DoW FINANCIAL MANAGEMENT: EXAMINING PROGRESS AND NEW AUDIT APPROACHES

HEARING

BEFORE THE

SUBCOMMITTEE ON GOVERNMENT OPERATIONS

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED NINETEENTH CONGRESS

SECOND SESSION

MAY 13, 2026

Serial No. 119–62

Printed for the use of the Committee on Oversight and Government Reform

Available on: *govinfo.gov, oversight.house.gov* or *docs.house.gov*

U.S. GOVERNMENT PUBLISHING OFFICE

63–746 PDF WASHINGTON : 2026

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OPENING STATEMENTS

WITNESSES

Written opening statements and bios are available on the U.S. House of Representatives Document Repository at: docs.house.gov.

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* Article, *Washington Post*, "Iran Has Hit Far More U.S. Military Assets Than Reported, Satellite Images Show"; submitted by Rep. Frost.

The documents listed above are available at: docs.house.gov.

ADDITIONAL DOCUMENTS

* Questions for the Record: Mr. Ryan A. Busby, CPA; submitted by Rep. Sessions.

* Questions for the Record: Mr. Thomas Harker; submitted by Rep. Sessions.

* Questions for the Record: Mr. Thomas Harker; submitted by Rep. Norton.

* Questions for the Record: Mr. Asif Khan; submitted by Rep. Sessions.

* Questions for the Record: Mr. Brett Mansfield; submitted by Rep. Sessions.

These documents were submitted after the hearing, and may be available upon request.

DoW FINANCIAL MANAGEMENT: EXAMINING PROGRESS AND NEW AUDIT APPROACHES

WEDNESDAY, MAY 13, 2026

U.S. House of Representatives
Committee on Oversight and Government Reform
Subcommittee on Government Operations
Washington, D.C.

The Subcommittee met, pursuant to notice, at 2:04 p.m., in room 2154, Rayburn House Office Building, Hon. Pete Sessions [Chairman of the Subcommittee] presiding.

Present: Representatives Sessions, Foxx, Palmer, Jack, Gill, Mfume, Norton, and Frost.

Also present: Representative Walkinshaw.

Mr. Sessions. The Subcommittee on Government Operations will come to order.

And I would like to welcome everyone.

Without objection, the Chair may declare a recess at any time. And I recognize myself for the purpose of making an opening statement.

OPENING STATEMENT OF CHAIRMAN PETE SESSIONS REPRESENTATIVE FROM TEXAS

The first opening statement I would like to make is I am sorry for the delay. Our awesome stenographers needed to be able to hear what we are saying today, and so—we are rather new in this room and learning how to work with the equipment.

So, welcome to today's hearing. This is a hearing on an update of the Department of War's progress toward achieving a clean audit and the new audit approach, which they are going to speak about in great specificity today.

As you know, the Department of War is statutorily mandated to achieve a clean audit opinion by December 31, 2028. In September 2024, we developed a scorecard to track the Department of War's progress toward achieving that clean audit opinion. With each iteration of the scorecard, the results remain the same, and that is that the Department of War was making progress, and we are thankful for that, but not enough to move the needle to meet the statutory goal.

So, progress has been made, but not enough, meaning that full financial transparency and accountability is not yet present. Financial transparency and auditability are core principles of good government, and as each of us will hear today, something that the Department of War really does want. It will help them achieve their mission, not just meet the merits of the law.

The Department of War is responsible for nearly half the Federal Government's discretionary spending, so it is especially important that they demonstrate financial transparency, accountability, and to meet the standards of this Subcommittee, the Committee, and the law.

With that said, the audit is not just a financial exercise. There are real positive operational impacts that can be realized once sound financial management practices are in place. And yesterday, in extensive meetings that I held with each of our witnesses today, I was told that an audit that we understand and knowing where we have and where we get it is directly in front of them, and they are showing measurable progress to achieve that.

Last year, we heard that the Marine Corps—from the Marine Corps about how they achieved their success. As a matter of fact, the Marine Corps did pass the audit.

Achieving a clean audit opinion for a third time demonstrates that at least—and we commend them—but achieving this for a third time means that they have learned valuable lessons, they have learned, not only how to do that, but they have given their colleagues in the Department of War the operational excellence that they should be achieving across the board. So, kudos to the United States Marine Corps.

But I think the Department of War has caught on, including our young Secretary of War, Pete Hegseth, who is very excited about demonstrating to his management team, the leadership of the departments, as well as the men and women that serve in the Department of War, our military, an excitement that he holds very dear to that achievement.

In March 2026, the Department of War unveiled a new refined audit approach aimed at achieving a clean opinion by December 2028. So, just two months ago. As a result of, not re-scrapping, but re-looking at the ability to get there and how they would do that has been defined, and today, Mr. Harker will talk about that in specifics, because he annunciated his desire and belief that we will achieve this.

The approach will use similar hands-on strategy that provided success for the Marine Corps. I was pleased to see the leadership commitment of the Department of War, from the very top all the way down to the men and women who serve, understand why a clean audit is important and the advantages that will serve them.

I think this shows that the Department has taken seriously what Mr. Mfume and I, for a number of years, have talked about through hearings, through opportunities of discussions, and I am pleased to see that today will be a public announcement of how important this progress is. And I am encouraged, I am encouraged to not only know that we are going to get there, but that the men and women of the Department feel like it is in their best interest.

The goal should not be just to achieve a clean audit by 2028. It should be to implement strong financial management, the understanding of the needs of not just the Department of War, but where material is, where assets are, and how they can be counted on to help the Joint Chiefs in their effort, and particularly at this time of conflict.

So, I am looking forward to hearing today a public discussion. I appreciate each of our four witnesses for being here. And I will tell you what I told them, and that is I want them to come and gladly offer their feedback, their support to help this Subcommittee. Both Mr. Mfume and I want this to happen, but more than want it to happen, we believe that you see firsthand the advantages that will be accrued to the Department of War and the Secretary of War.

So, with that said, I would like to yield to the distinguished gentleman from Maryland, my dear friend, Mr. Mfume, and the gentleman is recognized.

OPENING STATEMENT OF RANKING MEMBER KWEISI MFUME REPRESENTATIVE FROM MARYLAND

Mr. MFUME. Thank you very much, Chairman Sessions. Thank you for your continued leadership on this. We tried to do this in a very bipartisan way, deliberately, and thank you for your patience. In fact, you may be more patient than I am, but I will try to let some of that roll off on me.

Good afternoon, everyone. The guests who are here, the witnesses, we appreciate your time, your effort, your energy. I think you may have gleaned from the Chairman's statement that we have been at this for some time and that many people across this Nation cannot really put their arms around it because of, not the enormity, but the inability to come up with a audit. I am going to talk a little bit at some point about the history of all this, and then I will yield back.

Mr. Busby, we are looking forward to hearing your plans on how the Army can finally achieve a complete and clean audit.

Mr. Harker, we are happy that the Department of Defense was willing to send someone to testify for this checkpoint in our ongoing work, and it has been ongoing for a while.

Last April, we held a third in a series of hearings to address financial accountability in the Department of Defense, and we are back today to continue that conversation, particularly in light of the Department's continued inability—I want to stress that word again—inability to pass a Department-wide audit. I think it is past time that we really saw some progress toward accountability and transparency that is demonstrable and measurable—demonstrable and measurable—because what we have gotten up to this point has really been, quite frankly, a lot of promises about good attempts to do just that, and we have not really gotten very far.

I will give an example. For years, the Department of Defense has tried and failed to complete a clean Department-wide audit. Now, that is a standard that every other large agency meets and that they meet regularly. Congress historically should know it first mandated this basic requirement in 1993. I was a very, very young man at that time, sitting here trying to understand and get my hand around what the problem was. 1993. But the Department, as some of you may know, could not even attempt to perform an audit until 2018, which I find to be absolutely amazing.

And so, from 1993 to 2018 to 2026, for me, it is being right where I started at in 1993 as a young Member of a Congress trying to figure out, and how to ask myself, how do we get our arms around this massive, massive agency.

I want to make sure everyone also knows that we really do mean it when we talk about a financial audit. This is not just a two-word phrase that gets thrown out. And my real fear here is that, eventually, members of the American public are going to start asking, if not demanding, that there be an explanation for them as to why this particular agency, this department, cannot do that after all these many, many, many years.

I mention the years because, if this were any other agency, I think the Congress in a very bipartisan manner would be ready to bring about real change. I think because it is DoD and because we understand and know that our Nation's strength depends on the Pentagon and how we assist the Pentagon and all of the branches of military service, that there has been a reluctance just to jump into this head on and to start making real demands or passing legislation that would bring demands with it.

So, a clean audit does not mean, and should not be interpreted to mean, that we are judging the merits of DoD's spending. We are not doing that. We simply want to know what DoD currently owns and where is it and what is the current value. And, more importantly, we want to know that DoD knows that its time has come to defend this Nation and its interests, as it often does come around in cycles based on what is happening in the World, that it is important to have accountability for those assets. And the DoD, again—I hate to be deliberately redundant, but I have to say it—has again failed to clear even a simple bar like that, telling us what you own, where it is, what is the current value.

And I do not want to imply in any way whatsoever that this is an easy task. I mean, it is clearly not something that is so demonstrable you can go out tomorrow and get it done. This is a huge, huge task because DoD has a balance sheet of over $4 trillion in assets spread across the entire globe. The Department of Defense is one of the world's largest and most complex organizations.

