

119TH CONGRESS
1ST SESSION

H. R. 1558

To modify the governmentwide financial management plan, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 2025

Mr. CONNOLLY (for himself, Ms. NORTON, Mr. LYNCH, Mr. KRISHNAMOORTHY, Mr. KHANNA, Mr. MFUME, Ms. BROWN, Ms. STANSBURY, Mr. GARCIA of California, Mr. FROST, Ms. LEE of Pennsylvania, Ms. CROCKETT, Ms. RANDALL, Mr. SUBRAMANYAM, Ms. ANSARI, Mr. BELL, Ms. SIMON, Mr. MIN, and Ms. TLAIB) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

A BILL

To modify the governmentwide financial management plan,
and for other purposes.

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 “Taxpayer Funds Over-
5 sight and Accountability Act”.

1 **SEC. 2. CHIEF FINANCIAL OFFICERS; GOVERNMENTWIDE**
2 **FINANCIAL MANAGEMENT PLAN.**

3 (a) CHIEF FINANCIAL OFFICER AND DEPUTY CHIEF
4 FINANCIAL OFFICER.—Chapter 9 of title 31, United
5 States Code, is amended—

6 (1) in section 902(a)—

7 (A) in the matter preceding paragraph (1),
8 by striking “An” and inserting “It shall be the
9 duty and responsibility of each agency Chief Fi-
10 nancial Officer to oversee and provide leader-
11 ship in the areas of budget formulation and
12 execution, planning and performance, risk man-
13 agement, internal controls, financial systems,
14 accounting, and other areas as the Director of
15 the Office of Management and Budget may des-
16 ignate. In carrying out the preceding sentence,
17 each”;

18 (B) in paragraph (3)—

19 (i) in subparagraph (C), by inserting
20 “areas and” before “systems”; and

21 (ii) in subparagraph (D)—

22 (I) in clause (iii), by striking
23 “and” at the end;

24 (II) in clause (iv), by striking
25 “performance;” and inserting “per-

1 formance and integration of perform-
2 ance and cost information; and”; and

3 (III) by adding at the end the
4 following:

5 “(v) annual agency financial state-
6 ments prepared in accordance with United
7 States generally accepted accounting prin-
8 ciples;”;

9 (C) by redesignating paragraphs (5), (6),
10 (7), and (8) as paragraphs (7), (8), (9), and
11 (11) respectively;

12 (D) by inserting after paragraph (4) the
13 following:

14 “(5) oversee and provide leadership over the de-
15 sign, implementation, and operation of the internal
16 controls of the agency over financial reporting and
17 key financial management information identified
18 under section 3512(e)(1);

19 “(6) prepare, in consultation with financial
20 management and other appropriate experts, an
21 agency plan to implement the 4-year financial man-
22 agement plan prepared by the Director of the Office
23 of Management and Budget under section
24 3512(a)(2) of this title and to achieve and sustain

1 effective financial management in the agency, which
2 shall—

3 “(A) be completed within 90 days after the
4 issuance of a governmentwide plan under such
5 section 3512(a)(2);

6 “(B) be revised as determined necessary by
7 the Chief Financial Officer;

8 “(C) include performance-based financial
9 management metrics against which the financial
10 management performance of the agency shall be
11 assessed; and

12 “(D) be submitted upon completion or re-
13 vision to the head of the agency, the Director
14 of the Office of Management and Budget, the
15 Comptroller General, and appropriate commit-
16 tees of Congress, and be made publicly avail-
17 able;”;

18 (E) in paragraph (7), as so redesignated—

19 (i) by striking subparagraph (A);

20 (ii) by redesignating subparagraphs
21 (B) through (E) as subparagraphs (A)
22 through (D), respectively; and

23 (iii) in subparagraph (C), as so redes-
24 ignated, by adding “and” at the end;

25 (F) in paragraph (8), as so redesignated—

1 (i) in the matter preceding subpara-
2 graph (A), by striking “and the Director of
3 the Office of Management and Budget,”
4 and inserting “, the Director of the Office
5 of Management and Budget, the Comp-
6 troller General, and appropriate commit-
7 tees of Congress, which shall be made pub-
8 licly available and”;

9 (ii) in subparagraph (A), by striking
10 “agency;” and inserting “agency, includ-
11 ing—

