

Calendar No. 708

118TH CONGRESS
2D SESSION**S. 4700****[Report No. 118-302]**

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

 IN THE SENATE OF THE UNITED STATES

JULY 11 (legislative day, JULY 10), 2024

Mr. LANKFORD (for himself and Ms. HASSAN) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

DECEMBER 17 (legislative day, DECEMBER 16), 2024

Reported by Mr. PETERS, with an amendment

[Strike out all after the enacting clause and insert the part printed in italic]

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 “Improving Federal Fi-
5 nancial Management 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”;

3 (HH) 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 paragraph (8) as
10 paragraph (10);

11 (D) by redesignating paragraphs (5)
12 through (7) as paragraphs (6) through (8), re-
13 spectively;

14 (E) by inserting after paragraph (4) the
15 following:

16 “(5) prepare, in consultation with financial manage-
17 ment and other appropriate experts, an agency plan to im-
18 plement the 4-year financial management plan prepared
19 by the Director of the Office of Management and Budget
20 under section 3512(a)(2) of this title and to achieve and
21 sustain effective financial management in the agency;
22 which shall—

23 “(A) be completed within 90 days of the
24 issuance of a governmentwide plan under section
25 3512(a)(2) of this title;

1 ~~“(B) be revised as determined necessary by the~~
2 ~~Chief Financial Officer;~~

3 ~~“(C) include performance-based financial man-~~
4 ~~agement metrics against which the financial man-~~
5 ~~agement performance of the agency shall be as-~~
6 ~~sessed; and~~

7 ~~“(D) be submitted upon completion or revision~~
8 ~~to the head of the agency, the Director of the Office~~
9 ~~of Management and Budget, the Comptroller Gen-~~
10 ~~eral; and appropriate committees of Congress; and~~
11 ~~be made publicly available;”;~~

12 ~~(F) in paragraph (6), as so redesignated—~~

13 ~~(i) by striking subparagraph (A);~~

14 ~~(ii) by redesignating subparagraphs~~
15 ~~(B) through (E) as subparagraphs (A)~~
16 ~~through (D), respectively; and~~

17 ~~(iii) in subparagraph (C), as so redesi-~~
18 ~~gnated, by adding “and” at the end;~~

19 ~~(G) in paragraph (7), as so redesignated—~~

20 ~~(i) in the matter preceding subpara-~~
21 ~~graph (A), by striking “and the Director of~~
22 ~~the Office of Management and Budget,”~~
23 ~~and inserting “, the Director of the Office~~
24 ~~of Management and Budget, the Comp-~~
25 ~~troller General, and appropriate commit-~~

1 tees of Congress, which shall be made pub-
2 licly available and”;

3 (ii) in subparagraph (A), by striking
4 “agency;” and inserting “agency, includ-
5 ing—

6 “(i) the progress of the agency in imple-
7 menting the agency plan described in paragraph
8 (5);

9 “(ii) the progress of the agency in imple-
10 menting the governmentwide 4-year financial
11 management plan prepared by the Director of
12 the Office of Management and Budget under
13 section 3512(a)(2) of this title; and

14 “(iii) the performance of the agency
15 against financial management metrics estab-
16 lished by the Director of the Office of Manage-
17 ment and Budget;”;

18 (iii) in subparagraph (D)—

19 (I) by striking “of the reports”
20 and inserting “of—

21 “(i) the reports”;

22 (II) in clause (i), as so des-
23 ignated, by striking “the amendments
24 made by the Federal Managers’ Fi-
25 nancial Integrity Act of 1987 (Public

1 law 97-255); and” and inserting “sec-
2 tion 3512(d) of this title;” and

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

5 “(ii) agency spending data published under
6 the Federal Funding Accountability and Trans-
7 parency Act of 2006 (31 U.S.C. 6101 note);
8 and

9 “(iii) the reporting of the agency under the
10 Federal Financial Management Improvement
11 Act of 1996 (31 U.S.C. 3512 note); and”;

12 (H) in paragraph (8), as so redesignated—

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

15 (ii) by striking “, and prepare and
16 submit to the head of the agency timely
17 performance reports; and” and inserting a
18 semicolon;

19 (I) by inserting after paragraph (8), as so
20 redesignated, the following:

21 “(9) be responsible for linking performance and cost
22 information, including the preparation and submission to
23 the head of the agency of timely performance reports that
24 incorporate cost information;”;

1 (~~J~~) in paragraph (10), as so redesignated—

2
3 (i) by inserting “inflation and” before
4 “costs”; and

5 (ii) by striking the period at the end
6 and inserting “; and”; and

7 (~~K~~) by adding at the end the following:

8 “(11) coordinate with senior agency personnel,
9 including the Chief Data Officer, Chief Information
10 Officer, Chief Performance Officer, Chief Acquisition
11 Officer, Chief Risk Officer, and Chief Evaluation Of-
12 ficer of the agency on—

13 “(A) the exercise of authorities under this
14 subsection; and

15 “(B) the strategic planning, performance
16 measurement and reporting, and risk manage-
17 ment functions of the agency.”; and

18 (~~2~~) in section 903—

19 (A) in subsection (a), by inserting “and
20 who shall assist the agency Chief Financial Of-
21 ficer in the performance of each of the duties
22 of the agency Chief Financial Officer under this
23 chapter” after “matters”; and

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

1 “(c) Notwithstanding subchapter III of chapter 33 of
 2 title 5, in the event of a vacancy in the position of Chief
 3 Financial Officer of an agency, the Deputy Chief Finan-
 4 cial Officer of the agency shall serve as the acting Chief
 5 Financial Officer.”.

6 (b) GOVERNMENTWIDE FINANCIAL MANAGEMENT
 7 PLAN.—Section 3512 of title 31, United States Code, is
 8 amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1), by striking “a finan-
 11 cial management status report and a govern-
 12 mentwide 5-year financial management plan”
 13 and inserting “a governmentwide 4-year finan-
 14 cial management plan and a financial manage-
 15 ment status report”;

16 (B) by striking paragraph (2);

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

19 (D) in paragraph (2), as so redesignated—

20 (i) in subparagraph (A)—

21 (I) by striking “5-year” and in-
 22 serting “4-year”;

23 (II) by striking “shall describe”
 24 and inserting the following: “shall—

25 “(i) describe”;

1 (III) in clause (i), as so des-
 2 ignated, by striking “5 fiscal years to
 3 improve the financial management of
 4 the Federal Government.” and insert-
 5 ing “4 fiscal years to improve the fi-
 6 nancial management of the Federal
 7 Government in a manner that is stra-
 8 tegic, comprehensive, and cost-effec-
 9 tive; and”; and

10 (IV) by adding at the end the fol-
 11 lowing:

12 “(ii) be developed in consultation with the
 13 Chief Financial Officers Council, the Chief In-
 14 formation Officers Council, the Chief Data Offi-
 15 cer Council, the Chief Acquisition Officers
 16 Council, the Council of the Inspectors General
 17 on Integrity and Efficiency, the Government
 18 Accountability Office, and, as appropriate, other
 19 councils and financial management experts.”;
 20 and

21 (ii) in subparagraph (B)—

22 (I) in the matter preceding clause
 23 (i), by striking “5-year” and inserting
 24 “4-year”;

25 (II) in clause (iii)—

1 (aa) by striking “for devel-
 2 oping” and inserting “for im-
 3 proving financial management
 4 systems, including—

5 “(I) developing”; and

6 (bb) by adding at the end
 7 the following:

8 “(II) linking performance and cost in-
 9 formation to facilitate effective and effi-
 10 cient decision making;

11 “(III) eliminating duplicative and un-
 12 necessary systems and activities; and

13 “(IV) identifying opportunities for
 14 agencies to share systems and services and
 15 encouraging agencies to do so where prac-
 16 ticable;”;

17 (III) by striking clause (iv);

18 (IV) by redesignating clause (v)
 19 as clause (iv);

20 (V) by inserting after clause (iv),
 21 as so redesignated, the following:

22 “(v) provide a strategy for reporting per-
 23 formance and cost information;”;

24 (VI) in clause (vi), by striking
 25 “5-year” and inserting “4-year”;

1 (VII) in clause (vii), by striking
2 “identify” and inserting “provide a
3 strategy for strengthening the Federal
4 financial management workforce, in-
5 cluding identification of”;

6 (VIII) in clause (viii), by striking
7 “and” at the end;

8 (IX) by redesignating clause (ix)
9 as clause (x);

10 (X) by inserting after clause
11 (viii) the following:

12 “(ix) include comprehensive financial man-
13 agement performance-based metrics against
14 which the financial management performance of
15 executive agencies can be assessed; and”;

16 (XI) in clause (x), as so redesign-
17 ated, by striking “5-year” and in-
18 serting “4-year”;

19 (E) by inserting after paragraph (2) the
20 following:

21 “(3) A financial management status report under this
22 subsection shall include—

23 “(A) a description and analysis of the status of
24 financial management in the executive branch, in-
25 cluding the progress made towards implementing the

