

**Statement of the Honorable Stephen T. Ayers, FAIA, LEED AP
Architect of the Capitol**



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**Statement before the Committee on House Administration
United States House of Representatives**

May 24, 2017

Chairman Harper, Ranking Member Brady, and members of the Committee, I appreciate the opportunity to testify today and to provide an overview of the Architect of the Capitol's (AOC) Office of Inspector General (OIG).

I am pleased to have recently welcomed Christopher P. Failla as the AOC's third statutory Inspector General (IG). As I have done for each of the three statutory IGs we have hired, I led a nationwide search to seek out the best talent available and sought the expert advice and judgment of peer agencies. I am confident that Mr. Failla will be a valuable addition to the AOC and a leading force in our efforts to fulfill our mission to serve Congress and the Supreme Court, preserve America's Capitol and inspire memorable experiences for all who visit the buildings and grounds. Mr. Failla's leadership in several different roles and in high-pressure environments perfectly aligns with my efforts to transform and strengthen the OIG.

Before joining the AOC in 2017, Mr. Failla completed a 26-year naval career and retired as a Navy Captain. During his last assignment, he held three positions at the Department of Defense (DOD) Inspector General's office. He was detailed as the Director for the Technical Assessment Directorate, leading 19 engineers conducting inspections and evaluations on major acquisition defense programs, military facilities and overseeing hotline complaints and congressional inquiries in accordance with Council of Inspectors General on Integrity and Efficiency (CIGIE) guidelines. During his three years as Director, his directorate published 21 CIGIE Inspection and Evaluation reports on high-profile DOD programs such as the Joint Strike Fighter (JSF), F-18 Super Hornet, C-5, military ejection seats, ammunition data cards, the Recovery of Chemical Weapons Program (RCWP) and the Evolved Expendable Launch Vehicle (EELV) produced by ULA and Space X, along with inspecting nearly 30 military facilities around the world for health and safety violations. He also served as the Executive Assistant for the Deputy Inspector General for Policy and Oversight and served as the Senior Military Advisor and Senior Military Officer in the DOD Inspector General's office, leading 38 active duty and reserve officers and one enlisted member from all four services.

Fostering an Innovative and Empowered Workforce

We are honored to be the builder and steward of the iconic landmarks of Capitol Hill, including the U.S. Capitol, U.S. Capitol Grounds, Capitol Visitor Center, House and Senate office buildings, Library of Congress, U.S. Supreme Court and the U.S. Botanic Garden. The AOC requires a high-performing and engaged workforce to continue to deliver and improve upon the services we provide. Transparency and accountability are tenets that require continuous improvement, and I believe that Mr. Failla has the leadership qualities needed to ensure that we continue to meet and exceed our high ethical and moral standards.

The AOC collaborated with Congress and strongly supported the Architect of the Capitol Inspector General Act of 2007 (AOC OIG Act). Prior to this statutory authority, the OIG lacked the efficiency and effectiveness to deter and prevent fraud, waste and abuse in AOC operations and programs. This AOC OIG Act afforded us the opportunity to expand OIG operations, and I have ensured that adequate resources are available to support the IG and his office. The addition of a Deputy IG, a Senior Executive Service level position, has significantly improved the OIG's oversight capabilities. And we encouraged the recruitment of engineering and construction-related technical expertise needed to align with the AOC's specialized operations.

The scope of OIG duties and responsibilities includes all AOC jurisdictions and programs. The OIG is independent in performing its duties to conduct audits, evaluations and reviews of AOC programs and activities. My leadership team fully supports the OIG. When the OIG identifies gaps or weaknesses in internal controls, or makes suggestions to improve AOC operations, we remain committed to moving quickly to address its findings and close out all recommendations in a timely manner. I also encourage Mr. Failla to continue to work cooperatively with Congress' oversight role.

Since the enactment of the AOC OIG Act, the OIG has issued more than 60 reports and 120 investigations. I am proud to report that we have addressed each and every one of the more than 360 recommendations put forth by the OIG within the specified timeframe. I fully support these value-added and independent audits, evaluations, and investigations and believe that they can positively impact the agency's five-year strategic plan and build trust with Congress and the American taxpayer.

The AOC empowers all employees to join in the effort to improve the performance and effectiveness of the agency. We encourage employees to use the OIG hotline, a confidential, toll-free hotline to report potential fraud, waste and abuse. In addition, we recently instituted a "SpeakUp" program, a confidential communication channel for employees to suggest changes and ideas, ask questions, express concerns and contact the AOC OIG.

Collaborating with agencies such as the Government Printing Office and the United States Equal Employment Opportunity Commission, the OIG participates in a peer review process to examine its investigative and audit operations. Most recently, in 2015 the National Credit Union Administration undertook a review of the OIG audit operations. The report positively concluded that the OIG's system of internal controls complies with best practices. We support and encourage the OIG's involvement in this independent process that has resulted in valuable improvements.