The Pentagon has continued with enormous scale, antiquated systems, and dangerous environments, all while at the same time maintaining operational security. It is not an excuse to be careless with taxpayers' dollars. It is a recognition that there is so much going on that there has got to be a defining starting point and some real demonstrable, again, effort to show that step A, B, and C is taking place.

Now, we have sat through so many of these hearings and we have heard so much about what is in practice and what is being done, but what we never hear are endpoints. You know, members of the agencies will say, Congressman, we are doing this; we are doing that; we just implemented this; we are trying that; we know this works, so we are going to do that; we are going to make sure we are cross-talking with other agencies. Yes. But in the three, four years or so that we have been at this, I have not seen an endpoint that has been talked about yet where something has been achieved that moves the needle.

Couple of other quick things. I thought the Biden-Harris Administration committed to working toward the legal mandate to produce a clean Department audit. Former Secretary Lloyd Austin, before this Committee and other committees, focused on sustainable resolutions to achieve the goal and to ensure the accountability that we all want well into the future. The initiative helped the Marine Corps adopt a two year audit approach, which was, as you heard from the Chairman, very successful.

And I have said over and over again, what makes the Marine Corps so different from the other branches in being able to get an audit done? And I have surmised on my own repeatedly that from on high there was a clear directive: A, to get this done; B, to do it the right way; and to, C, get it behind us.

And so I imagine, even though I do not know this, that the Commandant of the Marine Corps said, look, this is what I want to have done, this is what we have to do for our Nation, this is what Congress has mandated since 1993, find a way to get it done. And they did. They did. And they are the only branch that has done that to this point.

So, I am proud of the work that this Committee has done in trying to put guidelines, guardrails, and flashlights up so that we can all see in the dark, but this is really not moving, not moving the ball forward. I even suspect that many of us may not even be around years later when, in fact, we are all called home or somewhere else, and that many of our successors will be sitting here asking the same questions like we are doing with many of those that came before us.

The President has already proposed an eye-popping increase in the overall budget for the upcoming fiscal year, so a lot, a lot of money. And that will bring the already well-funded agency to an eye-popping $1.5 trillion in defense spending for Fiscal Year 2027. In all good consciousness, I cannot vote for that knowing we have gone seven straight years without an audit. And in good conscious, we owe the men and women in uniform a better system than what we have now. We ought to just admit that. We owe them. And it is not because any of you sitting here failed to do your job. I am just saying that this has gone on and on and on.

So, if you hear the frustration and the angst in my voice, it is only because none of us are getting any younger, and this problem should not haunt the strongest, the wealthiest, the most powerful, the most influential Nation on the face of the Earth, the United States, the way it does haunt us. We can do it if we really believe we can do it.

And, Mr. Chairman, I yield back.

Mr. SESSIONS. I want to thank the gentleman for his comments. It is my hope that today we will offer, both you and I, some refreshing outlook of the work that is taking place of the challenge that the Department of War has accepted and leadership changes that have brought forth top-to-bottom inclusion of accepting the effort.

I would add to the gentleman's comments that he very graciously spoke of, it is also the law. And this is the guiding point, that it is not a congressional mandate, it is not something that just these guys in Congress want; it is the law, and they recognize how important this will be to them, the efficiency. But now, at the time where we are, it also means that the Joint Chiefs have at their fingertips factual data, information that will allow them to move forward.

Without objection, I would like to advise, Congressman Walkinshaw of Virginia is to be waived on to the Subcommittee for the purposes of questioning witnesses at today's hearing.

Today, I am pleased to acknowledge that we will have four witnesses before us. These four witnesses:

Mr. Thomas Harker serves as the Deputy Chief Financial Officer for the Department of War. In his role, he is responsible for improving and sustaining the Department of War's financial policy systems, audit, and reporting. And I must admit, he believes this is an important undertaking for him as a result of his commitment as an American citizen and working for the Department, which was very important for me to hear. Thank you.

Mr. Ryan Busby serves as Deputy Assistant Secretary of the Army for Financial Operations. In his role, he is responsible for oversight and integration of the Army's financial operations.

Mr. Brett Mansfield is the Deputy Inspector General for Audit. Prior to his role he served as the Senior Advisor to the Inspector General advising him on matters affecting the mission and operations of the Department of the Office of Inspector General.

Mr. Asif Khan is the Director in the Financial Management and Assurance team at the Government Accounting Office [sic] since 2009. He has focused his work on financial management and audit readiness at the Department of Defense, and he is a regular visitor, as a result of this important role that he plays, to this Subcommittee.

I want to thank each of you four. Thank you very much.

Pursuant to Committee Rule 9(g), I would ask that the witnesses now rise and raise their right hand to accept the oath of witnesses.

Do you solemnly swear or affirm that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

[Chorus of ayes.]

Mr. SESSIONS. Let the record reflect the witnesses each answered in the affirmative.

Thank you very much. You may now take a seat.

Gentlemen, I covered with you yesterday, not just the rules of engagement here today, but the need to make sure that each of you as professionals providing testimony before this Subcommittee complete not only your sentence, but your thoughts; that I want to make sure that we understand clearly from you without any way that we have to guess of the things you are trying to tell us, the information we need, because as you have heard from the distinguished Ranking Member, we need to have the confidence that you get it and that we understand that.

So, I would just remind the witnesses that they have, generally speaking, a clock in front of them that will give them some operating guidelines.

And would now ask that we recognize Mr. Harker for his time. The gentleman is now recognized.

STATEMENT OF THOMAS HARKER
DEPUTY CHIEF FINANCIAL OFFICER
U.S. DEPARTMENT OF WAR

Mr. HARKER. Chairman Sessions, Ranking Member Mfume, and distinguished Members, I appreciate the opportunity to testify about the Department of War plan to get a clean opinion on the Fiscal Year 2028 agencywide financial statement audit. Thank you for the opportunity to appear before you today.

I have been in this job for six months and have been fixing Federal financial audit problems for more than 20 years, starting at the Department of Homeland Security (DHS) when I was on Active Duty in the Coast Guard and DHS underwent their first ten audits before getting a clean opinion. I have also audited financial statements while working at a large public accounting firm and have led efforts that resolved audit issues at multiple Cabinet agencies.

Getting a clean opinion for the Department of War is not just my job; it is something I am passionate about, so much so that I came out of a comfortable quasi-retirement to take this job.

The leadership tone at the top of the Department is unprecedented, with the Secretary and Deputy Secretary both making it clear that passing an audit is a condition of employment for departmental leaders. They have both issued written guidance on the audit, and if you have not seen the Secretary's recent video, I highly recommend it.

We are finally being honest with ourselves. The Department's financial reporting has lagged behind every other major Federal agency. We are fixing that using the authority provided in Secretary Hegseth's recent memo standing up Joint Task Force Audit. JTF Audit is a unified team of servicemembers, civilians, and private sector experts led by the Under Secretary of War comptroller.

The mission is clear: Work with the services and defense agencies to execute the corrective actions required to get a clean opinion on the Fiscal Year 2028 financial statements, elevating bureaucratic barriers to senior leadership for immediate action.

The JTF will provide a common operating picture to SecWar and other senior leaders that will provide them with visibility not previously seen in the audit space and enable them to take action when things stall.

One of my favorite bosses, Admiral Thad Allen, said transparency breeds self-correcting behavior, and the knowledge that their performance is being seen and judged by the Secretary will motivate military and civilian leaders to ensure that they have full accountability for their assets.

In addition to stand-up of JTF Audit, we are partnering with the Office of the Inspector General (OIG) as they hire an independent public accounting firm to perform the consolidated audit. We are also ending the inefficient process of dozens of disjointed standalone audits and focusing our remediation efforts on getting a clean opinion on the agency-wide financial statements, just like every other Chief Financial Officer (CFO) Act agency.

We are using a hybrid strategy where we rely on internal controls where they exist, maximize the use of artificial intelligence and automation wherever we can, and have the auditors perform substantive testing where they must. Much work has been done in putting internal controls in place across the Department's processes over many years, but the proliferation of legacy system and the decentralized nature of funds execution means that it would take too much time for us to be able to rely solely on controls.

Fortunately, the advent of AI and automation, and the funds we received in the reconciliation bill, allow us to use those tools to compensate for our antiquated and disconnected systems. Where we cannot use AI or automation, we will have to rely on a great deal of substantive testing, similar to what the Marine Corps did, so that the auditors can get statistically valid information that would allow us to adjust our financial statements and get a clean opinion.

In addition, we are focusing our efforts on the line items and processes that have a major impact on our ability to get a clean opinion. Accountability for our assets, accurate accounting for our liabilities, revenues, and expenses, and working to clear the material weaknesses and Notices of Findings and Recommendations (NFRs) that matter. The entire Department of War will be under audit, and we will present our financial statements at the consolidated agency-wide level as required by law.

In addition, the Marine Corps, Navy, and Air Force will continue standalone audits, as they either have clean opinions or are close to attaining them, and the best path forward for the Department is to continue their efforts.

I want to recognize the leaders and teams who have already set the standard for excellence. The Marine Corps became the first military service to achieve a clean audit opinion and has sustained one for three consecutive years. Many other defense agencies have also achieved clean opinions, starting with the Army Corps of Engineers, over 20 years ago. These teams are the vanguard, and we expect every branch to match their urgency and commitment to financial discipline.

Our next milestones are clear: A clean opinion on the Fiscal Year 2026 Navy Working Capital Fund, that is this year; a clean opinion on the entire Fiscal Year 2027 Defense Working Capital Fund; and a clean opinion on the Fiscal Year 2028 agencywide audit.

These are ambitious targets, but we are determined to provide the American taxpayer with the highest standard of fiscal accountability and to ensure the Department's financial foundation is strong.

