STATEMENT OF SENATOR SCOTT BROWN, RANKING MEMBER

SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT, GOVERNMENT INFORMATION, FEDERAL SERVICES AND INTERNATIONAL SECURITY

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

"Improving Financial Accountability at the Department of Defense"

September 15, 2011

Senator Carper, thank you for holding this hearing today.

For some time now, this Subcommittee has tracked the efforts of the Department of Defense to improve its bookkeeping, reach a point where it can produce auditable financial statements, and finally be in compliance with statutory requirements it has failed to meet for twenty years.

But for decades, DoD has suffered from significant financial system weaknesses, problems with fundamental recordkeeping, incomplete documentation and weak internal controls. Efforts to fix these problems, such as modernizing key business systems, have themselves been plagued by mismanagement -- going years over schedule and billions over budget.

As Mr. Khan from GAO will point out today, the challenges that DoD faces to meet the current deadline of 2017 are numerous and pervasive. There are some encouraging signs, however, that show the persistence of this subcommittee and others is paying off and senior leadership at DoD – including our witnesses today -- are giving this the priority it deserves.

I am pleased with recent statements from Secretary Panetta, sharing our concern that it is "unacceptable" that the Department cannot produce an auditable financial statement and is pushing for swifter progress on this front.

As the nominee for Deputy Secretary, Dr. Carter has also assured me personally that he fully understands this priority. This kind of senior leadership buy-in will be essential to make the kind of progress required to meet current milestones and get the department where it needs to be in the next six years.

Yet, as you are well aware, Mr. Chairman, promises have been made before, deadlines have been set, and "new and improved" plans have been presented. Yet time and again, deadlines are pushed, plans are scraped, and we are left with limited success to show for the effort.

There is no doubt that the complexity, size, and institutional resistance that must be overcome with these efforts pose unique challenges. I applaud the dedication and service of our witnesses. However, consistent, tangible results must be shown to provide Congress with confidence that 2017 is indeed a reality.

In this budget environment, when significant cuts are being considered across the federal government, improving financial management is no longer simply good practice, but critical to managing diminished resources in the future. The overall objective here is not the audit of DoD in and of itself, but to have better information to make quality business decisions across the Department on a daily basis.

The ultimate goal is to ensure our military has the resources it needs to achieve its mission and support the warfighter and their families -- and do so in a way that is transparent and accountable to the taxpayer.

I thank the witnesses for their attendance today and look forward to their testimony.

Thank you Mr. Chairman.