

112TH CONGRESS
1ST SESSION

S. 1998

To obtain an unqualified audit opinion, and improve financial accountability and management at the Department of Homeland Security.

IN THE SENATE OF THE UNITED STATES

DECEMBER 15, 2011

Mr. BROWN of Massachusetts (for himself, Mr. CARPER, and Mr. JOHNSON of Wisconsin) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To obtain an unqualified audit opinion, and improve financial accountability and management at the Department of Homeland Security.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Department of Home-
5 land Security Improved Financial Accountability Act of
6 2011”.

7 **SEC. 2. IMPROVING FINANCIAL ACCOUNTABILITY AND**
8 **MANAGEMENT.**

9 (a) **DEFINITIONS.**—In this section—

1 (1) the term “Department” means the Depart-
2 ment of Homeland Security;

3 (2) the terms “qualified opinion” and “unquali-
4 fied opinion” mean a qualified opinion and an un-
5 qualified opinion, respectively, within the meanings
6 given those terms under generally accepted govern-
7 ment auditing standards; and

8 (3) the term “Secretary” means the Secretary
9 of Homeland Security.

10 (b) REACHING AN UNQUALIFIED AUDIT OPINION.—

11 In order to ensure compliance with the Department of
12 Homeland Security Financial Accountability Act (Public
13 Law 108–330; 118 Stat. 1275) and the amendments made
14 by that Act, the Secretary shall—

15 (1) take the necessary steps to ensure that the
16 balance sheet of the Department and associated
17 statement of custodial activity for the fiscal years
18 ending September 30, 2012 and September 30, 2013
19 are ready in a timely manner and in preparation for
20 an audit as part of preparing the performance and
21 accountability reports required under section 3516(f)
22 of title 31, United States Code, including submitting
23 the reports not later than November 15, 2012 and
24 November 15, 2013, respectively, in order to obtain
25 a qualified or unqualified opinion;

1 (2) take the necessary steps to ensure that the
2 full set of consolidated financial statements of the
3 Department for the fiscal years ending September
4 30, 2014 and September 30, 2015 are ready in a
5 timely manner and in preparation for an audit as
6 part of preparing the performance and account-
7 ability reports required under section 3516(f) of title
8 31, United States Code, including submitting the re-
9 ports not later than November 15, 2014 and Novem-
10 ber 15, 2015, respectively, in order to obtain a quali-
11 fied or unqualified opinion; and

12 (3) take the necessary steps to ensure that the
13 full set of consolidated financial statements of the
14 Department for the fiscal year ending September 30,
15 2016, and each fiscal year thereafter, are ready in
16 a timely manner and in preparation for an audit as
17 part of preparing the performance and account-
18 ability reports required under section 3516(f) of title
19 31, United States Code, including submitting the re-
20 ports not later than November 15, 2016, and each
21 year thereafter, in order to obtain an unqualified
22 opinion.

23 (c) REPORT TO CONGRESS ON PROGRESS OF MEET-
24 ING AUDIT REQUIREMENTS.—Not later than 270 days
25 after the date of enactment of this Act, and annually

1 thereafter until an unqualified opinion is submitted under
2 paragraph (2) or (3) of subsection (b), and in order to
3 ensure progress in implementing the Department of
4 Homeland Security Financial Accountability Act (Public
5 Law 108–330; 118 Stat. 1275) and the amendments made
6 by that Act, the Chief Financial Officer of the Department
7 shall submit to Congress a report on the plans to obtain
8 an unqualified opinion, which shall discuss plans and re-
9 sources needed to meet the deadlines under subsection (b).

10 (d) REPORT TO CONGRESS ON PLANS TO MOD-
11ERNIZE FINANCIAL SYSTEMS.—

12 (1) IN GENERAL.—Not later than 270 days
13 after the date of enactment of this Act, and in order
14 to improve financial management at the Depart-
15 ment, the Chief Financial Officer of the Department
16 shall submit to Congress and the Comptroller Gen-
17 eral of the United States a report on the plans of
18 the Department and resources needed to modernize
19 the financial systems of the Department.

20 (2) CONTENTS.—The report submitted under
21 paragraph (1) shall discuss—

22 (A) the challenges of and opportunities for
23 using existing financial systems of the Depart-
24 ment, including an assessment of the feasibility
25 and cost of using an existing financial system;

1 (B) the challenges and opportunities of im-
2 plementing a new financial system and associ-
3 ated financial controls; and

4 (C) the lessons learned from the prior at-
5 tempts of the Department to develop a financial
6 system that will be considered in implementing
7 a new financial system.

8 (3) REVIEW.—Not later than 180 days after
9 the date on which the Chief Financial Officer of the
10 Department submits the report under paragraph
11 (1), the Comptroller General of the United States
12 shall review the report and submit to Congress a re-
13 port that provides—

14 (A) an assessment of the status of the fi-
15 nancial system modernization by the Depart-
16 ment;

17 (B) an evaluation of the report;

18 (C) an assessment of the plans to mod-
19 ernize, and developments at the Department re-
20 lating to, the financial system of the Depart-
21 ment; and

22 (D) any recommendations for improving
23 the plans for a new financial system at the De-
24 partment.

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