

Statement of Michael T. Ptasienski, Inspector General  
Office of Inspector General  
U.S. House of Representatives  
Washington, DC  
March 12, 2019

---

Before the House Subcommittee on Legislative Branch Appropriations

---

Chairman Ryan, Ranking Member Herrera Beutler, and Members of the Subcommittee, I thank you for this opportunity to highlight the important work of the Office of Inspector General (OIG). The OIG was established in the U.S. House of Representatives (House) by House Resolution 423 “*House Administrative Reform Resolution of 1992*” during the 103<sup>rd</sup> Congress to conduct periodic audits of the financial and administrative functions of the House and of joint entities. Since the first Inspector General of the House was appointed in November 1993, the OIG has worked closely with House Leadership, the Committee on House Administration, House Officers, joint entities, and this Subcommittee to improve the operations of the House, reduce inefficiencies, minimize costs, identify and prevent fraud, and mitigate risk. The OIG provides traditional audit services, as well as proactive analysis and guidance for the improvement of House operations through its management advisory services. Due to the importance of information technology and cyber security, the OIG continues to provide robust technology assessment and risk expertise to the House.

We formulated our Fiscal Year (FY) 2020 budget request to adequately fund the OIG’s essential mission and it is consistent with our history of fiscal stewardship; demonstrated by our strategic budget reductions in previous years to meet House budget expectations and goals. We have internally absorbed mandatory Cost of Living Allowances each year from FY2014 through FY2018. By carefully scrutinizing all aspects of our programs, and by employing a zero-based budgeting methodology, we were able to formulate the OIG’s FY2020 budget request with no increase over the FY2019 budget and appropriation. We are proud to underscore that over a 10-year span of time our budget has only increased by 1.5 percent. Our fiscal stewardship is also evident in our cost-cutting measures, negotiated pricing, and proactive release of funds for reprogramming when our operational and mission funding exceeds our projected spending.

We are proud to have been able to keep our budget flat without impacting the quality of service that we provide to the House. We have accomplished this primarily by investing in staff training, thus minimizing the need for outside technical experts. It is important to note that while the OIG uses contracted subject matter experts sparingly, we do budget a minimal amount for contracting based upon our current or projected work plan and also to ensure that the OIG can quickly respond to special projects or to meet the fast-paced changes to the ever-increasing diversity of technology used at the House.

The OIG consists of 25 Fulltime Equivalent (FTE) positions. Our staff are experienced, dedicated professionals, all of whom possess either a bachelor’s or advanced degree, one or more relevant professional certifications, and extensive public or private sector work experience. Currently, the OIG has nine ongoing audits and advisories in various stages of completion.

## HIGHLIGHTS OF THE OIG'S WORK DURING THE 115<sup>TH</sup> CONGRESS

The Office of Inspector General's (OIG) objective, value-added reviews focused on improving the House's financial and asset management, administrative processes, workplace safety and security, the security of House data, and the information technology infrastructure. During the 115<sup>th</sup> Congress, the OIG issued 22 reports, which spanned the diverse range of services the OIG offers including financial, performance, and information systems auditing services; and management advisory services. We also have 4 additional reports pending issuance upon approval from the Committee on House Administration.

**Financial Auditing Services.** Financial audits review the effectiveness and efficiency of House financial operations. A major portion of this effort involves our oversight of an external certified public accounting firm's annual audit of the House financial statements. Since the FY1998 audit of the House financial statements, the House has received an unmodified opinion for the financial statements. An unmodified opinion is the best rating given by auditors. It states the House's financial statements present fairly, in all material respects, the financial position and results of House operations in conformity with generally accepted accounting principles. The most recent Financial Statement Audit report, for FY2017, was published in June 2018. For the 20<sup>th</sup> consecutive year, the external auditors expressed an unmodified opinion on the House's financial statements for the fiscal year ending September 30, 2017. However, the external auditor reported a repeat significant deficiency relating to the controls over property and equipment. Additionally, a new significant deficiency was reported relating to controls over financial statement presentation and disclosures.

