

MICHAEL B. ENZI, WYOMING, CHAIRMAN

CHARLES E. GRASSLEY, IOWA
MIKE CRAPO, IDAHO
LINDSEY O. GRAHAM, SOUTH CAROLINA
PATRICK TOOMEY, PENNSYLVANIA
RON JOHNSON, WISCONSIN
BOB CORKER, TENNESSEE
DAVID A. PERDUE, GEORGIA
CORY GARDNER, COLORADO
JOHN KENNEDY, LOUISIANA
JOHN BOOZMAN, ARKANSAS
TOM COTTON, ARKANSAS

BERNARD SANDERS, VERMONT
PATTY MURRAY, WASHINGTON
RON WYDEN, OREGON
DEBBIE STABENOW, MICHIGAN
SHELDON WHITEHOUSE, RHODE ISLAND
MARK R. WARNER, VIRGINIA
JEFF MERKLEY, OREGON
TIM Kaine, VIRGINIA
ANGUS S. KING Jr., MAINE
CHRIS VAN HOLLEN, MARYLAND
KAMALA D. HARRIS, CALIFORNIA

United States Senate

COMMITTEE ON THE BUDGET

WASHINGTON, DC 20510-6100

TELEPHONE: (202) 224-0642 FAX: (202) 224-4835

ELIZABETH McDONNELL, REPUBLICAN STAFF DIRECTOR
WARREN GUNNELS, MINORITY STAFF DIRECTOR
www.budget.senate.gov

October 9, 2018

The Honorable Gene L. Dodaro
Comptroller General of the United States
U.S. Government Accountability Office
Washington, DC 20548

Dear Comptroller General Dodaro:

We write to request that the Government Accountability Office (GAO) conduct a review of the federal government's efforts to meet the requirements of the Chief Financial Officers (CFO) Act of 1990.

Although there has been progress since the CFO Act's enactment, considerable opportunities for improvement remain.¹ The federal government annually spends billions of dollars on audits of agencies' financial statements, financial management systems, and personnel.² Despite this significant investment, the federal government cannot produce auditable government-wide financial statements.³ This failure is primarily due to problems with the Department of Defense's audit readiness, the Office of Management and Budget's (OMB) and the Department of the Treasury's (Treasury) inability to reconcile intragovernmental transactions, and Treasury's inability to efficiently prepare government-wide financial statements.⁴

As the CFO Act's 30th anniversary approaches, a GAO assessment of the Act's implementation would assist Congress in carrying out its constitutional responsibilities. This review should also examine the roles of the CFOs and CFO Council and identify recommendations for modernizing financial management. Specifically, we would appreciate GAO's answers to the following questions:

- Since the passage of the CFO Act in 1990, how have agencies improved and benefitted from financial management?
- What current challenges are there for the federal government in achieving effective, government-wide financial management, and what steps can the government take to overcome these challenges?

¹ Gov. Accountability Off., U.S. Government's 2017 and 2016 Consolidated Financial Statements, GAO-18-316R, at 27 (2018).

² *Id.* at 27.

³ *Id.*

⁴ *Id.* at 3.

October 9, 2018

Page 2

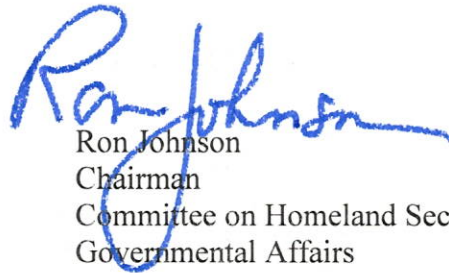
- What CFO Act requirements are still outstanding and why? What are the reasons that OMB has not met the requirements of the CFO Act?
- What best practices, such as electronic-reporting requirements, budget-to-accrual financial reporting, and enhancements to role of the CFO, are relevant as the federal government seeks to modernize its financial management?
- What roles do OMB and Treasury play with respect to government-wide financial management, and is there any overlap?
- How does the CFO Council compare with other councils created after the CFO Act, such as the Chief Information Officer Council, Chief Acquisition Officer Council, and Chief Human Capital Officers Council? Please assess the work of the CFO Council and its effect on government-wide financial systems.
- What are GAO's recommendations for improving government-wide financial management?

Thank you for your attention to this matter. If you have any questions regarding this request, contact Will Morris of the Budget Committee staff at 202-224-3023 or Dan Spino of the Homeland Security and Governmental Affairs Committee staff at 202-224-4751.

Sincerely,



Michael B. Enzi
Chairman
Committee on the Budget



Ron Johnson
Chairman
Committee on Homeland Security and
Governmental Affairs



Kamala D. Harris
United States Senator



Mark R. Warner
United States Senator

cc: The Honorable Bernard Sanders
The Honorable Claire McCaskill