Achieving a clean audit opinion will enable us to use the information gained in the process to improve the efficiency and effectiveness of our operations, eliminate additional legacy financial systems, and improve the quality of information available to operational leaders in the Department.

Thank you, and I look forward to your questions.

Mr. SESSIONS. Mr. Harker, thank you very much.

Mr. Busby, you are now recognized.

STATEMENT OF RYAN A. BUSBY, CPA DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR FINANCIAL OPERATIONS, U.S. ARMY

Mr. BUSBY. Chairman Sessions, Ranking Member Mfume, and distinguished Members, thank you for the opportunity to speak today on the Army's role in planning to support the Department's consolidated financial statement audit. The Army remains committed to strengthening accountability, transparency, and stewardship of taxpayer resources while advancing auditability and improving financial accountability across the Department.

Army leadership is fully aligned with the Department's enterprise audit strategy and continues to prioritize remediation efforts focused on improving financial data reliability, strengthening internal controls, and supporting operational readiness. Through this integrated approach, the Army will help drive measurable progress and help achieve and sustain a clean audit-wide opinion.

To support the Department-wide audit, Army has identified the highest risk process areas and balances material to the consolidated financial statements and developed remediation plans focused on improving the financial accuracy and internal controls for these areas. The Army utilizes both internal testing and independent validation to assess the accuracy and completeness of financial information and identify areas requiring additional information.

To strengthen accountability, Army leadership identified metrics and governance processes to track progress across major remediation areas. The outcomes of these metrics and governance processes will be shared regularly with the Office of the Secretary of War comptroller and the JTF Audit to support enterprise-wide oversight and consistency in audit remediation efforts. These actions improve visibility into the enterprise risk and ensure that Army is held accountable to achieving the Department's goals.

While financial statement audits prioritize areas based on materiality and enterprise risk at a point in time, the Army's oversight and internal control activities extend across the entire Army each and every day. Remediation efforts are focused on balances material to the Department-wide consolidated financial statement audit while the Army continues to maintain a comprehensive list of internal controls, Army-wide monitoring activities, and independent oversight across the Army. These activities include supply discipline programs, risk management and internal control programs, a continuous monitoring program, command-directed reviews, and independent oversight conducted by the United States Army Audit Agency and the Department of War Office of the Inspector General.

These efforts drive process improvements across the Army and strengthen the Army's ability to identify risks, reduce improper payments, and improve accountability. These improvements directly support the Army and the Joint Chiefs' priorities, operational readiness, and effectiveness.

Our audit remediation efforts are tested every day as we support global operations. Years of focused remediation efforts resulted in Army ammunition inventories passing audit testing this past year at a rate exceeding 99 percent. While work remains, these results demonstrate progress and reinforce the value of disciplined, enterprise-wide remediation efforts.

For nearly a decade, the Army underwent a standalone financial statement audit that provided actionable findings, helped us strengthen our internal controls, and focused remediation efforts on the Department's highest risk areas.

As the Department's audit effort has matured, the Army and the Office of the Secretary of War identified opportunities to further align component audit activities within a consolidated framework.

The Department's financial operations and business processes are highly interconnected, making a more integrated approach critical to improving consistency in the application of audit standards, reducing duplicative efforts, and better aligning remediation activities to balances and process material to the consolidated Department-wide financial statements.

This transition does not reduce oversight or accountability but, instead, improves Department-wide alignment and prioritization for the Department of War's highest risk areas. The most material items remain the most material items, and this consolidated approach allows the Army, in coordination with the Department of War, to focus our efforts on addressing the items that matter most and deliver results for the American taxpayer.

Since undergoing our first full financial statement audit in Fiscal Year 2018, the Army has made measurable progress in strengthening financial accountability and auditability. The Army has remediated more than ten material weaknesses. This includes closing the material weakness related to Fund Balance with Treasury, or the Army's checkbook. These improvements demonstrate increased accountability and visibility into the single largest item on the Army general fund balance sheet, representing 50 percent of the balance.

In addition to Fund Balance with Treasury, the Army Working Capital Fund also closed material weaknesses related to property, demonstrating improved ability to accurately account for Army assets and maintain visibility to where they are located.

We are confident in our ability to do the work necessary to achieve a Working Capitol Fund clean audit opinion in 2027 and a consolidated general fund clean opinion in 2028, and are excited to support the Department-wide approach.

As I have highlighted today, the Army remains committed to transparency, accountability, and continuous improvement as we work with Congress, the Office of the Secretary of War, and our independent auditors to support continued progress toward the Department-wide clean audit opinions.

Thank you for the opportunity to share the Army's perspective today.

Mr. SESSIONS. Mr. Busby, thank you very much.

Mr. Mansfield, we are delighted that you are with us. The gentleman is recognized.

STATEMENT OF BRETT MANSFIELD DEPUTY INSPECTOR GENERAL FOR AUDIT, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF WAR

Mr. MANSFIELD. Chairman Sessions, Ranking Member Mfume, and Members of the Subcommittee, thank you for the opportunity to discuss the Department's Fiscal Year 2025 audit results and key changes planned for future audits. Your oversight is essential to strengthening Federal financial management and ensuring accountability of taxpayer resources.

In December 2025, the Office of Inspector General issued a disclaimer of opinion on the Department's Fiscal Year 2025 agency-wide financial statements. As in prior years, we issued a disclaimer because the Department could not provide sufficient reliable evidence to show its statements were fairly presented.

While the opinion was the same as prior years, the Department made measurable progress in 2025. Material weaknesses decreased from 28 to 26, and auditors issued 427 fewer notices of findings and recommendations across the Department than they have in prior years.

Remediation efforts are taking hold. The Department closed a longstanding material weakness related to security assistance accounts, expanded its use of automation tools to detect and correct errors, and modernized controls across more than 30 systems.

These positive outcomes are important, but the Department continues to face three major obstacles: management responsibility for and accountability of more than $4.7 trillion in assets; information technology weaknesses, including hundreds of aging and non-compliant systems; and accounting weaknesses, such as unsupported adjustments, over $850 billion in the last two quarters of Fiscal Year 2025.

I want to emphasize at this time an important distinction that is often misunderstood. Department of War management, not the Office of Inspector General, is responsible for complete, accurate, and reliable financial statements. The Office of Inspector General, as the independent auditor, evaluates whether the information presented by the Department meets accounting standards and is supported by sufficient evidence.

This separation of duties reflects a cornerstone of Federal audit practice. Management owns the data, the auditors evaluate the data. When information is missing or unreliable, auditors cannot fix it. We can, however, report it and make recommendations to management on how to address those issues.

The Department's Fiscal Year 2026 audit is currently underway, and it reflects a shift to a substantive testing approach. Instead of relying on internal controls, many of which remain ineffective, as highlighted by Mr. Harker, auditors are directly testing transactions, balances, and supporting documentation. This requires more site visits, more document production on the part of the Department, and more coordination between auditors across the Department. But it also provides a path to validating account balances while material internal control weaknesses persist.

The Department also established a Joint Task Force Audit to direct corrective actions and focus remediation on issues that drive the agency-wide opinion, such as accounting assets and intragovernmental transactions. The OIG will be providing an advisory role to the task force.

Looking ahead to Fiscal Year 2027, the Department will implement one of the most significant changes in its financial reporting structure since the full audits began. In 2027, the number of reporting entities will drop from 22 to seven, focusing the Department's efforts on the big rocks.

Also in Fiscal Year 2027, the Office of Inspector General plans to transition their group auditor role to an independent public accounting firm. This change mirrors other large Federal audits and will capitalize on industry best practices from across the private sector.

Under this model, the independence of the audit function remains intact. The OIG remains responsible for ensuring the Department undergoes an audit and retains responsibility for overseeing the audit by monitoring the Independent Public Accountant (IPA)'s work.

These changes do not impact the fundamental requirement. The Department must produce reliable supportable financial information. Substantive testing can validate balances, but it cannot replace strong internal controls which remain essential for long-term auditability and reliable information which is needed for operational decisions.

The Department's financial management weaknesses are significant. However, Fiscal Year 2025 showed progress, and the changes underway now, focusing remediation on big rocks and consolidating reporting entities, are meaningful.

The OIG remains fully committed to providing independent oversight and ensuring that the Department, Congress, and, ultimately, the American public receive reliable information on which to base decisions affecting national defense and the stewardship of taxpayer funds.

Thank you for the opportunity to appear before you today. I look forward to your questions.

Mr. SESSIONS. Mr. Mansfield, thank you very much.

Mr. Khan, you are now recognized.

STATEMENT OF ASIF KHAN, DIRECTOR FINANCIAL MANAGEMENT AND ASSURANCE U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. KHAN. Chairman Sessions, Ranking Member Mfume, and Members of the Subcommittee, thank you for the opportunity to discuss the Department of Defense's financial management auditability and its new approach to achieving a clean opinion.

DoD is the only major Federal agency that has never been able to receive a clean audit opinion on its financial statements. A clean audit opinion is when auditors find that the statements are presented fairly and consistent with accounting principles.

Over the next couple of years, DoD plans to take a top-down approach focused on validating accounting balances. This is a significant departure from its current decentralized bottom-up approach from the component level it used since 2018. This new approach will not be focused on improving internal controls and, instead, will focus more on bookkeeping. This will mean less emphasis on making the kind of improvements that we expect to see from a more typical financial audit.

Even if under the new approach DoD achieves a clean audit opinion by the end of 2028, the Department's financial management would likely still be on the GAO's high-risk list, and the Department will still need to turn its attention back toward improving systems, internal controls, and business processes and operations throughout the Department after 2028.