1 governmentwide 4-year financial management plan;
2 the status of remaining challenges; and, as necessary
3 based on obligations or expenditures, any updates or
4 revisions to the cost estimates included in the most
5 recent governmentwide 4-year financial management
6 plan;

7 “(B) a summary of the performance of agencies
8 against the metrics developed and identified by the
9 Director of the Office of Management and Budget in
10 the governmentwide 4-year financial management
11 plan;

12 “(C) a summary of the most recently completed
13 financial statements—

14 “(i) of Federal agencies under section
15 3515 of this title; and

16 “(ii) of Government corporations;

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

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

21 “(ii) of Government corporations;

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

1 “(F) a listing of agencies whose financial man-
 2 agement systems do not comply substantially with
 3 the requirements of section 803(a) of the Federal
 4 Financial Management Improvement Act of 1996
 5 (31 U.S.C. 3512 note), and a summary statement of
 6 the efforts underway to remedy the noncompliance;
 7 and

8 “(G) any other information the Director con-
 9 siders appropriate to fully inform Congress regard-
 10 ing the financial management of the Federal Gov-
 11 ernment.”;

12 (F) in paragraph (4)—

13 (i) in subparagraph (A)—

14 (I) by striking “15 months after
 15 the date of the enactment of this sub-
 16 section” and inserting “6 months
 17 after the date of enactment of the Im-
 18 proving Federal Financial Manage-
 19 ment Act”; and

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

22 (ii) in subparagraph (B)—

23 (I) in clause (i)—

24 (aa) by striking “Not later
 25 than January 31 of each year

1 thereafter” and inserting “At a
2 minimum, concurrently with the
3 submission of the budget of the
4 United States Government under
5 section 1105(a) of this title made
6 in the first full fiscal year fol-
7 lowing any year in which the
8 term of the President commences
9 under section 101 of title 3”;

10 (bb) by striking “financial
11 management status report and a
12 revised governmentwide 5-year”
13 and inserting “governmentwide
14 4-year”; and

15 (cc) by striking “5 fiscal
16 years” and all that follows
17 through the period at the end
18 and inserting “4 fiscal years.”;
19 and

20 (II) in clause (ii)—

21 (aa) by striking “revised
22 governmentwide 5-year” and in-
23 serting “governmentwide 4-year”;
24 and

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

4 (iii) by adding at the end the fol-
5 lowing:

6 “(C) Each year, concurrently with the submis-
7 sion of the budget of the United States Government
8 under section 1105(a) of this title, the Director of
9 the Office of Management and Budget shall submit
10 to the appropriate committees of Congress and the
11 Comptroller General a financial management status
12 report.”; and

13 (G) by striking paragraph (5);

14 (2) in subsection (d)(2)—

15 (A) in subparagraph (A), by striking
16 “and” at the end;

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

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

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

23 (3) by redesignating subsections (e), (f), and
24 (g) as subsections (f), (g), and (h), respectively; and

1 (4) by inserting after subsection (d) the fol-
2 lowing:

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

4 “~~(1)~~ in establishing the internal accounting and
5 administrative controls under subsection ~~(e)~~, identify
6 the key financial management information needed
7 for effective financial management and decision
8 making; and

9 “~~(2)~~ annually assess and make a conclusion on
10 the effectiveness of the internal controls of the exec-
11 utive agency over financial reporting and key finan-
12 cial management information identified under para-
13 graph ~~(1)~~.”.

14 ~~(e)~~ AUDITS BY AGENCIES.—Section 3521 of title 31,
15 United States Code, is amended—

16 ~~(1)~~ in subsection ~~(e)~~—

17 ~~(A)~~ by redesignating paragraphs ~~(1)~~ and
18 ~~(2)~~ as subparagraphs ~~(A)~~ and ~~(B)~~, respectively,
19 and adjusting the margins accordingly;

20 ~~(B)~~ by striking “~~(e)~~ Each financial” and
21 inserting “~~(e)(1)~~ Each financial”;

22 ~~(C)~~ in paragraph ~~(1)~~, as so designated, by
23 striking “standards—” and inserting “stand-
24 ards.”; and

1 ~~(D)~~ by inserting after paragraph ~~(1)~~, as so
2 designated, the following:

3 ~~“(2) As part of each audit under this subsection, the~~
4 ~~auditor shall—~~

5 ~~“(A) evaluate the design of the internal control~~
6 ~~of the agency over financial reporting and key finan-~~
7 ~~cial information, as assessed and reported on by the~~
8 ~~head of the agency under section 3512(d)(2)(C) of~~
9 ~~this title;~~

