

Statement of Michael T. Ptasienski, Inspector General
Office of Inspector General
U.S. House of Representatives
Washington, DC
March 10, 2021

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 103rd 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 address 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 ever-growing reliance on information technology and the growing complexity of cyber security, the OIG continues to provide robust technology assessment and risk expertise to the House.

We formulated our Fiscal Year (FY) 2022 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 or right-sizing of specific program budgets, including internally absorbing mandatory Cost of Living Allowances (COLA) every year since FY2014. Over time, we consistently took steps to cut costs including leveraging existing bulk purchase agreements and negotiating favorable pricing for contract purchases. This stewardship enabled us to proactively release 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 FY2022 budget request has *no increase* over our FY2021 appropriation. We are proud to underscore that our current budget request is still less than it was 11 years ago for FY2011.

I am especially proud that the office has kept our budget flat without impacting the quality of service that we provide to the House. We have accomplished this in two primary ways: first, by communicating regularly with stakeholders to understand their needs and challenges enabling us to focus our work on topics that matter, and second, by investing in staff training thereby 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 also 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 have extensive public or private sector work experience.

Since the start of the 117th Congress we have issued 4 reports and currently have 9 ongoing audits and advisories in various stages of completion.

HIGHLIGHTS OF THE OIG'S WORK 2nd SESSION OF THE 116TH CONGRESS

The Office of Inspector General's (OIG's) 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 116th Congress, the OIG issued 12 reports, which spanned the diverse range of services the OIG offers including financial, performance, and information systems auditing services, and management advisory services.

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 FY2019, was published in December 2020. For the 22nd consecutive year, the external auditors expressed an unmodified opinion on the House's financial statements, a noteworthy accomplishment for the House. An unmodified opinion means the financial statements present fairly, in all material respects, the financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. The external auditor did not report any significant deficiencies or material weaknesses for the fiscal year ended September 30, 2019. The OIG is currently overseeing the external certified public accountant's planning and execution of the FY2020 Financial Statement Audit.

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 second session of the 116th Congress, OIG performance auditing staff completed the audit to evaluate the controls and oversight procedures of the Sergeant at Arms' district office security systems contract, and initiated an audit of the District Offices lease program to determine if effective processes exist to ensure efficient use of funds and compliance with applicable rules and regulations. Additionally, audit work is ongoing for the House revolving funds for equipment and the Student Loan Repayment Program to verify that the program is operating in compliance with applicable rules, policies, and procedures.

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 second session of the 116th Congress, we completed an audit on the Clerk's IT recovery plans to

determine whether the Clerk's disaster recovery plan satisfactorily supports the timely recovery of critical systems in the event of a major system disruption or failure, as well as a similar audit of the SAA's IT recovery plans. The IS auditors continued work on the review of user management practices to evaluate the security of associated applications and House processes and controls for account management, as well as an audit of the CAO's IT asset management controls to determine whether the CAO's processes is adequate to produce an IT asset inventory that is complete, accurate, and timely. Additionally, they continued work on the CAO's IT recovery plans to determine if the CAO's disaster recovery process, plans, and procedures are adequate, effective, and will support prompt recovery of crucial House functions in the event of a system disruption or failure.

Management Advisory Services. While audits look at past performance and conditions, there is also the need to look forward to identify new trends and opportunities potentially applicable for the House. 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 116th Congress, the Advisory Services team and staff from the Office of the Clerk worked diligently together to document the process and data flows within the Legislative Process. The document is extremely valuable to gain an understanding of the potential risks to the Legislative Process from system disruptions or changes. During the second session, we completed a review of the House emergency communications processes. We also provided advisory services related to selection of new emergency annunciators and potential alternative options. Additionally, we continued our review of House record storage (documents, media, etc.) at the Washington National Record Center.

Investigative Services. Through the result of audits, advisory activity, or anonymous tips, the OIG, in coordination with, and oversight by, 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 116th Congress, the OIG continued its efforts to increase fraud awareness across the House community.

FOCUS FOR THE 117TH CONGRESS

Several important challenges face the House during the 117th 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 uses an 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 support operations, and the security of life and property. The OIG is finalizing our 2021 work plan in coordination with the House Officers and Committee on House Administration. This will result in a work plan that addresses the House's most important issues.

We believe that the OIG's value-added audit services and proactive 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 2022 BUDGET REQUEST

The OIG's Fiscal Year (FY) 2022 budget request seeks total funding of \$5,019,000. Our FY2022 budget request remains flat with our FY2021 appropriation. This amount includes \$3,922,254 for mandatory items, no price level increases, and \$1,096,746 for program current services.

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 accounts for changes in the Speaker's Pay Order for Calendar Year 2020, which required adjustments in the Personnel Base Adjustment-HEPCA and Personnel Base-SPO, which reduced the amount of COLA applied to our personnel budgets. Additional internal budget adjustments 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 are able to keep our budget request flat again from one year to the next. We also continue to negotiate more advantageous pricing and achieve cost-savings through leveraging House-wide licenses and pricing negotiation through the Office of Acquisitions Management.

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 FY2022 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.