DoD has not reported any estimates of how this approach, when it is fully outlined, will affect the level of resources needed.

Based on what we know so far, this new audit approach has many opportunity costs and risks. It prioritizes account balances over addressing internal controls which provide them a foundation for future audits. This might postpone DoD's ability to achieve improvements to operations and enhancements to operational readiness. It likely will be labor and resource intensive, which could affect sustainability. And it may result in limited progress for addressing fraud risk, which is particularly important given Fiscal Year 2027 budget request.

There may also be benefits under this new approach. The clean opinion would be a major milestone that can give the Department an important starting point for future audit efforts. It would also be a major victory for the Department's financial management workforce which has been seeking to achieve this goal for many years.

A clean opinion would provide greater level of accountability over the Department's use of its resources, even if it is a point-in-time opinion that reflects a booking approach to the audit over improvements to internal controls.

Finally, DoD's new approach could benefit the Department by establishing lessons learned that otherwise might not have been available under the current approach.

We do not have enough information about the Department's new approach to say if the Department will be able to achieve a clean opinion by the end of 2028. However, it will require significant efforts and resources. In addition, that opinion will only be a first step, although a very important one.

After that time, the Department will need to refocus on addressing material weaknesses so it can sustain this opinion and continue to improve its financial management and operations.

We also have not assessed DoD's new approach to determine if it is more or less likely to be successful than its prior approach. But given DoD's slow pace in addressing its key material weaknesses, I can say that the prior approach did not seem likely to meet the 2028 goal.

I will be happy to answer any questions that you may have. Thank you.

Mr. SESSIONS. Mr. Khan, thank you very much.

The distinguished gentleman, the Ranking Member, Mr. Mfume, was required to go to have votes in another committee, and, so, I know that he will return. We would now like to move—instead of my opening questions, we will move to Ms. Norton. The gentlewoman is recognized for 5 minutes.

Ms. NORTON. Thank you.

Since last August, National Guard troops from the District of Columbia and states have been deployed in D.C. Mr. Harker, to date, how much has this deployment cost the Federal Government?

Mr. HARKER. Ma'am, I do not work in the budget area for the Department. I do the accounting and financial systems piece, so I would hesitate to give you numbers that might be inaccurate. But I will take that for the record, and we will get you a response to that question within the end of—before the end of this week, if that is okay

Ms. NORTON. Thank you. Mr. Harker, what is the average daily cost this year of this deployment?

Mr. HARKER. Ma'am, again, I will have to take that one for the record, but I will talk to our budget people and make sure we get you an answer before the end of this week.

Ms. NORTON. Thank you. The President's militarization of the streets of D.C. violates D.C.'s right to self-government, is based on a lie that is un-American, authoritarian, ineffective, unlawful, unnecessary, wasteful, and unfair to the members of the National Guard and their families.

Congress should pass my D.C. National Guard Home Rule Act, which would give the D.C. Mayor control over the D.C. National Guard in the same manner that Governors of the states and territories control their National Guards.

In addition, Congress should pass a bill to prohibit a Governor from deploying the National Guard to another state or territory or D.C. without consent of the chief executive of that jurisdiction.

For over two decades, the Government Accountability Office has maintained a high-risk list to identify critical government programs most vulnerable to waste, fraud, and abuse. The Government Accountability Office added Department of Defense financial management to that list in 1995, and it has remained there ever since. Yet, the Trump Administration has proposed a 42 percent increase in defense spending and 1–1/2 trillion—that is trillion—dollars.

Mr. Mansfield, as an Inspector General, do you think the answer to reducing the risk of waste, fraud, and abuse to increase the Department of Defense's budget by 42 percent?

Mr. MANSFIELD. As an Inspector General, a member of the inspector general community, what I would say is any time there is an influx of cash or funds into any organization, the likelihood of increased risk of fraud, waste, and abuse coincides with that. So, it is a one-for-one or, I am not sure if it is one-for-one, but there is definitely a positive relationship between an influx of funds and the increased risks.

Ms. NORTON. Thank you. The Pentagon has not proven that it can pass an audit, nor has it managed to address its decades-long risk of waste, fraud, and abuse. The Department of Defense's high-risk challenges are complicated. The Department needs skilled, seasoned, focused, and committed public servants to address them, not a deficit-spiking injection of taxpayer dollars, especially as many Americans struggle to make ends meet.

And I yield back.

Mr. SESSIONS. The gentlewoman yields back her time.

I would now recognize the distinguished gentleman from Alabama, Chairman Palmer. The gentleman is recognized.

Mr. PALMER. Thank you, Mr. Chairman.

Mr. Harker, the Pentagon failed its eighth annual audit announced in December of last year for the Fiscal Year 2025, confirming that it remains the only major Federal agency never to pass one. This is not a marginal error or a one-off failure. They are a consistent structural problem.

When asked to account for Fiscal Year 2023 share of nearly $4 trillion in assets, 18 of 29 Pentagon components could not do so.

So, what drastic changes have the services integrated to ensure that by 2027 the Department of War has both the capabilities and the political will to successfully track its expenditures and assets in a satisfactory and measurable way for both the executive and legislative branches? Mr. Harker?

Mr. HARKER. So, the Department is focused on getting a clean opinion, and we anticipate getting one on the Fiscal Year 2028 statements.

Mr. PALMER. How long have you been focused on getting a clean audit?

Mr. HARKER. Pardon me, sir?

Mr. PALMER. How long have you been focused on getting a clean audit?

Mr. HARKER. A lot of the groundwork has been laid over the last 10, 15, 20 years.

Mr. PALMER. I asked a specific question. How many years have you been focused on getting a clean audit?

Mr. HARKER. The CFO Act of 1990 is the one that required us to——

Mr. PALMER. And you have never had one?

Mr. HARKER. The entire Department has not, no, sir, but we are working toward it.

Mr. PALMER. Yes. But that is what you have been doing for 26 years. Or 36. If it is 1990, it is 36 years, and you have not had one.

Mr. HARKER. We have increased the number of components that have clean opinions. We had the Marine Corps get a clean opinion three years ago. The Navy is going to get a clean opinion on their working capital fund this year. And we anticipate getting a clean one on the entire working capital fund in 2027, and the Department-wide on 2028.

Mr. PALMER. Mr. Khan, the Department of War financial management has remained on the Government Accountability Office's high-risk list for 28 years. In your view, what are the root causes in why this has remained a perpetual pain point for the Department, and how can Congress step in to help clear those bottlenecks? Because, obviously, after 36 years of working for a clean audit, we still do not have one from the Department of War, from the Pentagon. So?

Mr. KHAN. Well, thank you for that question. I think, in part, one can recognize the size and complexity of the Department, and along with that, they have large and complex systems as well. Many of them were set up for logistics as opposed to financial management. The Department has been intermediating them, but somewhat slowly. The new systems that they have implemented are not compliant either. So, that is one of the major impediment to reaching auditability and also remaining on the high-risk list.

Mr. PALMER. Yes. One of the things that concerns me about the ability to manage the finances of the Pentagon, the Department of War overall, is the concern that it often has been expressed to me that whenever Congress appropriates money for a defense platform or systems, whatever, they are so concerned that the next Congress might not follow through, that they generally start projects before they are ready, before the design is right.

Mr. Mansfield, David Schweikert had legislation directing the Secretary of War to use artificial intelligence technology to audit the Pentagon's financial statements. Legislation was ultimately included in the 2025 Defense Appropriation Authorization Act. Have any of those provisions aimed at modernizing auditing capabilities and improving asset tracking proven to be helpful to the Department of War?

Mr. MANSFIELD. The short answer is, yes, sir. What I would say is there is a combination of efforts ongoing, both from an audit perspective using the tools the Department has, and in terms of using AI and other large language models to do data matching between, say, like transactions, receipt information, to identify where there are areas where you can match that data—you do not have to do as much testing. And then when you find where there are things that do not match, that is where you can focus the audit efforts. So, it allows a more targeted approach from an audit perspective and it enables the Department to have more confidence in its information in responding to inquiries from auditors.

Mr. PALMER. So, do you think utilization of AI will get us to a clean audit?

Mr. MANSFIELD. By itself, no, sir. It is a tool that will be very useful, and it is useful, but it is not the solution or end-all to the conundrum in front of us.

Mr. PALMER. Mr. Harker, when can we anticipate a clean audit?

Mr. HARKER. Sir, we will get a clean audit opinion on the Fiscal Year 2028 agency-wide financial statements.

Mr. PALMER. And if you do not, what do we do then?

Mr. HARKER. Pardon me, sir? If we do not?

Mr. PALMER. If you do not—I mean, we have been hearing this for 36 years, so—I want you to be able to get the resources you need. I want you to be able to get a clean audit. But I really think this Committee ought to be tired of holding hearings about the fact that the Pentagon, Department of War, cannot produce a clean audit.

I mean, do we need to bring in some other accountants? I mean, what—tell us what we need to do, and I think we would be willing to do it.

Mr. Chairman, I yield back.

Mr. SESSIONS. The gentleman yields back his time.

The witnesses, I am asking, to please stay. We will be moving to the Capitol for votes. There are five votes that are necessary. And I would anticipate that the total time would be about 45 more minutes until we will return.

But the answer for Members is ten minutes after the last vote we will form back up here in the Committee and I will open it back up.

So, until that time, the Committee is now in recess.

[Recess.]

Mr. GILL. [Presiding.] The Committee will come to order. We are back.