12 “(i) the progress of the agency in im-
13 plementing the agency plan described in
14 paragraph (5);

15 “(ii) the progress of the agency in im-
16 plementing the governmentwide 4-year fi-
17 nancial management plan prepared by the
18 Director of the Office of Management and
19 Budget under section 3512(a)(2) of this
20 title; and

21 “(iii) the performance of the agency
22 against financial management metrics es-
23 tablished by the Director of the Office of
24 Management and Budget;”; and

25 (iii) in subparagraph (D)—

1 (I) by striking “of the reports”
2 and inserting “of—
3 “(i) the reports”;

4 (II) in clause (i), as so des-
5 ignated, by striking “the amendments
6 made by the Federal Managers’ Fi-
7 nancial Integrity Act of 1982 (Public
8 law 97–255); and” and inserting “sec-
9 tion 3512(d) of this title;”; and

10 (III) by adding at the end the
11 following:

12 “(ii) agency spending data published
13 under the Federal Funding Accountability
14 and Transparency Act of 2006 (31 U.S.C.
15 6101 note); and

16 “(iii) the reporting of the agency
17 under the Federal Financial Management
18 Improvement Act of 1996 (31 U.S.C. 3512
19 note); and”;

20 (G) in paragraph (9), as so redesignated—

21 (i) by striking “monitor the” and in-
22 sert “manage the formulation and”; and

23 (ii) by striking “, and prepare and
24 submit to the head of the agency timely

1 performance reports; and” and inserting a
2 semicolon;

3 (H) by inserting after paragraph (9), as so
4 redesignated, the following:

5 “(10) be responsible for linking performance
6 and cost information, including the preparation and
7 submission to the head of the agency of timely per-
8 formance reports that incorporate cost informa-
9 tion;”;

10 (I) in paragraph (11), as so redesign-
11 nated—

12 (i) by inserting “inflation and” before
13 “costs”; and

14 (ii) by striking the period at the end
15 and inserting “; and”; and

16 (J) by adding at the end the following:

17 “(12) coordinate with senior agency personnel,
18 including the Chief Data Officer, Chief Information
19 Officer, Chief Performance Officer, Chief Acquisition
20 Officer, Chief Risk Officer, and Chief Evaluation Of-
21 ficer of the agency on—

22 “(A) the exercise of authorities under this
23 subsection; and

1 “(B) the strategic planning, performance
2 measurement and reporting, and risk manage-
3 ment functions of the agency.”; and
4 (2) in section 903—

5 (A) in subsection (a), by inserting “and
6 who shall assist the agency Chief Financial Of-
7 ficer in the performance of each of the duties
8 of the agency Chief Financial Officer under this
9 chapter” after “matters”; and

10 (B) by adding at the end the following:

11 “(c) Notwithstanding subchapter III of chapter 33 of
12 title 5, in the event of a vacancy in the position of Chief
13 Financial Officer of an agency, the Deputy Chief Finan-
14 cial Officer of the agency shall serve as the acting Chief
15 Financial Officer.”.

16 (b) GOVERNMENTWIDE FINANCIAL MANAGEMENT
17 PLAN.—Section 3512 of title 31, United States Code, is
18 amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1), by striking “a finan-
21 cial management status report and a govern-
22 mentwide 5-year financial management plan”
23 and inserting “a governmentwide 4-year finan-
24 cial management plan and a financial manage-
25 ment status report”;

1 (B) by striking paragraph (2);

2 (C) by redesignating paragraph (3) as
3 paragraph (2);

4 (D) in paragraph (2), as so redesignated—
5 (i) in subparagraph (A)—

6 (I) by striking “5-year” and in-
7 serting “4-year”;

8 (II) by striking “shall describe”
9 and inserting the following: “shall—
10 “(i) describe”;

11 (III) in clause (i), as so des-
12 ignated, by striking “5 fiscal years to
13 improve the financial management of
14 the Federal Government.” and insert-
15 ing “4 fiscal years to improve the fi-
16 nancial management of the Federal
17 Government in a manner that is stra-
18 tegic, comprehensive, and cost-effec-
19 tive; and”;

20 (IV) by adding at the end the fol-
21 lowing:

22 “(ii) be developed in consultation with the
23 Chief Financial Officers Council, the Chief In-
24 formation Officers Council, the Chief Data Offi-
25 cer Council, the Chief Acquisition Officers

