

Statement of Ranking Member J. Luis Correa (D-CA)

Subcommittee on Oversight and Management Efficiency Hearing

“DHS Financial Systems: Will Modernization Ever Be Achieved”

Tuesday, September 26, 2017

This Subcommittee has held hearings on a range of matters, some of which do not have bipartisan agreement. One area we do have common ground on, however, is the need for the Department of Homeland Security to have modern, effective information technology systems.

In 2013, under the Obama Administration, the Office of Management and Budget instructed each federal agency to move towards a federal shared service provider for financial systems management. This initiative was designed to strengthen access to, and quality of, financial information to support decision-making and improve the Department’s ability to provide timely and accurate financial reporting.

Simply put, DHS should, at any given moment, know how money is being spent across the Department.

In furtherance of OMB’s guidelines, DHS quickly entered into an agreement with the Department of Interior’s shared service provider, Interior Business Center (IBC), becoming the first cabinet-level agency to move to a federal provider for financial management. During a year-long discovery phase, many called into question IBC’s ability to migrate large agencies the size of TSA and Coast Guard, yet the Department and IBC moved forward with an agreement.

Unfortunately, the plan to migrate DNDO, TSA, and Coast Guard to an IBC solution failed due to a number of problems, including insufficient product delivery, incompatible expectations, and unexpected delays. I am troubled to hear that despite such a lengthy discovery period, neither IBC nor DHS predicted this unfortunate result.

It is even more troubling that DHS spent millions of dollars on this modernization effort with nothing to show for it. Financial systems management is critically important to the success of DHS in fulfilling its mission.

According to DHS financial statement auditors, despite receiving clean audits, DHS faces long-term challenges in sustaining a clean audit opinion and providing reliable, timely, and useful financial data to support operational decision-making. These deficiencies contributed to GAO’s decision to designate DHS’ management functions, including financial management, as high risk.

I hope today’s witnesses can shine light onto the errors that occurred with the financial systems modernization effort and the manner in which DHS can move towards achieving a shared service solution for its financial systems.

Too often, DHS has failed to establish effective management and oversight of its IT improvement efforts. It is time for DHS to fix the out-of-date, inefficient IT systems currently in use and address these issues once and for all.