I would like to recognize Mr. Frost for 5 minutes.

Mr. FROST. Thank you so much, Mr. Chairman. Thanks to everyone for being here.

Look, I mean, this is a hearing we have every year, sometimes multiple times a year. Congress requires that major agencies pass an audit. The Department of Defense is the only major agency to have never achieved a clean audit. In fact, the Department of Defense has failed its audit, all eight attempts. I, to be honest, do not have faith that the ninth is going to be the one. I hope it is, but I do not really have much faith in it.

We are here again because the current process is fatally flawed and undermining Congress' ability to conduct proper oversight and, ultimately, determining the Department of Defense's own mission to protect the American people.

Mr. Khan, what can we as Members of the Oversight Committee do to ensure the Department of Defense complies with the law?

Mr. KHAN. Oversight hearings such as this are a very important mechanism for continuing to have an oversight to send the message to the Department that this is an important area, that you are focused on how their progress is folding. So, I think this is a very important mechanism.

Mr. FROST. I mean it is important, but like I said, we have a ton of these, right. We will hear from you all, get important information, doing the oversight. But the point of us to doing the oversight is to get information and then do something with it.

I mean, I do not know, do you have any thoughts, recommendations on things we should do? Should we be incorporating penalties? Should we be segmenting parts off of the DoD—like, what do you think needs to happen, or if you have any thoughts on this?

Mr. KHAN. I mean, one of the oversight tools that we have developed for the—your Committee is the scorecard. We have done that for three years. It shows you what the progress has been, where there has been some sort of regression. So, I think that is an important element to keep in front of you, just to see where the progress is, and then to ask questions of why progress is not more quicker than what the case has been, and if there is any regression, what can be done to improve those things.

Mr. FROST. Yes. Thank you. I appreciate it. And I think, you know, the things you are describing are important to give us the information that we need to answer the questions that we have. But then the next question for us as legislators is, what do we do about it? Do we keep hoping and praying it gets better this time next year when we have the same exact hearing and we are probably in the same exact place? You know, we do not know where the Department of Defense is sending our taxpayer dollars.

And I think this illegal war going on in Iran, I want to use that as an example real quick. Two weeks ago, when asked about the current cost of the war, the illegal war in Iran, the acting DoD Comptroller told House Armed Services Committee that the cost had reached $25 billion. Then, yesterday, the Pentagon Comptroller said $29 billion. And then we have news reports that have found that internal DoD estimates were even higher than that.

Mr. Harker, is the DoD unable or unwilling to provide Congress with actual truthful information?

Mr. HARKER. Good afternoon, sir. I do not work in the budget area; however, my understanding is that the information provided by Mr. Hurst of $25 billion was the accurate information at that time. I have not heard anything or seen anything that indicates the cost has gone up in the subsequent time since then, but there are daily costs, as you would imagine. So, I do not know anything more than—on the budget side, what he said, the $25 billion was accurate at that point in time, sir.

Mr. FROST. Okay. Well, yes, we have gotten different numbers from different people, and I think we ought to have a hearing on this maybe with the appropriate people who can talk to us about the spending going on as it relates to this illegal war going on in Iran.

A recent *Washington Post* report found that Iranian retaliation had damaged more military assets in the region than either President Trump or Secretary Hegseth had reported. Currently, there are no engineers on the ground that can assess the damage at this point.

I ask unanimous consent to enter into the record a May 7, 2026, *Washington Post* article entitled, "Iran has hit far more U.S. military assets than reported, satellite images show."

Mr. GILL. Without objection.

Mr. FROST. Mr. Khan, without a proper clean audit, can the DoD even be fully sure about the total cost of the parts or inventory that might be lying around the rubble of those destroyed assets?

Mr. KHAN. If the Defense Department has functioning internal controls and the underlying processes on systems are working, then they should be able to produce numbers to be able to tell what the cost of operations are.

Mr. FROST. Yes. A lot of ifs for an agency that has not been able to pass a clean audit.

And now, Secretary Hegseth has the audacity to ask us for $200 billion more dollars. And then the President is asking us this year to give the Department of Defense $1.5 trillion.

I have a crazy idea: No more blank checks for an agency that is not able to pass a clean audit. After years of failed audits, waste, and reckless spending, no more blank checks for the Department of Defense. We should hold them to the same standard that we hold everybody else.

We say we want more resources for housing and healthcare; the President says, no, we are going to cut housing and healthcare to give tax cuts to the billionaires and mega corporations. And then he turns around and says, oh, and also, I want $1.5 trillion to give to an agency that is not able to pass an audit.

The real question for us as Congress is, are we going to do something about it or are we going to continue to give the agency a blank check, which I think gives it an incentive to continue this reckless behavior.

Thank you. I yield back.

Mr. GILL. Thank you.

And now I would like to yield 5 minutes to Ms. Foxx.

Ms. FOXX. Thank you, Mr. Chairman.

And I thank our witnesses for being here. And I apologize that I had to be away, but I appreciate you all coming.

I have a quick question for—well, it is not a quick question, but I would like a quick answer—for each one of you. The Fiscal Year 2025 National Defense Authorization Act (NDAA), as enacted, contains provisions requiring the Secretaries of each of the services to, quote, "encourage to the greatest extent practicable the use of technology that uses artificial intelligence or machine learning for the purpose of facilitating audits of the financial statements of the Department of Defense," end quote.

To what extent—and please keep your comments very short—have each of the services complied with this provision? Start with Mr. Harker and go down the line.

Mr. HARKER. Yes, ma'am. We have currently received $350 million in the reconciliation bill for that. We have obligated 48 percent of it. We plan on obligating the remaining funds this year for, not just defense, but also all of the services under one umbrella so we can get value—best value for those funds.

Ms. FOXX. Thank you.

Mr. Busby?

Mr. BUSBY. Yes. So, I would say we have pretty robustly incorporated, you know, technology and AI into enhancing and accelerating the audit. You know, we have tools that do data anomaly detection so that it will help us prioritize what items we need to look at, and we have built a number of fraud detection tools that are monitoring certain classes of payments throughout their process to see——

Ms. FOXX. Okay.

Mr. BUSBY [continuing]. What is at risk.

Ms. FOXX. Mr. Mansfield?

Mr. MANSFIELD. Yes, ma'am. I would say that, similar to the Army, the Navy and the Air Force have taken similar steps to implement large language models in AI for processes to link together transactions with source documentation, which enables the auditors, which is the role that we play as the OIG, to target our oversight efforts on those areas where there are mismatches to make sure we are getting to the best use of our resources.

Ms. FOXX. Mr. Khan?

Mr. KHAN. We are aware of the Department using artificial intelligence and newer technology, but we have not evaluated that.

Ms. FOXX. Thank you.

Mr. Harker or Mr. Busby, earlier this year, the Association of Government Accountants recognized process mining or process intelligence as a new category of technology. As I understand it, this technology can read all transaction data directly out of an agency's financial contracting and logistics systems and can show how a process actually ran as well as where it deviated from the standard process. While most auditors rely on statistical sampling due to the sheer amount of data available, process mining could help automate this task and allow every transaction to be analyzed.

Is the Department familiar with this kind of process intelligence, and is it being applied anywhere inside the audit remediation effort today? Mr. Harker.

Mr. HARKER. Yes, ma'am. We are equipped with technology from a number of different sources that allow us to do that. Our main one is Advana. It is advancing analytics. It is a system where we pull all of the data from every financial management system, logistics system, and H.R. system, and we are able to apply analytics, AI, process mining to the entire population. That has given us great insight that has been very helpful as we move forward with the audit, and it is going to be one of the key things that gets us across the finish line on the Fiscal Year 2028 audit getting us a clean opinion.

Ms. FOXX. Thank you.

Mr. Busby?

Mr. BUSBY. Same. Same. We use Advana as well.

Ms. FOXX. Okay. A follow-up. It is also my understanding that process intelligence can be applied to accounting journal entries so that all entries can be reviewed and suspicious ones can be flagged for auditors to review. Is the Department doing this already, and if not, why not?

Mr. HARKER. Yes, ma'am. We have a significant effort going around this so that we can go in and trace the problems that cause the journal vouchers back to their original system of origin. And so that uses our Advana technology, our process mining, our business intelligence to go in and identify, is the initial error in an Army system, a Navy system, an Air Force system? If so, which system, and what can we do to clean up the errors in those systems so that we have better access to data for our lead decisionmakers?

Ms. FOXX. Thank you.

Mr. Busby, anything different?

Mr. BUSBY. No. We follow the same process.

Ms. FOXX. Okay. Mr. Khan, what indicators will we have to suggest that the Department of War is on the right path to receiving a clean audit opinion?

Mr. KHAN. Thank you for that question, Congresswoman. The Department has set out some goals over the next few years, and the first of these goals is that the Department of the Navy Working Capital Fund to reach an opinion by the end of this fiscal year, so that will be an early indication of successes. The next goal is that the Department-wide working capital fund reaches an opinion by the end of Fiscal Year 2027. So, those are two major indicators which will tell us how this approach is progressing.

Ms. FOXX. Thank you, Mr. Chairman. I yield back.

Mr. GILL. Thank you, Dr. Foxx.

And I now yield 5 minutes to the gentleman from Maryland, Mr. Mfume.

Mr. MFUME. Thank you very much, Mr. Acting Ranking Member [sic]. I appreciate it.

My thanks to all of you who had to sort of endure our absence for a vote series.

I want to, if I might, go back to you, Mr. Harker. I listened intently to your opening comments. And I heard something that I have heard quite often about existing hurdles, and that is the legacy systems and the inheritance of those systems and how that has traditionally, or at least certainly recently, slowed down the process of evolution, getting us to where we want to be.

