



COMMITTEE ON  
**OVERSIGHT AND  
GOVERNMENT REFORM**  
DEMOCRATS  
*Ranking Member Gerald E. Connolly*

## **Taxpayer Funds Oversight and Accountability Act**

Good management decisions are grounded in good data. The *Taxpayer Funds Oversight and Accountability Act* creates a modernized framework to empower managers at federal agencies with more accurate, accountable tracking of federal funds to ensure that reliable data on agency financials and performance is always at their fingertips for improved efficiency and effectiveness.

This bill makes long-overdue updates to the Chief Financial Officers (CFO) Act of 1990, which aimed to provide agency decision makers with financial and performance data that is complete, reliable, timely, and consistent. Since the law was passed 35 years ago, the nonpartisan Government Accountability Office (GAO) has identified key recommendations for improvement. This bill would enact many such recommendations to improve oversight and accountability of Americans' hard-earned tax dollars and ensure they are put to work responsibly and strategically.

The Taxpayer Funds Oversight and Accountability Act would:

- **Refocus federal agencies on stronger internal financial management controls and linking agency performance and cost data.** Since fiscal year 2018, OMB no longer requires agencies to have in place a rigorous process for assessing internal control over financial reporting. The bill requires OMB to develop performance-based metrics to determine the status and progress agencies are making towards achieving cost-effective and efficient operations. It also requires agencies to: (1) identify and improve key financial management information needed for effective financial management and decision making, including information needed to report improper payments; (2) integrate performance and cost information, including preparing timely cost and performance reports; and (3) assess the effectiveness of internal control over financial reporting and other key financial management information on an annual basis.
- **Strengthen governmentwide financial management planning.** A complete and integrated governmentwide plan, along with supporting agency plans, helps to ensure continuity in direction across government and to gauge progress in addressing financial management challenges like improper payments. Current law requires the Office of Management and Budget (OMB) to issue a five-year financial management plan annually, but OMB has not released such a plan since 2009. The bill requires the plan to 1) switch cadence to every 4 years with annual status reports; 2) focus on linking performance and cost information; 3) prioritize elimination of duplicative and unnecessary systems and activities; 4) include a strategy for strengthening the federal financial management workforce; and 5) include comprehensive performance-based metrics for assessing agency financial management performance.
- **Clarify agency CFO responsibility—and accountability—for strengthening financial management generally.** Currently, CFO responsibilities vary across agencies. To enhance strategic decision-making and risk management governmentwide, the bill ensures agency CFOs have all the responsibilities necessary to successfully carry out financial management activities. It also requires CFOs to prepare agency plans for implementing OMB's 4-year governmentwide financial management plan and to submit those plans to GAO and Congress.