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Office of Inspector General  
U.S. House of Representatives  
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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, thank you for this opportunity to share with you the important work of the Office of Inspector General (OIG) and our Fiscal Year (FY) 2023 budget request. The OIG's FY 2023 budget request seeks total funding of \$5,138,000. Our FY 2023 budget request is only 2.37% above the *Consolidated Appropriations Act, 2022 per P.L. 117-103*.

**ORGANIZATION HISTORY**

The Office was established in the U.S. House of Representatives (House) during the 103<sup>rd</sup> Congress by House Resolution 423 the "*House Administrative Reform Resolution of 1992*" 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 operational effectiveness of the House, reduce inefficiencies and costs, improve service to Members and Committees, identify and deter fraud, and identify risks to the legislative process and to the House. Today's OIG offers traditional audit services as well as proactive analysis and guidance through its management advisory services. The office consists of 25 Fulltime Equivalent (FTE) positions staffed by 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.

Our FY 2023 budget request funds the OIG's essential mission consistent with our history of value-added services and rigorous fiscal stewardship. Our request is based upon our work plan, and it helps to ensure that the OIG can quickly respond to special projects as needed. Each year, we take considered, deliberate steps to reduce costs without sacrificing fundamental office needs, product quality, or our mission to provide recommendations to improve performance and accountability with House resources including financial, administrative, and technology-based operations. Specifically, we do this in part by leveraging existing bulk purchase agreements, negotiating favorable pricing for contract purchases, and, when we can, internally absorb mandatory cost of living allowances (COLAs); something we were able to do every year since FY 2014. The focus upon stewardship enabled us to proactively release funds for reprogramming when our operational and mission funding exceeded our projected spending.

This year, through careful examination of our programs and by employing a zero-based budgeting approach, our FY 2023 budget request is only 2.37% over our FY 2022 appropriation. This would be the first increase in our appropriation in five years. Our current budget request is merely 1.8% more than our FY 2011 appropriated budget.

I am especially proud that our office has been able to minimize our requested budget increases while continuing to fulfill the OIG's important mission to the House. This achievement is underpinned by two key values. First, we highly value ongoing, open communication with stakeholders to understand their needs and challenges. This important, mutual investment in dialogue and cooperation enable us to *focus our work on topics that matter to the House*. Second, we invest in our staff through training and mentoring. As part of our staff's professional development and consistent with our core values of integrity, excellence, and innovation, we provide training and feedback to help build each person's knowledge, skills, confidence, and teamwork. This tangible demonstration of our appreciation for the staff's abilities, dedication, and contributions while concurrently reducing the need for costly outside expertise is a "win-win" for the staff and the House.

### HIGHLIGHTS OF THE OIG'S WORK IN THE 117<sup>TH</sup> CONGRESS

The OIG issued 11 reports and has 12 ongoing audits and advisories in various stages of work and approval thus far in the 117<sup>th</sup> Congress. The reports span the OIG's diverse range of services including financial, performance, information systems audit services as well as management advisory services.

**Financial Audits.** Financial audits review the effectiveness and efficiency of House financial operations and accounting. Our effort primarily involves overseeing an external certified public accounting (CPA) firm's annual audit of the House financial statements. As you know, external CPA firms offer an opinion at the conclusion of an audit. *An unmodified opinion is the best rating given by auditors, and it is the one the House earned for FY 2020.* Specifically, the external auditors concluded in their FY 2020 financial statement audit report that:

*"The House's financial statements as of and for the fiscal years ended September 30, 2020, and 2019, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles."*

It is a notable achievement for the House that this marks the 23<sup>rd</sup> consecutive year that the external auditors expressed an unmodified opinion on the House's financial statements.

**Performance Audit Services.** Performance audits evaluate the efficiency and effectiveness of the House administrative functions and the adequacy of the associated internal controls. These audits benchmark policies and procedures against best practices. During the first session of the 117<sup>th</sup> Congress, OIG staff published reports on audits of the District Offices Lease Process, the House Revolving Fund for Equipment, and the Student Loan Repayment Program.

**Information Systems Audit Services.** Information Systems (IS) audits assess the security, integrity, and availability of House information resources and evaluate the adequacy and effectiveness of House policies and procedures related to information systems. Like Performance Audits, IS Audits benchmark House IT policies and practices to industry best practices. During the first session of the 117<sup>th</sup> Congress, the IS audit staff published reports on comprehensive audits of the Sergeant at Arms and the Clerk’s information technology recovery plans to determine if their disaster recovery processes, plans, and procedures are adequate, effective, and will support prompt recovery of crucial House functions in the event of a system disruption or failure. A similar audit is nearly finished for the Office of the Chief Administrative Officer’s information technology systems.