How do we get rid of them? I mean, I have been hearing about legacy systems for five or six years, and it would seem to me, after a while, you throw something out and replace it with something. Am I correct about that?

Mr. HARKER. Yes, sir. One of the biggest challenges we have with a lot of our legacy systems is that they are all interconnected in ways to where it is almost impossible to just pull one out. It is like pulling one piece of cooked spaghetti out; they stick to each other and it causes problems. We are using AI and automation to go in and identify exactly where those problems are and how we can pull those things out so that we can modernize our systems. The Director of the Defense Finance and Accounting Service (DFAS) and I spent a good bit of time yesterday focusing on this. His staff, my staff, we are all looking at how can we get rid of those legacy systems.

Mr. MFUME. And how many of those systems do you estimate might be operational right now?

Mr. HARKER. Right now, we have got 86 financial systems that are part of our key core financial business systems that are tied to the audit. Our goal is to get that down to less than ten so that we actually have one general ledger, one entitlement system, one system for each major process. That is going to take time. We have to be able to make sure we do not do any harm by getting rid of those systems, but it is strongly important for all of us to get out of the legacy systems, sir.

Mr. MFUME. So, this is a surgical approach, I take it?

Mr. HARKER. Yes, sir.

Mr. MFUME. Working with the AI?

It seems to me that artificial intelligence should be able to let you know, if you are working in one particular area, how it interacts with another one and whether that is negative and should be shut down or whether it is positive and should be amplified. Is that the way you are approaching this?

Mr. HARKER. Yes, sir. Our approach is to use AI to piece together the information that's missing from the various systems, fill the holes in our data, and give us insight into how we can pull those other systems out without causing any harm to the overall financial corpus.

Mr. MFUME. And did I also hear, and was it a part of your testimony, that you expect the completion of the audit, agency-wide audit, by 2028? Did I mishear on that?

Mr. HARKER. Yes, sir. We anticipate getting a clean opinion on the Navy Working Capital Fund this year, the overall working capital fund next year, and then a clean opinion on the agency-wide statements in Fiscal Year 2028.

Mr. MFUME. And when will you know between now and then if your goal, your target, is not going to be met in 2028?

Mr. HARKER. I think the first indication you should be looking for is our Fiscal Year 2026 Navy Working Capital Fund. They are on track to get a clean opinion this year. That opinion will be out by February of next year. If they miss that, then we are in danger of making the 2028 date. But that is the next big cycle where you will have independent verification that the things we are doing are on track, sir.

Mr. MFUME. Okay. And, Mr. Mansfield and Mr. Khan, it is good to see both of you. I did not have much to say early on because I was trying to rush through and get out of here, but you have been before this Committee, both of you now, several times, so you know the kind of angst that we always demonstrate when we realize we are not where we are supposed to be with respect to these audits.

Mr. Khan, I want to go back to you, because there is a three year report card that was established that measures. That, I am assuming, that report card will also indicate if, as Mr. Harker is moving toward this goal of 2028 agencywide, that you would get some indication from that, there would be something that would go off and say that you are not going to make it or you are going to make it, and if so, can you tell us how that works?

Mr. KHAN. Thank you for that question, Congressman. The scorecard is looking at some different measures than what the current approach is going to be undertaking. The measures we have on the scorecard is more granular. It is looking at the processes and internal controls and fixing the material weaknesses and the individual findings, whereas the current approach is, like I said in my opening statement, is more top-down. So, those results would not necessarily be captured in this—in this particular format of the scorecard.

Mr. MFUME. So, do both of those approaches at the end of the day complement one another or are they negatively affecting one another?

Mr. KHAN. They complement one other, but it is important to recognize that the financial statements should be reflecting what the underlying records are. And one of the concern is that the current approach may not really reflect what is in the underlying financial system, because if the adjustments are made to the financial statement itself, just the numbers, the bookkeeping of it, then it may not be necessarily reflective of what the underlying records are.

Mr. MFUME. Okay. My time has expired, but I just want to call your attention to the fact that, after I huddle with the Chairman, we probably will be doing this dance again in about six months just to be able to figure out where we are on the continuum and whether or not something new or different should be implemented.

I yield back.

Mr. GILL. Thank you, Mr. Mfume.

And I will now yield 5 minutes to myself to ask you guys a few questions. Thank you all for being here and for taking the time to talk with us. It is always really helpful.

Mr. Khan, I will start with you. Can you explain just in layman's terms what exactly it means when an agency is not able to pass an audit?

Mr. KHAN. That its underlying systems, the internal controls are not functioning as intended and, therefore, the numbers, the information it is producing, it is not reliable. Consequently, the financial statements, which are produced through those numbers, they are going to be unauditable, and the auditor is going to give a disclaimer of opinion.

Mr. GILL. Got it. And, in your opinion, what are the major reasons the Department of War cannot pass an audit?

Mr. KHAN. There are three major buckets which are causing—one of them really goes down to the processing system. If the processes and systems are not operating, then it is going to be very difficult to pull those numbers together to aggregate them to a financial statement. The other one is just pure accounting. To get your hands around accounting, some of this is rather complex to get that done. And then, finally, there is the element of getting enough trained people to pull all this information together so that you can have this done on an annual basis.

Mr. GILL. Is there a role in the fact that the Department of War cannot account for all of its properties? Is that part of this issue as well?

Mr. KHAN. Yes. That is part of the issue, the existing completeness and valuation of the property.

Mr. GILL. Could you help explain that?

Mr. KHAN. Because, I mean, property is part of the DoD's assets. The financial statement required those assets to be reported on the financial statements, and if the assets—the valuation is unknown, then that will be detrimental to what can be reported in financial statements. If your methodology does not ensure that you have a complete count of those assets, then, again, that will be a deficiency in the numbers that are reported in the financial statements.

Mr. GILL. And what do you think Congress could do to help alleviate some of those challenges?

Mr. KHAN. Like I had said earlier on, I think the most meaningful way is to continue to have these oversight hearings so that you can—it sends a message that you all are interested in the results of the financial statement audits. It is very important for the defense of this country. So, I think that sends a very strong message to the people in the Defense Department to make sure that they are taking this seriously, which they are, and they have progressed a lot over the prior several years. And if you continue to have these oversight hearings, it will continue to show positive results.

Mr. GILL. Is there anything we could do outside of showing interest that might expedite this process to the point where we can pass an audit in the near future, in your opinion?

Mr. KHAN. I mean, you can pass legislation to encourage them to go in that direction, and Congress has done that before. So, that is another avenue for the Committee to follow.

Mr. GILL. Okay. Got it. And, in your opinion, what are some of the potential risks posed by giving the Department of War such a large budgetary increase in the wake of their inability to pass an audit?

Mr. KHAN. The lack of internal controls is of concern. I mean, some examples that come before us is, when the COVID funding went out, it went out through conduits which did not have adequate controls. Consequently, we saw the results of that. The money was going to places where it was not intended for. If, like we know, the internal controls of the Department are very weak, if it is flush of money, then it is of concern that the money may not be going to the right places.

Along with that, fraud risk management was added to the high-risk list. Because of weak internal controls, there is a heightened risk that there is going to be—there is a greater likelihood of fraud happening. So that, in conjunction between the lack of internal controls and the heightened risk of fraud risk management, I think is something to be watched carefully and managed when additional money is being given to the Department.

Mr. GILL. Got it. Thank you, Mr. Khan.

And with that, I will yield back the remainder of my time.

And we will move on to the gentleman from Virginia, Mr. Walkinshaw, for 5 minutes.

Mr. WALKINSHAW. Thank you, Mr. Chairman. And thank you all for being here.

Mr. Khan, you referred, and we have had some conversation around the scorecard, which I think is on page 28 of your testimony. And I understand that the Comptroller, the Department, assert that the scorecard reflects legacy processes and not the current priorities. I think I can understand why the Department would not want folks to pay attention to the scorecard because it ain't great. There are eight categories, four branches. It looks like there are increases in the scores from Fiscal Year 2024 to 2025, and one, two, three, four, five scores went up. The other 27 were stagnant or maybe declined, I am not sure.

Some significant ones, NFR closure, so notice of findings and recommendations from OIG: Army, F; Navy, F; Air Force, F; Marine Corps, F. Systems compliance with financial management requirements, that is just whether you are in compliance, if I am understanding correctly, with the existing requirements, statutory, regulatory, policy: Army, F; Navy, F; Air Force, F; Marine Corps, F.

And then when I, in reading your testimony and your discussion of the DoD's revised approach, the lack of sufficiently detailed road maps limits transparency and accountability. The revised approach will result in the preparation and audit of fewer stand-alone financial statements, potentially risk limiting accountability and transparency.

I am trying to understand GAO's concern. Is it that this revised approach will make it less likely that the Department can achieve a clean audit or that perhaps it accelerates accomplishing a clean audit on paper, but there will be transparency and potential improvements and savings to the taxpayers perhaps lost in the process that otherwise could have been achieved?

Mr. KHAN. It is that the opinion may be achieved without having a really robust look at the underlying processes which are important for operational efficiencies to make sure that the Department's financial management is functioning the way it should function, rather than just looking at what the financial statement numbers are. So, that is the major concern, that the internal controls which are put into an environment like the Defense Department, the check and balances, that they will not necessarily be looked at and neglect over the time period.

Mr. WALKINSHAW. Okay. I just want to state for the record I have serious concerns about that. I am not interested in a clean audit for the sake of a clean audit. The point here is to get a clean audit so we know the taxpayers are getting the best value for their money, and I am certainly going to be watching that closely.