1 Council, the Council of the Inspectors General
2 on Integrity and Efficiency, the Government
3 Accountability Office, and, as appropriate, other
4 councils and financial management experts.”;
5 and

6 (ii) in subparagraph (B)—

7 (I) in the matter preceding clause

8 (i), by striking “5-year” and inserting
9 “4-year”;

10 (II) in clause (iii)—

11 (aa) by striking “for devel-
12 oping” and inserting “for im-
13 proving financial management
14 systems, including—

15 “(I) developing”; and

16 (bb) by adding at the end
17 the following:

18 “(II) linking performance and cost infor-
19 mation to facilitate effective and efficient deci-
20 sion making;

21 “(III) eliminating duplicative and unneces-
22 sary systems and activities; and

23 “(IV) identifying opportunities for agencies
24 to share systems and services and encouraging
25 agencies to do so where practicable;”;

1 (III) by striking clause (iv);

2 (IV) by redesignating clause (v)

3 as clause (iv);

4 (V) by inserting after clause (iv),

5 as so redesignated, the following:

6 “(v) provide a strategy for reporting perform-

7 ance and cost information;”;

8 (VI) in clause (vi), by striking

9 “5-year” and inserting “4-year”;

10 (VII) in clause (vii), by striking

11 “identify” and inserting “provide a

12 strategy for strengthening the Federal

13 financial management workforce, in-

14 cluding identification of”;

15 (VIII) in clause (viii), by striking

16 “and” at the end;

17 (IX) by redesignating clause (ix)

18 as clause (x);

19 (X) by inserting after clause

20 (viii) the following:

21 “(ix) include comprehensive financial manage-

22 ment performance-based metrics against which the

23 financial management performance of executive

24 agencies can be assessed; and”; and

1 (XI) in clause (x), as so redesign-
2 nated, by striking “5-year” and in-
3 serting “4-year”;

4 (E) by inserting after paragraph (2) the
5 following:

6 “(3) A financial management status report under this
7 subsection shall include—

8 “(A) a description and analysis of the status of
9 financial management in the executive branch, in-
10 cluding the progress made towards implementing the
11 governmentwide 4-year financial management plan,
12 the status of remaining challenges, and, as necessary
13 based on obligations or expenditures, any update or
14 revision to the cost estimates included in the most
15 recent governmentwide 4-year financial management
16 plan;

17 “(B) a summary of the performance of agencies
18 against the metrics developed and identified by the
19 Director of the Office of Management and Budget in
20 the governmentwide 4-year financial management
21 plan;

22 “(C) a summary of the most recently completed
23 financial statements—

24 “(i) of Federal agencies under section
25 3515 of this title; and

1 “(ii) of Government corporations;

2 “(D) a summary of the most recently completed
3 financial statement audits and reports—

4 “(i) of Federal agencies under subsections
5 (e) and (f) of section 3521 of this title; and

6 “(ii) of Government corporations;

7 “(E) a summary of reports on internal account-
8 ing and administrative control systems submitted to
9 the President and Congress under subsection (d);

10 “(F) a listing of agencies whose financial man-
11 agement systems do not comply substantially with
12 the requirements of section 803(a) of the Federal
13 Financial Management Improvement Act of 1996
14 (31 U.S.C. 3512 note), and a summary statement of
15 the efforts underway to remedy the noncompliance;
16 and

17 “(G) any other information the Director con-
18 siders appropriate to fully inform Congress regard-
19 ing the financial management of the Federal Gov-
20 ernment.”;

21 (F) in paragraph (4)—

22 (i) in subparagraph (A)—

23 (I) by striking “15 months after
24 the date of the enactment of this sub-
25 section” and inserting “6 months

1 after the date of the enactment of the
2 Taxpayer Funds Oversight and Ac-
3 countability Act”; and

4 (II) by striking “5-year” and in-
5 serting “4-year”;

6 (ii) in subparagraph (B)—

7 (I) in clause (i)—

8 (aa) by striking “Not later
9 than January 31 of each year
10 thereafter” and inserting “At a
11 minimum, concurrently with the
12 submission of the budget of the
13 United States Government under
14 section 1105(a) of this title made
15 in the first full fiscal year fol-
16 lowing any year in which the
17 term of the President commences
18 under section 101 of title 3”;

