

# Congress of the United States

## House of Representatives

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### **Ranking Member Kweisi Mfume Subcommittee on Government Operations “Tracking Progress: Updates to DoD’s Financial Management Scorecard” April 29, 2025**

Thank you, Chairman Sessions, and thank you to all of our witnesses for being here today. Mr. Khan and Mr. Mansfield, it is good to see you both again.

Last September, we held the 2nd hearing to address financial accountability in the Department of Defense (DOD). We are back today to continue that conversation, in light of the Department of Defense’s continued inability to pass a department wide audit. This is not new for the DOD, and I share the Chairman’s commitment to holding them accountable.

**For years, the Department of Defense has tried but failed to successfully complete a clean department-wide audit. A clean audit is not judging the merits of DOD’s spending – it’s just asking *what* the spending is. DOD has failed to meet even this basic standard to provide proper evidence to show they accurately accounted for their finances.**

There have been seven – if you’re listening at home, you heard that right, seven – failed audit attempts since the Department’s first failed audit that took place in fiscal year 2018.

While the Department of Defense still has not produced a clean audit, there was significant progress made under the previous Administration.

**That progress was spurred by Secretary Lloyd Austin’s focus on modernizing financial systems, which helped lead to the U.S. Marine Corps adopting a two-year audit approach and achieving a clean audit opinion in fiscal year 2023 and fiscal year 2024. This progress is critically important, and we must determine how to get the other components at DOD up to that standard.**

Chairman Sessions and I are dedicated to ensuring accountability for the hundreds of billions of dollars in spending and the \$4.1 trillion in total assets that make up our Defense budget. In fiscal year 2024, U.S. taxpayers entrusted \$909.7 billion dollars to the Department of Defense, one of the largest investments in our nation’s history.

**While we continue to provide the DOD with escalating sums of money, only 11 out of the 24 DOD components are able to achieve a clean audit. The 13 components that failed, including the Army, Navy, and Air Force—comprise 90% of the DOD’s assets by dollar amount.**

Standing in the way of a clean audit is the wide prevalence of “material weaknesses,” which is the accounting term for the areas in which the Department of Defense lacks internal controls over financial reporting.

Year after year, these material weaknesses cause the Department of Defense to be the only major federal agency unable to receive a clean audit opinion. This, along with other longstanding issues, serves as a reminder of DOD’s history of pervasive deficiencies in financial management systems, business processes, internal controls, and financial reporting.

**Under these conditions, it makes the administration’s goal of raising the Pentagon’s budget to \$1 trillion a year particularly puzzling. Until the Department can restore full faith and accountability for these critical dollars, I cannot justify increasing their budget even further, especially in light of the pressing need for funds in so many other areas of our overall spending.**

**It is even harder for me to justify any increases to the Pentagon’s budget in the midst of its current leadership crisis. During our last hearing on this topic, our witnesses discussed the importance of leadership from the top down in creating a culture within the DOD where accountability matters. Right now, we are seeing a distinct lack of leadership, especially in the realm of accountability.**

While the DOD struggles with the audit process and concerning leadership, the importance of its work cannot be overstated. The DOD is our largest federal agency, employing more than 3.4 million Americans overall, including 1.3 million active-duty service members.

In their effort to keep our nation safe, we must ensure our service members have the most sophisticated, modernized technology and systems to eliminate financial errors, streamline data entry, and obtain the most effective national security possible for the dollars we invest.

**Congress cannot allow another failed audit to go by without pushing for reforms to address this issue. And these reforms cannot mirror the chaotic recklessness of DOGE or Secretary Hegseth – they must be intentional, thoughtful, and built to last.**

I would like to thank all those who have worked on this important matter since our last hearing and continue to implore everyone involved to do their utmost to provide real transparency into where our military spending really goes.

Thank you, Chairman. I yield back.

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