Mr. Mansfield, I read your all's report, the Financial Statement Audit Explained report, and I have got to say, I enjoyed it. Given the title, not the kind of report you would typically enjoy, but I think you all did a good job of making it easy to understand and read. But you did outline, as Obstacle No. 2, information technology. And you noted the outdated, redundant, not compliant Federal accounting systems, outdated IT systems, not compliant with the Federal Financial Management Improvement Act of 1996—1996—297 major financial management systems.

And I guess, I am just a little bit concerned that we have not had a lot of conversation, Mr. Harker, Mr. Busby, from you all, on that fundamental challenge, that we have financial management systems that are way out of date, out of compliance. And if we have a—I do not see how you can have a clean audit that is truly a clean audit without addressing that issue. Either of you want to speak to that?

Mr. HARKER. Yes. I agree 100 percent that we need to get rid of a lot of these legacy financial systems, and we are working to do so. Using the AI and automation to help fill in the gaps in data is helping us move forward with identifying what systems can be eliminated and how quickly. But in addition, there are efforts going on.

When I was the CFO of the Navy a while back, we consolidated our general ledger systems. We went from nine general ledger systems down to one. That took about eight years, but it was a systemic elimination of legacy systems, moving all the data into the one general ledger that the Navy operates today.

The Navy is in the process of modernizing that system. In doing so, they are pulling in requirements from other legacy systems so that all of it will be done in that one general ledger system. You will have payments, you will have disbursements, you will have approvement of funds, you will have all of the accounting stuff for payments, receivables, Fund Balance with Treasury reconciliations in one system. At that point, the Navy will no longer need to touch all of those other systems, and that is the only way we are going to be able to eliminate all of them.

So, that effort there is huge, and I encourage you to take a look at what the Navy's doing, because that answers a lot of your questions, sir.

Mr. WALKINSHAW. Thank you, Mr. Chairman. I yield back.

Mr. SESSIONS. [Presiding.] The gentleman yields back his time. Thank you very much.

The gentleman is recognized for 5 minutes. Mr. Jack, it is good to see you.

Mr. JACK. Thank you very much.

Mr. SESSIONS. Thank you for taking the time to be us with today.

Mr. JACK. Thank you very much, Mr. Chairman.

My question to Mr. Harker, I understand that the new audit approach will not focus on addressing material weaknesses or auditor recommendations. As such, what do you expect to be the Department's biggest hurdle to achieve a clean opinion by 2028?

Mr. HARKER. So, every Notice of Finding and Recommendation, every material weakness has multiple conditions, some of which are more important to fix than others. Our goal is to clean the ones that are the biggest barriers to getting that clean opinion and focus all of our efforts on getting the clean opinion.

Mr. JACK. And I understand, correct me if I am wrong, the Marine Corps was the first and only service to achieve a clean, unmodified audit opinion. Is that correct?

Mr. HARKER. Yes, sir, that is correct. They have had three in a row.

Mr. JACK. And could you, given that success, walk us through why the Marines are so well positioned with respect to that initiative and what lessons we can learn and perhaps other branches can learn from their success?

Mr. HARKER. Yes, sir. The key factor for the Marine Corps was the Commandant of the Marine Corps issued a two-page letter directing all the Marines to do what it took to get a clean opinion. Once that was issued, it went from where I was working with the Marines and they were saying, "Yes, this is nice, but it is not important to the Commandant," to, now, "The Commandant says do this." I was CFO of the Navy at the time, the Department of the Navy, so Navy and Marine Corps, and it was amazing how quickly they got in line. They put in the effort to go out, count things, provide the right accounting for them, modernize systems where they could, do substantive test work where they could not.

That model has been moved to where now the Navy is doing that. Their Vice Chief of Naval Operations issued similar guidance to the Navy. They are moving forward. They are going to get a clean opinion on their working capital fund audit this year. And you see the same thing happening in the Air Force, where they are both hoping to get clean opinions in 2027. So, there has been a lot of progress inside the Department based on the lessons learned by the United States Marine Corps.

Mr. JACK. There is a follow-up to my next question, but imagining if the model were scaled across the entire Department of War, do you believe it would remain viable across each branch, and could you walk me through some of the nuances within each branch as it relates to that model?

Mr. HARKER. Yes, sir. Absolutely. I think the guidance from Secretary Hegseth, standing up Joint Task Force Audit, is the—taking the guidance that the Commandant gave and moving it to a higher level. He has dedicated a general officer, plus 20-plus other military personnel, to work alongside the accountants on my staff and the support contractors we get who have technical expertise that we may not have to go out and solve all these problems.

We are deploying those teams out to the Army, the Air Force, the Navy, the defense agencies, to go after the specific problems that are causing us audit challenges. We are including a data analytics corps from the others on my staff on that. We are including folks who have specializations in configuring systems and in looking at how to replace systems, and so it is an effort that is the entire Department.

The task force is reporting their results every two weeks, and that gets out to all the senior leaders. It goes up through the Comptroller, gets to the Secretary, gets to the Chairman, provides the way ahead and identifies the barriers where we need help removing them. If there are things that I cannot resolve, I go to my boss, he engages with all the other four-stars, where they are in uniform or in civilian, you know, political appointees, and we go after that and we knock those barriers down so that we can move forward as quickly as possible to get this clean opinion.

Mr. JACK. And how are you utilizing new technology, new emerging technology to help expedite these audits, make sure they are perfect? Welcome thoughts over the last few years how it has evolved and how it has approached what you do.

Mr. HARKER. Yes, sir. We appreciate the funds that were given to us in the One Big Beautiful Bill Act. It is $350 million: $150- to eliminate legacy systems, $200-toward the advent of AI and automation. We have obligated a significant portion of that. We are putting in place tools using AI that are helping to fill data gaps. We are putting in automation that allows us to use robotic tools inside the computer systems to go pull data that supports the audit testing. And we are using the funding on legacy system decommissionings to go after specific problems that are in current systems, either to make an improvement to that system so it works better or to take that system offline and have other things that can replace it.

Mr. JACK. And to affirm, that funding came through the One Big Beautiful Bill Act?

Mr. HARKER. Yes, sir.

Mr. JACK. And I just—I will close, Mr. Chairman, by just noting, that is just another example, of which there are many, where the One Big Beautiful Bill Act is really helping move the country forward. It is something the American people wanted when they voted for Donald Trump and House Republicans being the majority in 2024. And I think that funding is illustrative of the overall approach to ensure that we spend money more efficiently and, likewise, govern in a way that is befitting of what the American people wanted back in 2024.

So, with that, Mr. Chairman, I applaud you for convening this hearing, and I yield back the balance of my time.

Mr. SESSIONS. The gentleman yields back his time. Thank you very much.

I believe everyone on this side has had an opportunity to engage our witnesses. I apologize for being late. I had another committee where we had work that had to be accomplished.

Thank you for being here today. This has brought about a great deal of information that you have received about the reality of where people perceive we actually are on this issue. I could call it pessimism. I could call it a reminder to you of past performances you are still getting credit for.

I want to turn for just a minute and ask two questions. Mr. Harker, you alluded to and talked about doing away with legacy systems and replacing them, some $350 million that was given under One Big Beautiful Bill, that would allow you to get closer to this effort of complying with the law. Tell me about those. Are they systems that will take five months to fix, ten months to fix, two years to fix? They are going to come online, they are going to help be your saving grace to help you in this year and next year and to comply with the law. Tell me about those—that timeframe and the availability of these new systems to aid that effort.

Mr. HARKER. Yes, sir. So, getting from nine general ledgers to one for the Navy, it took just under eight years and it took a good deal of money, but they are now operating at a savings because they no longer have to support the other eight legacy systems. The Defense Financial Accounting Service, DFAS, has done a similar effort where they have tried to reduce the number of different systems that perform the same function. For example, they will have systems that will be dispersing systems, they will have systems that will do entitlements, that will do payment management, that type of thing.

And so they have systemically been reducing the number of systems by migrating people from one to another and getting all of the work down to, for disbursing, they only have two, one that is unclassified, one that is classified; for payment management, they have got it down to four; for Fund Balance with Treasury reconciliation, they are down to two.

So, this is significant improvements when you consider they had six, seven, eight, nine systems, all of which were written in COBOL or FORTRAN or legacy accounting systems that were highly challenging to maintain because we just do not have folks who code in those languages. I learned FORTRAN when I was a freshman in college many, many years ago, but there are not a lot of people out there learning it today.

So, for us it is a systemic effort. The services are each doing their bit. DFAS is looking at what they can do. The biggest challenge for DFAS right now is getting ahold of their data so that they do not lose the data, getting it into one repository, so they are looking at can they put that data into our Advana system, and then if so, that would expedite their movement toward elimination of legacy systems.

Mr. SESSIONS. Okay. Does that mean history of data or current data?

Mr. HARKER. Both, sir.

Mr. SESSIONS. Both.

Mr. HARKER. There is a history of data that is required. For example, when they pay servicemembers, we need to keep that data so that we can refer back and say, no, servicemember, you are complaining about this; you did get that payment on November 17. But for other—a lot of them it is the current year data so that you will have a way of making sure that you are not going to be missing something or pulling a system away that is going to cause a break in the flow of data across our various systems.

Mr. SESSIONS. All right. I am still wanting to get a little bit closer, tighter on this.

Mr. HARKER. Sir.