19 (bb) by striking “financial
20 management status report and a
21 revised governmentwide 5-year”
22 and inserting “governmentwide
23 4-year”; and

24 (cc) by striking “5 fiscal
25 years” and all that follows

1 through the period at the end
2 and inserting “4 fiscal years.”;
3 and

4 (II) in clause (ii)—

5 (aa) by striking “revised
6 governmentwide 5-year” and in-
7 serting “governmentwide 4-year”;
8 and

9 (bb) by striking “paragraph
10 (3)(B)(viii)” and inserting “para-
11 graph (2)(B)(viii)”;

12 (iii) by adding at the end the fol-
13 lowing:

14 “(C) Each year, concurrently with the submission of
15 the budget of the United States Government under section
16 1105(a) of this title, the Director of the Office of Manage-
17 ment and Budget shall submit to the appropriate commit-
18 tees of Congress and the Comptroller General a financial
19 management status report.”; and

20 (G) by striking paragraph (5);

21 (2) in subsection (d)(2)—

22 (A) in subparagraph (A), by striking
23 “and” at the end;

24 (B) in subparagraph (B), by striking the
25 period at the end and inserting “; and”; and

1 (C) by adding at the end the following:

2 “(C) a separate report on the results of the as-
3 sessment and conclusion required under subsection
4 (e)(2).”;

5 (3) by redesignating subsections (e), (f), and
6 (g) as subsections (f), (g), and (h), respectively; and

7 (4) by inserting after subsection (d) the fol-
8 lowing:

9 “(e) The head of each executive agency shall—

10 “(1) in establishing the internal accounting and
11 administrative controls under subsection (c), identify
12 the key financial management information needed
13 for effective financial management and decision
14 making, which shall include—

15 “(A) the agency spending data required to
16 be published under the Federal Funding Ac-
17 countability and Transparency Act of 2006 (31
18 U.S.C. 6101 note); and

19 “(B) the information used by the agency to
20 report on improper payments under section
21 3352 of this title; and

22 “(2) annually assess and make a conclusion on
23 the effectiveness of the internal controls of the exec-
24 utive agency over financial reporting and key finan-

1 cial management information identified under para-
2 graph (1).”.

3 (c) AUDITS BY AGENCIES.—Section 3521 of title 31,
4 United States Code, is amended—

5 (1) in subsection (e)—

6 (A) by striking paragraphs (1) and (2);

7 (B) by striking “(e) Each financial” and
8 inserting “(e)(1) Each financial”;

9 (C) in paragraph (1), as so designated, by
10 striking “standards—” and inserting “stand-
11 ards.”; and

12 (D) by inserting after paragraph (1), as so
13 designated, the following:

14 “(2) As part of each audit under this subsection, the
15 auditor shall—

16 “(A) evaluate the design of the internal control
17 of the agency over financial management reporting
18 and key financial information, as assessed and re-
19 ported on by the head of the agency under section
20 3512(d)(2)(C) of this title;

21 “(B) determine whether those controls have
22 been implemented;

23 “(C) for controls that are properly designed and
24 implemented, perform sufficient tests of those con-
25 trols to conclude whether the controls are operating

1 effectively, including sufficient tests to support a low
2 level of assessed control risk; and

3 “(D) communicate controls that the auditor
4 concludes are not suitably designed and implemented
5 or are not operating effectively, as appropriate under
6 applicable generally accepted government auditing
7 standards.

8 “(3) Audits under this subsection shall be con-
9 ducted—

10 “(A) in the case of an agency having an Inspec-
11 tor General appointed under the Inspector General
12 Act of 1978 (5 U.S.C. App.), by the Inspector Gen-
13 eral or by an independent external auditor, as deter-
14 mined by the Inspector General of the agency; and

15 “(B) in any other case, by an independent ex-
16 ternal auditor, as determined by the head of the
17 agency.”; and

18 (2) in subsection (h), by striking “section
19 3512(a)(3)(B)(viii)” and inserting “section
20 3512(a)(2)(B)(viii)”.

21 (d) TECHNICAL AND CONFORMING AMENDMENT.—
22 Section 3348(e) of title 5, United States Code, is amend-
23 ed—

24 (1) in paragraph (3), by adding “or” at the
25 end;

- 1 (2) by striking paragraph (4); and
- 2 (3) by redesignating paragraph (5) as para-
- 3 graph (4).

○