMENT.

(a) IN GENERAL.—Not later than 2 years after the date of the enactment of this Act, and periodically thereafter, the Comptroller General of the United States shall submit to Congress an assessment of program areas and administrative practices that present the greatest risk to the integrity of Federal funds administered by State and local governments and pass-through entities subject to audit under chapter 75 of title 31, United States Code.

(b) CONTENTS.—Each assessment required by subsection (a) shall—

(1) identify program areas and administrative practices at the Federal, State, and local level that present systematic vulnerabilities in the administration of Federal funds by State and local governments, including practices that are more susceptible to waste, fraud, abuse, and improper payments;

(2) assess evidence-based best practices and strategies that have strengthened the integrity of Federal funds administered by State and local governments and reduced waste, fraud, and abuse in Federally-funded programs;

(3) assess program areas and administrative practices at the Federal, State, and local level that—

(A) have demonstrated effectiveness in mitigating waste, fraud, abuse, and improper payments; or

(B) have shown limited effectiveness in reducing such risks;

(4) identify Federal tools, resources, and technical assistance available to State and local governments and how such tools may be improved to prevent and mitigate the systemic vulnerabilities identified under paragraph (1); and

(5) include recommendations to Federal agencies and matters for consideration to Congress to address and improve the program areas and administrative practices identified under paragraph (1), including recommendations to improve eligibility determination and enrollment processes to mitigate risks.

(c) SOURCES.—

(1) AUDIT AND RELATED MATERIALS.—In carrying out the preparation of the assessment under subsection (a), the Comptroller General shall rely, to the extent practicable, on existing oversight, audit, and investigative materials to conduct an analysis of Federal funds administered by State and local governments, which may include—

(A) any finding of a Federal, State, or local auditor, comptroller, treasurer, inspector

general, attorney general, or any other similar official with respect to the administration of such funds;

(B) any audit required under section 7502 of title 31, United States Code; and

(C) any other publicly available Federal, State, or local oversight and program integrity data.

(2) ADDITIONAL MATERIALS.—In preparing each assessment required by subsection (a), the Comptroller General may supplement the materials described in paragraph (1) with additional analysis and new audit work, including by drawing on prior and ongoing work, where such materials are insufficient to assess the program areas and administrative practices identified under subsection (b)(1).

(d) FORM AND METHODOLOGY.—The Comptroller General shall determine the appropriate form and methodology for preparing and submitting each assessment required by subsection (a).

(e) DEFINITIONS.—In this section:

(1) IMPROPER PAYMENT.—The term "improper payment" has the meaning given that term in section 3351(4) of title 31, United States Code.

(2) STATE.—The term "State" has the meaning given that term in section 6720(a)(4) of title 31, United States Code.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. GILL) and the gentleman from Virginia (Mr. SUBRAMANYAM) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. GILL of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GILL of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 8107, the Government Audit and Accountability of Federally Funded State-Administered Programs Act.

The reforms of H.R. 8107 represent a long-overdue step to ensure that Congress is fully informed about fraud risks in Federal programs administered at the State level.

This bill requires the Government Accountability Office to assess program areas and administrative practices that present the greatest risk to the integrity of federally funded programs administered by States and local governments.

This assessment will bring together the typical program-specific assessments to help Congress and other officials better identify common risks. With this information, Congress can bolster its oversight of agencies' and States' efforts to efficiently mitigate fraud risks, including through payment integrity controls.

This legislation will better position Congress to assist Federal agencies and State and local governments to obtain the fraud prevention and investigative resources that they require.