

Statement of Michael T. Ptasienski, Inspector General  
Office of Inspector General  
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Before the House Subcommittee on Legislative Branch Appropriations

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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) 2021 budget request to appropriately fund the OIG’s essential mission consistent with our history of sound fiscal stewardship. In the past, for example, we met House budget expectations and goals through strategic budget reductions, including internally absorbing mandatory Cost of Living Allowances (COLA) each year from FY2014 through FY2020. Over time, we consistently took steps to cut costs, negotiated favorable pricing, and proactively released funds for reprogramming when our operational and mission funding exceeds our projected spending. This year, by thoughtfully scrutinizing of all aspects of our programs and by employing a zero-based budgeting approach, our FY2021 budget request has *no increase* over our FY2020 appropriation. We are proud to underscore that our current budget request is 0.52% less than it was 10 years ago for FY2011.

I am especially 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 periodically uses contracted subject matter experts, we budget an estimate based upon our approved and projected work plans and to ensure that the OIG can quickly respond to special projects as needed.

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 10 ongoing audits and advisories in various stages of completion.

## HIGHLIGHTS OF THE OIG'S WORK 1<sup>ST</sup> SESSION OF THE 116<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

**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 in the United States of America. The most recent Financial Statement Audit report, for FY2018, was published in November 2019. For the 21<sup>st</sup> consecutive year, the external auditors expressed an unmodified opinion on the House's financial statements for the fiscal year ending September 30, 2018. The external auditor did not report any significant deficiencies or material weaknesses for the fiscal year ended September 30, 2018 and determined that corrective measures have been taken to close the two significant deficiencies reported for FY2017.

**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 first session of the 116<sup>th</sup> Congress, OIG staff completed audits on the Accounts Payable account for equipment and supplies, reviewed the effectiveness of the House Garages and Parking Security's policies and procedures, and also reviewed the Parking Management system. In addition, we conducted an audit of the Sergeant at Arms' district office security systems contract.

**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 first session 116<sup>th</sup> Congress, we completed audits on the CAO's web development processes, the effectiveness of the CAO's process for identifying and evaluating public cloud services, a risk assessment of a House data center, and a review of House Information Resources' cybersecurity event detection program.

**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 first session of the 116<sup>th</sup> Congress, we completed advisory efforts on identifying best practices, methods, and processes for effective oversight of the Contracting Officer's Representative Program, advising on a data diode implementation and testing that helps protect the member voting system, and writing a whitepaper about the risks to the House associated with the Internet of Things (IoT).

**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 116<sup>th</sup> Congress, the OIG continued its efforts to increase fraud awareness across the House community.

## FOCUS FOR 2<sup>ND</sup> SESSION OF THE 116<sup>TH</sup> CONGRESS

Several important challenges face the House during the 116<sup>th</sup> Congress and beyond. 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. The OIG has implemented its reformed annual planning process to improve communication and coordination with audit and advisory stakeholders. The process creates a focused, risk-based work plan centered on the most critical aspects of 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 2021 BUDGET REQUEST

The OIG's Fiscal Year (FY) 2021 budget request seeks total funding of \$5,019,000. Our FY2021 budget request remains flat with our FY2020 appropriation. This amount includes \$3,922,254 for mandatory items, no price level increases, \$1,169,746 for program current services and a decrease of (\$73,000) 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, other specialized subject matter experts to support the wide range of information security and technology engagements handled by our office.

Our budget request also has decreases in both the audit and general operations programs' budgets. As part of a reorganization in late FY2019, we streamlined our management structure and reclassified one of our top-tier positions, giving us a savings in our audit program personnel costs. Because the FY2020 budget request had already been formulated and submitted at the time of the reorganization, the personnel cost reduction has just been applied in our FY2021 budget request. Additional budget reductions in two of the three OIG programs were realized through the zero-based budgeting process which helps us better forecast recurring program needs and make realistic

estimates for program execution. As a result, we reduced our estimated contracting budget in the audit program and used the reduction to offset the addition of mandatory COLA. In our general operations program, we analyzed the trends in administrative spending and determined we could reduce the budget for our communications service plans. We also continue to negotiate more advantageous pricing and achieve cost-savings through leveraging House-wide licenses.

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 FY2021 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.