**Management Advisory Services.** Management Advisory Services assists the House by identifying ways to proactively improve the effectiveness and efficiency of operations, and by looking forward at new trends and future opportunities. During the 117<sup>th</sup> Congress, the Advisory Services staff published an advisory on House emergency communications processes for the Sergeant at Arms, provided advice related to selection of new emergency announciators and potential alternative options, and examined the feasibility of adjusting the statutory limit on the number of Member office employees for the CAO. We also wrapped up work with staff from the Office of the Clerk to document the process and data flows within the Legislative Process. This document is extremely valuable to gain an understanding of the potential risks to the Legislative Process from system disruptions or changes.

**Investigative Services.** Investigations may be prompted by information gathered in audits, advisory engagements, or tips. The OIG, in coordination with, and oversight by, the Committee on House Administration, may execute inquiries into allegations of fraud, waste, and abuse in the administrative operations of the House. If there appears to be potential criminal activity that warrants a law-enforcement investigation, we consult with the Committee on House Administration and, if appropriate, refer the matter to the Sergeant at Arms and U.S. Capitol Police. During the 117<sup>th</sup> Congress, the OIG continues its efforts to deter fraud by increasing fraud awareness across the House community.

### FOCUS FOR REMAINDER OF THE 117<sup>TH</sup> CONGRESS

Difficult challenges, some new and some old, face the House during the second session of the 117<sup>th</sup> Congress. These will continue, and new challenges will emerge in the coming years. Areas such as cybersecurity and safety take on increased significance based upon the sometimes-sudden changes in the cyber and physical threat landscapes. In addition, since the onset of the COVID-19 pandemic, cybersecurity risks and remediations have evolved with many House Members and staff working remotely, at least a portion of time.

The OIG does its part to identify and help mitigate significant risks to the House by finding opportunities for improving the efficiency and effectiveness of House operations. Our annual planning process is the keystone in this work. Annual planning helps ensure communication and coordination with audit and advisory stakeholders and produces a focused, risk-based plan centered on the most critical aspects of House operations, the legislative process, and the

security of life, property, and information. The OIG has finalized our 2022 proposed work plan in coordination with the House Officers and the Committee on House Administration. The result is a collaborative plan that addresses the House's most important issues.

Overall, the OIG's services will continue to help provide information to House stakeholders that help shield the House from significant financial losses, damage to the House's reputation, harm to its people and visitors, misuse and destruction of its information, and delays and disruption to House operations. We aim to provide relevant, accurate, and timely information to those we serve in the House.

### FISCAL YEAR 2023 BUDGET REQUEST DETAILS

The OIG's Fiscal Year (FY) 2023 budget request seeks total funding of \$5,138,000. This amount includes \$4,010,168 for mandatory items, \$23,000 in price level increases, \$1,096,746 for program current services, and a \$8,086 increase 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, research services, and guidance for audit, advisory, and investigative work; supplies and equipment; communications service plans; technical service support; staff training to increase in-house knowledge and to remain in compliance with government audit standards; and when necessary, other specialized subject matter experts to support the wide range of engagements performed by our office.

Our budget request accounts for changes in the Speaker's Pay Order (SPO) effective August 2021, which led to adjustments in the Personnel Base Adjustment-HEPCA and Personnel Base-SPO. Changes to the House Schedule increased several salaries and simultaneously reduced the amount of COLA applied to our personnel budgets. Additional internal budget adjustments and reductions were realized through the zero-based budgeting process which enhances our forecasting for recurring program needs and making realistic estimates for each program's execution. As noted earlier, we continue to negotiate more advantageous pricing and achieve cost-savings through leveraging House-wide licenses, we negotiate price through the Office of Acquisitions Management, and we invest in staff through training and mentoring that minimizes the need and cost for outside experts.

Chairman Ryan, Ranking Member Herrera Beutler, and the Members of this Subcommittee, thank you for this opportunity to present the work of the OIG and its FY 2023 budget request. Our office looks forward to working with the Subcommittee, the Committee on House Administration, Leadership, and the House Officers and Officials to continue our role of providing risk-based audits, advisories, and recommendations. Our focus will continue to be on issues of high importance to the House and its ability to conduct its operations efficiently and effectively in accordance with applicable laws, rules, and best practices.

Finally, please know that every person in the Office of Inspector General believes in our mission and is honored to be of service to the House. Thank you for hearing my testimony. It is my honor to answer any questions you may have.