

**Statement of Michael Ptasienski, Inspector General  
Office of the Inspector General  
U.S. House of Representatives**

**Before the Committee on House Administration  
April 9, 2019**

Chairperson Lofgren, Ranking Member Davis and Members of the Committee, I am both pleased and honored to appear before you today in my capacity as the Inspector General of the House. I would like to briefly provide a bit of background on our office, the role we perform, and highlight a few items before talking about priorities for 2019 and beyond.

The OIG was established in the U.S. House of Representatives (House) by House Resolution 423 “*House Administrative Reform Resolution of 1992*” during the 103<sup>rd</sup> Congress. Its mission is to conduct periodic audits of the financial and administrative functions of the House and of joint entities. Since the first Inspector General of the House was appointed in November 1993, the OIG has worked closely with the House Officers, and those charged with oversight to improve the operations of the House, reduce inefficiencies, minimize costs, identify and prevent fraud, and mitigate risk. The OIG provides traditional audit services, as well as proactive analysis and guidance for the improvement of House operations through our management advisory services. Due to the importance of information technology and cyber security, the OIG continues to provide robust technology assessment and risk expertise to the House.

Over the past two years, the Office of Inspector General’s (OIG) objective, value-added reviews focused on improving the House’s financial and asset management, administrative processes, workplace safety and security, the security of House data, and the information technology infrastructure. During the 115<sup>th</sup> Congress, the OIG issued 22 reports, which spanned the diverse range of services the OIG offers including financial, performance, and information systems auditing services; and management advisory services.

Financial audits examine the accuracy, effectiveness, and efficiency of House financial operations. A major portion of this effort involves our oversight of an external certified public accounting firm’s annual audit of the House financial statements. For the 20<sup>th</sup> consecutive year, the external auditors expressed an unmodified opinion on the House’s FY2017 financial statements. An unmodified opinion is the best rating given by auditors. It states the House’s financial statements present fairly, in all material respects, the financial position and results of House operations in conformity with generally accepted accounting principles. The external auditor did, however, report a repeat significant deficiency from the previous audit report, relating to the controls over property and equipment. Additionally, a significant deficiency was also reported relating to controls over financial statement presentation and disclosures.

The Office of Inspector General recommends the selection and oversees the contract with the external auditing firm. Every 5 years the House requests proposals from firms and recompetes the award of this contract. While changing auditors can initially be more time

consuming as new auditors become familiar with the operations of the House, there is a benefit to having a “fresh set of eyes” doing this work. For the FY2018 audit we have selected and engaged a new public accounting firm to conduct the external financial statement audit. This audit is currently underway, and we anticipate work concluding in the coming weeks and having the final report ready for publication this summer.

The House will face numerous challenges during the 116<sup>th</sup> Congress and beyond, some of which we know and others we do not. The OIG will continue to do our part to help the House Officers and this Committee identify and manage the risks that arise. We are dedicated to making the House secure, safe, and more effective and efficient. Our independent, data-driven audit and advisory work is critical to both the Officers and this Committee as you work to mitigate significant risks to the House. In doing our work, we also highlight any opportunities we identify that can improve the efficiency and effectiveness of House operations.

At the direction of this Committee, and in collaboration with the House Officers, the OIG has re-vamped the audit planning process. This collaborative, transparent process involves discussions of risk, current and planned initiatives, as well as existing operational challenges. We have these conversations with both the Officers and the key individuals that handle the day-to-day operations. Through our regular meeting with Committee staff, we also discuss the concerns and priorities of those with oversight responsibilities. These planning discussions allow us to gather a more comprehensive view of the House environment and inform our risk assessment process. In totality, this process has helped foster better communication and improved coordination with the House Officers and your staff.

We have submitted and have reviewed our draft 2019 work plan with the Committee staff. This is a focused, risk-based audit plan that centers on critical aspects of the House financial operations, legislative operations, and the security of life and property. I look forward to receiving your approval of that plan, so we can begin work on several important efforts.

For the foreseeable future, it is apparent that cyber security and ensuring the resiliency of House systems and infrastructure will continue to be an area of focus for us and for the House. Technology is ever evolving and will continue to become much more embedded in all aspects of the operations of the House. While technology offers great efficiencies and can dramatically improve the delivery of information and services, it also expands the number of attack vectors for cyber-attacks and creates new risks where simple outages can disrupt key services.

Technology continues to offer great opportunities to reshape how work is accomplished. Being able to quickly and securely deploy these tools is a big challenge. The continued evolution of cloud services and applications offers a potentially limitless number of locations where both personal and House data may reside. Being able to quickly take advantage of new technology while also ensuring that processes are in place to assess and manage the risk and underlying security of these services is critical. It is also an immense challenge for any organization, but the unique nature of IT at the House makes that even more challenging here. To successfully perform our work, we all need to make sure we have the processes, tools, and structure in place to attract and retain the necessary talent to do this type of work. Staff development and acquiring the Human capital with the necessary technology knowledge and skills is a challenge; one which we will have to overcome.

Chairperson Lofgren, I wish to thank you, Ranking Member Davis, and the Members of the Committee for this opportunity to appear before you today. I want to assure you that we will continue to provide our unbiased and independent assessment of risk, provide data-driven analysis, and offer practical recommendations to help mitigate risk and improve the effectiveness and efficiency of House operations. I firmly believe our work is critical in helping protect the House from financial loss, and delays and disruption to House financial and administrative operations. We look forward to continuing our role of providing value-added advice and counsel to this Committee and focusing on issues of strategic importance to the House. At this time, I would be happy to answer any questions you may have.