**Performance Auditing Services.** Performance audits evaluate the efficiency and effectiveness of the House administrative functions and the adequacy of internal and management controls over these functions, to include benchmarking policies and procedures against best business practices. During the 115<sup>th</sup> Congress, we completed audits on the House retirement processes, the Chief Administrative Officer's (CAO) oversight processes for the Master Technology Services contracts, an audit of the House Recording Studio, as well as an evaluation of the consolidated billing and recurring payment processes of the House, and audits of the House Travel Card and Purchase Card programs.

**Information Systems Auditing Services.** Information systems audits assess the confidentiality, integrity, and availability of House information resources and evaluate the adequacy and effectiveness of House policies and procedures related to information systems. During the 115<sup>th</sup> Congress, we completed audits on the controls over remote access to the House network, controls over the secure enclave, and on the CAO and Clerk's internal web development processes. In addition to auditing information systems, the OIG continually supports cyber security by providing input on proposed information system policies and independent assurance on cyber defenses.

**Management Advisory Services.** While audits look at past performance and conditions, there is also the need to look forward to identify emerging risks and opportunities. This is where our Management Advisory Services add tremendous value. In this area, the OIG continues to assist the House in identifying ways to proactively improve the effectiveness and efficiency of House

processes and operations. During the 115<sup>th</sup> Congress, we completed advisory efforts on the quality assurance processes for payment of vouchers, the House Asset Management program, the CAO's furnishings and logistics processes, the organizational change management in the Peoplesoft 9.2 and Lawson system upgrades, optimizing services performed by the CAO and Architect of the Capitol, and ways to better leverage the House's buying power when purchasing goods and services.

**Investigative Services.** Through the result of audits, advisory activity, or anonymous tips, the OIG, in coordination with the Committee on House Administration, may execute inquiries into sensitive allegations of fraud, waste, and abuse in the administrative operations of the House. In the event that we identify potential criminal activity that warrants a full investigation, we refer the matter to the Sergeant at Arms and U.S. Capitol Police, in consultation with the Committee on House Administration. During the 115<sup>th</sup> Congress, the OIG continued its efforts to increase fraud awareness across the House community.

## FOCUS FOR THE 116<sup>TH</sup> CONGRESS

A number of important challenges face the House during the 116<sup>th</sup> Congress. The OIG continues to do its part to contribute to a more effective and efficient House support structure by identifying and helping to mitigate significant risks to the House and highlighting opportunities for improving the efficiency and effectiveness of House operations. At the direction of the Committee on House Administration, and in collaboration with the House Officers, the OIG has re-vamped the audit planning process. This work has helped ensure better communication and coordination with the House Officers and Committee on House Administration and ensures we have a very focused, risk-based audit plan that centers on critical aspects of the House financial operations and asset management, legislative operations, and the security of life and property.

We believe that the OIG's proactive, value-added audit and advisory services will continue to help shield the House from significant financial losses, damage to the House's reputation, and delays and disruption to House financial and administrative operations.

## FISCAL YEAR 2020 BUDGET REQUEST

The OIG's FY2020 budget request calls for total funding of \$5,019,000. The FY2020 budget request remains flat with our FY2019 request and appropriation. This amount includes \$3,849,254 for mandatory items, \$1,000 in price level increases, \$1,249,746 for program current services and an (\$81,000) decrease in program changes.

Our programs' current and continuing services include contract funding for the annual audit of the House financial statements by an external certified public accountant firm; software licensing and support agreements; relevant publications, resources, and guidance for audit, advisory, and investigative work; supplies and equipment; staff training in order to be in compliance with government audit standards; and when necessary, specialized subject matter experts to support the wide range of information security and technology engagements handled by our office.

Our budget request also includes decreases in both the audit and general operations programs' budgets, where we were able to negotiate more advantageous pricing and achieve cost-savings through leveraging House-wide licenses. Additional budget reductions were realized through application of zero-based budgeting for the three OIG programs to determine actual recurring program needs and make realistic estimates for program execution.

Chairman Ryan, I wish to thank you, Ranking Member Herrera Beutler, and the Members of this Subcommittee for the opportunity to present the work of the OIG and its FY2020 budget request. Our office looks forward to working with the Subcommittee and continuing our role of providing risk-based recommendations as we focus on issues of strategic importance to the House and its ability to efficiently and effectively conduct its operations in accordance with applicable laws, rules, and best business practices. We are honored to be of service to the House in this way. I would be happy to answer any questions you may have.