

Suspend the Rules and Pass the Bill, S. 1998, With an Amendment
**(The amendment strikes all after the enacting clause and inserts a
new text)**

112TH CONGRESS
2^D SESSION

S. 1998

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 29, 2012

Referred to the Committee on Homeland Security, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

AN ACT

To obtain an unqualified audit opinion, and improve financial accountability and management at the Department of Homeland Security.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “DHS Audit Require-
3 ment Target Act of 2012” or the “DART Act”.

4 **SEC. 2. IMPROVING FINANCIAL ACCOUNTABILITY AND**
5 **MANAGEMENT.**

6 (a) DEFINITIONS.—In this section—

7 (1) the term “Department” means the Depart-
8 ment of Homeland Security;

9 (2) the term “financial management systems”
10 has the meaning given that term under section 806
11 of the Federal Financial Management Improvement
12 Act of 1996 (31 U.S.C. 3512 note);

13 (3) the term “Secretary” means the Secretary
14 of Homeland Security; and

15 (4) the term “unqualified opinion” means an
16 unqualified opinion within the meaning given that
17 term under generally accepted auditing standards.

18 (b) COMPLIANCE WITH THE DEPARTMENT OF
19 HOMELAND SECURITY FINANCIAL ACCOUNTABILITY
20 ACT.—In order to ensure compliance with the Department
21 of Homeland Security Financial Accountability Act (Pub-
22 lic Law 108–330; 118 Stat. 1275) and the amendments
23 made by that Act, the Secretary shall perform the fol-
24 lowing:

25 (1) FINANCIAL MANAGEMENT STRATEGY.—Not
26 later than 180 days after the date of enactment of

1 this Act, develop a comprehensive financial manage-
2 ment strategy and an implementation plan, to
3 strengthen internal control over financial reporting
4 and modernize financial management systems of all
5 Department components. The objectives of the strat-
6 egy shall be to—

7 (A) eliminate internal control weaknesses
8 and ineffective and inefficient business proc-
9 esses by modernizing systems and integrating
10 financial information and business processes
11 throughout the Department in order to obtain
12 an unqualified opinion on internal control over
13 financial reporting;

14 (B) establish and maintain effective finan-
15 cial management systems that provide reliable,
16 timely, standardized, and useful financial data
17 to support—

18 (i) daily operational decisionmaking,
19 auditable financial statements;

20 (ii) compliance with Federal financial
21 management laws and regulations; and

22 (iii) elimination of delays and manual
23 processes for preparing auditable financial
24 statements in order to obtain an unquali-
25 fied audit opinion;

1 (C) ensure financial management systems
2 meet expected performance and functionality
3 targets to be developed by the Department;

4 (D) integrate, consolidate, and migrate leg-
5 acy systems to one or more modernized finan-
6 cial management systems;

7 (E) ensure industry best practices are im-
8 plemented, including the development of plan-
9 ning documents, such as a concept of oper-
10 ations, that describe, at a high level—

11 (i) how all agency financial systems
12 would relate to each other;

13 (ii) how information would flow from
14 and through these systems; and

15 (iii) which system would be considered
16 the official system of record for master
17 data;

18 (F) require disciplined processes to mini-
19 mize financial management system moderniza-
20 tion and implementation project risk, including
21 requirements management, testing, data conver-
22 sion and system interfaces, risk management,
23 configuration management, project manage-
24 ment, and quality assurance; and

1 (G) incorporate key human capital prac-
2 tices to ensure that financial management
3 transformation efforts are properly staffed with
4 appropriately skilled employees.

5 (2) REACH AN UNQUALIFIED AUDIT OPINION.—

6 Take the necessary steps to ensure that the full set
7 of consolidated financial statements of the Depart-
8 ment for the fiscal year ending September 30, 2013,
9 and each fiscal year thereafter, are ready in a timely
10 manner and in preparation for an audit as part of
11 preparing the performance and accountability re-
12 ports required under section 3516(f) of title 31,
13 United States Code, including submitting the reports
14 not later than the due date required annually by the
15 Director of the Office of Management and Budget in
16 order to obtain an unqualified opinion on both the
17 full set of financial statements and internal control
18 over financial reporting for the fiscal year.

19 (c) REPORT TO CONGRESS ON PROGRESS OF MEET-
20 ING AUDIT REQUIREMENTS.—In order to ensure progress
21 in implementing the Department of Homeland Security
22 Financial Accountability Act (Public Law 108–330; 118
23 Stat. 1275), and the amendments made by that Act, dur-
24 ing the period beginning on the date of enactment of this
25 Act and ending on the date on which the unqualified opin-

1 ions described in subsection (b)(2) are submitted, each re-
2 port submitted by the Chief Financial Officer of the De-
3 partment under section 902(a)(6) of title 31, United
4 States Code, shall be submitted not later than 90 days
5 after the performance and accountability report is sub-
6 mitted and include a plan—

7 (1) to obtain an unqualified opinion on the full
8 set of financial statements, which shall discuss plans
9 and resources needed to meet the deadlines under
10 subsection (b)(2);

11 (2) to obtain an unqualified opinion on its in-
12 ternal control over financial reporting, which shall
13 discuss plans and resources needed to eliminate ma-
14 terial weaknesses and significant deficiencies in in-
15 ternal controls over financial reporting and provides
16 deadlines for the elimination of such weaknesses and
17 deficiencies; and

18 (3) to modernize the financial management sys-
19 tems of the Department, including timelines, goals,
20 alternatives, and costs of the plan, which shall in-
21 clude consideration of alternative approaches, includ-
22 ing modernizing the existing financial management
23 systems and associated financial controls of the De-
24 partment and establishing new financial manage-
25 ment systems and associated financial controls.