Mr. SESSIONS. What brought me to the question was the view that you made about the eight years to go from one system to another and diminishing those systems and refurbishing or bringing the others online. My question is, you are now working with that $350 million. Is that an eight year process, or are you—because you have told us, your testimony before this Subcommittee is you are going to make the clean audit.

Mr. HARKER. Yes, sir.

Mr. SESSIONS. You do not have eight years.

Mr. HARKER. No, sir. We are going to make a clean audit opinion in the system state that we current have, plus the decommissionings that we can accomplish over the course of the next two years. The decommissionings are ongoing. There are systems that were decommissioned last year. There is more that we have planned for this year. That is work that is being done in conjunction between the comptroller organization, the services, and then the CIO organization both at the Department level as well as in the services.

So, there is a defense business council that goes after that, and they had a meeting earlier this week where the newly confirmed CIO, the Deputy Comptroller, and a lot of the leadership were all digging into what is it going to take for us to turn these systems off. The information we gathered by turning off other systems gives us more insight into what it takes to do this so we can accelerate.

As we get to a clean opinion, we are still going to have some legacy systems, but we will have a lot more information that will allow us to focus resources on decommissioning additional systems, which will make the audit cheaper, faster, and add more value to the warfighter because we will be able to give them better data more quickly so they can have informed decisionmakers.

Mr. SESSIONS. Well, I am for it. Yesterday, I had a conversation with all four of you that focused on a viewpoint that I have, may be shared by others, but it is certainly one that I am interested in, and that is that today we have the need in the conflict that we are engaged in to make sure that the Joint Chiefs and decisionmakers as commanders, frontline commanders especially, but also those back at the Pentagon, who need to have confidence in the numbers that they are looking at of systems, of data bases, of actual—not stockpiles, but the things that are actually available to the Joint Chiefs.

I hope that I—we have not done anything in here but, rather, would aid in that ability for you to prioritize those avenues that provide critical mission support so that you could count on them in your work. Do you think that we have asked you to do anything where we are getting in the way of mission-critical objectives by you moving forward to this date of a clean audit?

Mr. HARKER. Yes, sir. Absolutely. I have seen it happen at the Navy when I was CFO there.

Mr. SESSIONS. The question is, do you think we are getting in your way——

Mr. HARKER. Oh.

Mr. SESSIONS [continuing]. Or being a hindrance in you performing the duties of providing the necessary information to the Secretary, to the Joint Chiefs? Are we doing anything by pushing clean audit, clean audit, clean audit, which you have heard here today?

Mr. HARKER. Yes. No, I do not believe you are getting in our way. You are holding us accountable for compliance with the law and compliance with standards.

An audit determines is management doing their job, and for many years we have been making improvements in that, but we are not there yet. We need to do better. We will do better. We will have the opinion by 2028, and that will enable us to provide better information to commanders.

As we have been going through this progress, the push that you have been giving us, the emphasis has helped us to—helped to hold us accountable to improve our data quality. We have seen data quality improvements on the logistics side. We have seen data quality improvements on the accountability for munitions side. The guidance, the feedback we have gotten from the Committee has been outstanding in helping us move forward in making those significant improvements that impact operations.

Mr. SESSIONS. Yes.

Mr. Mansfield, I am not sure if you are aware, but there have been several discussions that have taken place between Department of War and this staff, this Oversight staff, that essentially went along the line of, we have still got things that we would like to move forward in the audit and take to zero or to decommission things or to get them off our books. That seemingly made sense to me. I am not a CPA. But when you have got buildings, circumstances that are more than 100 years old, you may be using it but the value is hugely diminished.

I want you to know that, in the coming weeks, we are going to revisit that issue. And I am interested in you and Mr. Khan being in those discussions. I am not a CPA, but I want to make sure that, when we get down to this, that we are fair to the DoW. I think that they are asking reasonable questions. They are making sure that, when we look at data, they are looking at the same data. But I would want you to know that I think that these are honest questions that they are seeking our opinion on.

Have they sought your opinion on these types of matters?

Mr. MANSFIELD. So, first off, I welcome the opportunity to engage in those conversations. I think that would be a great dialog for us to continue.

Yes, we have had conversations along those lines with the Department. I know that Mr. Harker and others have engaged also with the Federal Accounting Standards Board, the FASB. They are the body that sets standards and expectations for how financial records are maintained. The rule of the OIG is to, you know, ensure that the Department's meeting those expectations. We do not set them, but we are happy to be a part of the conversation.

Mr. SESSIONS. That is great. But you are in that conversation——

Mr. MANSFIELD. Yes.

Mr. SESSIONS [continuing]. And aware of these discussions.

Mr. MANSFIELD. Yes, sir.

Mr. SESSIONS. Mr. Khan, do you believe that you have offered any opinion related to these types of things where they have come back and said, we believe we are doing this, but we believe it might be permissible to gain acceptance, at least from Congress, I am sure from all of us that are involved, about taking these matters to where they would fall off the report or diminish their value?

Mr. KHAN. Right. I mean, these are ongoing conversations. We have had discussions with the Department going back in the 2015, 2016 timeframe regarding sensitive activities and equipment. So, the recent conversation, we are aware of what the Department is looking for, and the right forum for that is to have a discussion with FASB, the Federal Accounting Standards Board. They are a consultative body. They are going to be happy to engage with the Department to understand what their needs are, and they can suggest different ways to structure particular standards. And I think Mr. Harker and the Board is going to be meeting and engaging with them in those conversations.

But to your questions, we will be very happy to engage with you and with whomever to have those conversations so we can offer our perspective as well.

Mr. SESSIONS. Thank you very much.

Mr. Harker, do you believe that this Committee staff needs to be a part of those decisions or do you believe that we would look at a recommendation that would come from this group of people? I am trying to get closer to making sure we are not getting in your way, also, of achieving the things that we need from the timeframe perspectives.

Mr. HARKER. Yes, sir. You are not getting in our way. We have been working with Mr. Khan, Mr. Mansfield, their staffs, on how to integrate our efforts with the advice we get from them, whether it is formal advice via an NFR, material weakness, audit communication, or conversations that we have during our monthly or more frequent meetings.

I would invite you and your staff to come look at what we get set up with the Joint Task Force Audit, start looking at some of those biweekly reports that are going to be going up to the Secretary, the Deputy Secretary. We are in the process of building that out, but by the time we come back in six months or so, we should be able to give you a history of these are the reports, these are the issues that were raised, here is how we removed those barriers. And it will be something that you will be able to assess are we managing this and monitoring it on a regular ongoing basis, and I think that would give you good information, and your interest would also help us with making the changes the Department needs to make.

Mr. SESSIONS. Thank you very much. We will, both Mr. Mfume and I, would choose to do that, and it is always better to be invited. So, thank you for the kind invitation. I do not think we will wait six months. I think we will want to come back and provide feedback reinforcing the work that you are doing.

I want to thank all four of you for being here.

And I would now like to ask if there is a second round of any Member that is interested in that. Mr. Walkinshaw?

Mr. WALKINSHAW. No.

Mr. SESSIONS. Mr. Mfume?

Mr. MFUME. No.

Mr. SESSIONS. Okay. I am engaged in this and found your energy, all four of you yesterday, very important. I think that the perspective—I did not hear different answers. I did not hear differences of opinion. I did not hear someone say they cannot. I heard them say they can. I heard each of you say, if we continue down this path. But the greatest thing I heard was, we are working together. That the leadership at the Department has the desire, and you feel like that following, I guess what we have talked about, the Marine Corps top-to-bottom viewpoint of making this work is something that is happening right now at the Pentagon. So, Mr. Mfume and I would want to come over and make sure we reinforce that.

I do not think any of your colleagues really want to come and go through what you did today, but I think the next time it would offer you a chance perhaps to tell stories of success, perhaps give you opportunities for you to say how the Secretary of the Navy felt like that his decisionmaking was enhanced with date and information, that the Secretary of the Air Force, perhaps the Joint Chiefs, would be able to say they felt more confident in the questions that they asked were backed up with reality, and that is really what the data supported what is available to them.

So, I really want to thank you. But I would say that probably Mr. Mfume would come over as early as June, so we will find out. So, I want to thank you all. I want to allow the distinguished gentleman from Maryland his opportunity to close, but my close is going to be, and we are going to see you in June. So, I want to thank each of you.

Mr. Mfume?

Mr. MFUME. Thank you very much, Mr. Chairman.

My thanks to all of you again. Like I said before, Mr. Mansfield, Mr. Khan, good to see both of you again.

June might be a little premature because Chairman does not have a campaign, I do, and an election on the 23rd of June. So, to the extent that I can do that and be here—or be there with you, I will.

But I want to thank you again for following up. One of the things we have tried to do with this process is to follow up, and follow up, and follow up. And I would hope, then, Mr. Khan, you could juxtapose the report card against some of the information that we get then to help us better understand where we are on this continuum.

That is it for me, Mr. Chairman. I yield back. On behalf of my Members who have been here and participated, we thank you for the opportunity.

Mr. SESSIONS. Mr. Mfume, I apologize for not staying up with the calendar as well as you have, and it would be—perhaps we would entertain a July then. But I prefer not to wait six months. I think that it would be insincere on our part to leave it all to you when we are all trying to get it done together.

So, I want to thank the gentleman.

Mr. Walkinshaw, I want to thank you for taking time, once again, to come and do this.

So, with that, and without objection, all Members have five legislative days within which to submit materials and additional written questions for our witnesses which will be forwarded to the witnesses.

If there is no further business, without objection, the Subcommittee stands adjourned.

[Whereupon, at 4:57 p.m., the Subcommittee was adjourned.]

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