Promoting a Culture of Transparency and Accountability

Recognizing the trust placed in us by Congress and the American people, the talented men and women of the AOC – 2,100 strong – proudly work 24 hours a day, seven days a week, 365 days a year to provide Congress and the U.S. Supreme Court with the facilities and infrastructure to conduct their business. The AOC OIG plays a valuable role in support of the core values – integrity, professionalism, teamwork, safety and pride – that drive our daily mission.

In the last two decades, our footprint has increased substantially, and today we operate and care for more than 17.4 million square feet across 36 facilities and 570 acres of grounds. Along with the sheer growth in size, the complexity of operating these facilities has undergone significant change. The number of people that work here has grown, and the number of people that visit has skyrocketed. The Capitol campus is home to thousands of daily occupants and has hosted approximately 4.5 million visitors from throughout the U.S. and around the world in Fiscal Year (FY) 2016.

Funded across 10 separate appropriations accounts within the Legislative Branch Subcommittee, each having specific facility and operational responsibilities, the AOC's annual budget is approximately \$620 million per year. We manage more than \$1 billion in active, concurrent construction projects and execute about 5,000 procurement actions per year, including purchase card and large construction contracts. Over the last five years, we have obligated approximately \$25 million in small business contracts as well.

Many of our projects are high-value and high-risk, making proper oversight essential to their successful execution. The AOC OIG has and continues to play a prominent role in ensuring that we are effective stewards of taxpayer dollars. Currently, we are coordinating with the OIG on several on-going audits and evaluations, as well as on an agency-wide risk assessment that will be used as an aid to future audit planning. By focusing on these types of efforts that increase our ability to mitigate risks, the OIG is able to maximize its effectiveness and advance the agency's goals and objectives. The OIG leads the agency's annual, independent financial audit, which received an unmodified or "clean" opinion on our financial statements for FY 2016. This marks the 12th consecutive year our expert management of federal funds received a clean audit opinion.

The OIG is also coordinating with our project teams to oversee major projects such as the first major restoration of the U.S. Capitol Dome and Rotunda in more than 50 years, the Cannon House Office Building Renewal project, the Rayburn House Office Building garage rehabilitation program and the Cogeneration project at the Capitol Power Plant.

Recently issued reports on the Cannon Renewal project and the Capitol Power Plant's Refrigeration Plant Revitalization project reinforced the AOC's effective management of these important and highly visible projects. The OIG provided recommended process improvements that will enhance our already robust management practices and be adopted and applied across our capital program.

Managing Concurrent Projects

In the AOC's FY 2016 Performance and Accountability Report, the OIG identified the management of concurrent AOC construction projects as a key challenge for the agency. Our leadership understands the importance of the risks associated in managing our portfolio of diverse projects. We will continue our commitment to closing out all management challenges and opportunities and ensure these projects remain on schedule, within budget and free of waste, fraud and abuse.

The AOC's leadership uses the best tools available to incorporate effective planning, risk assessment and mitigation and quality control techniques into our disciplined approach to project management. We constantly monitor the status of key projects and ensure that clear and consistent communication among all parties takes place. In addition to regular updates to Congress, the AOC reports progress on key projects on our website and social media outlets to keep the public informed about what is completed, ongoing and planned.

In FY 2016, the AOC continued to improve our project management process. In particular, planning was improved through the use of better tools that anticipate construction management staffing requirements and estimate the resources needed on major projects earlier in the process. The AOC continued to employ formal project partnering on major restoration projects to ensure open communications between the government and contractor project teams, confirm shared project goal development and utilize timely issue resolution processes to solve problems, and identify effective and innovative solutions. Additional management challenges include: deteriorating condition of buildings and grounds; energy stewardship and sustainability; physical security of facilities; workplace safety and health; and retaining and attracting a skilled and engaged workforce.

Conclusion

The Congress recently tasked the United States Government Accountability Office (GAO) to assess the OIG's oversight of the AOC. Their November 2016 report titled "Improvements to IG Oversight Needed for Architect of the Capitol Operations" determined that the OIG's planning did not include risk assessments or assigned

priorities for conducting audits consistent with standards of the CIGIE. The OIG agreed with the GAO's two recommendations and is moving quickly to address these deficiencies.

I believe the GAO report is another valuable tool that will further our efforts to improve transparency and accountability and reduce costs. The AOC strives to be a world-class organization providing superior service to our clients. We believe that our partnership with the AOC OIG furthers our goal to improve our operations and programs.

The continued support of Congress and this Committee help enable us to carry out our important mission.