10 ~~“(B) determine whether those controls have~~
11 ~~been implemented;~~

12 ~~“(C) for controls that are properly designed and~~
13 ~~implemented, perform sufficient tests of those con-~~
14 ~~trols to conclude whether the controls are operating~~
15 ~~effectively, including sufficient tests to support a low~~
16 ~~level of assessed control risk; and~~

17 ~~“(D) communicate controls that the auditor~~
18 ~~concludes are not suitably designed and implemented~~
19 ~~or are not operating effectively, as appropriate under~~
20 ~~applicable generally accepted government auditing~~
21 ~~standards.~~

22 ~~“(3) Audits under this subsection shall be con-~~
23 ~~ducted—”;~~ and

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

4 (d) **TECHNICAL AND CONFORMING AMENDMENT.**—
5 Section 3348(e) of title 5, United States Code, is amend-
6 ed—

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

9 (2) by striking paragraph (4); and

10 (3) by redesignating paragraph (5) as para-
11 graph (4).

12 **SECTION 1. SHORT TITLE.**

13 *This Act may be cited as the “Improving Federal Fi-*
14 *nancial Management Act”.*

15 **SEC. 2. CHIEF FINANCIAL OFFICERS; GOVERNMENTWIDE FI-**
16 **NANCIAL MANAGEMENT PLAN.**

17 (a) **CHIEF FINANCIAL OFFICER AND DEPUTY CHIEF**
18 **FINANCIAL OFFICER.**—*Chapter 9 of title 31, United States*
19 *Code, is amended—*

20 (1) *in section 902(a)—*

21 (A) *in the matter preceding paragraph (1),*
22 *by striking “An” and inserting “It shall be the*
23 *duty and responsibility of each agency Chief Fi-*
24 *nancial Officer to oversee and provide leadership*
25 *in the areas of budget formulation and execution,*

1 *planning and performance, risk management,*
2 *internal controls, financial systems, accounting,*
3 *and other areas as the Director of the Office of*
4 *Management and Budget may designate. In car-*
5 *rying out the preceding sentence, each”;*

6 *(B) in paragraph (3)—*

7 *(i) in subparagraph (C), by inserting*
8 *“areas and” before “systems”; and*

9 *(ii) in subparagraph (D)—*

10 *(I) in clause (iii), by striking*
11 *“and” at the end;*

12 *(II) in clause (iv), by striking*
13 *“performance;” and inserting “per-*
14 *formance and integration of perform-*
15 *ance and cost information; and”;*

16 *(III) by adding at the end the fol-*
17 *lowing:*

18 *“(v) annual agency financial state-*
19 *ments prepared in accordance with United*
20 *States generally accepted accounting prin-*
21 *ciples;”;*

22 *(C) by redesignating paragraph (8) as*
23 *paragraph (10);*

1 (D) by redesignating paragraphs (5)
2 through (7) as paragraphs (6) through (8), re-
3 spectively;

4 (E) by inserting after paragraph (4) the fol-
5 lowing:

6 “(5) prepare, in consultation with financial manage-
7 ment and other appropriate experts, an agency plan to im-
8 plement the 4-year financial management plan prepared by
9 the Director of the Office of Management and Budget under
10 section 3512(a)(2) of this title and to achieve and sustain
11 effective financial management in the agency, which shall—

12 “(A) be completed within 90 days of the issuance
13 of a governmentwide plan under section 3512(a)(2) of
14 this title;

15 “(B) be revised as determined necessary by the
16 Chief Financial Officer;

17 “(C) include performance-based financial man-
18 agement metrics against which the financial manage-
19 ment performance of the agency shall be assessed; and

20 “(D) be submitted upon completion or revision to
21 the head of the agency, the Director of the Office of
22 Management and Budget, the Comptroller General,
23 and appropriate committees of Congress, and be made
24 publicly available;”;

25 (F) in paragraph (6), as so redesignated—

1 (i) by striking subparagraph (A);

2 (ii) by redesignating subparagraphs
3 (B) through (E) as subparagraphs (A)
4 through (D), respectively; and

5 (iii) in subparagraph (C), as so reded-
6 icated, by adding “and” at the end;

7 (G) in paragraph (7), as so redesignated—

8 (i) in the matter preceding subpara-
9 graph (A), by striking “and the Director of
10 the Office of Management and Budget,” and
11 inserting “; the Director of the Office of
12 Management and Budget, the Comptroller
13 General, and appropriate committees of
14 Congress, which shall be made publicly
15 available and”;

16 (ii) in subparagraph (A), by striking
17 “agency;” and inserting “agency, includ-
18 ing—

19 “(i) the progress of the agency in imple-
20 menting the agency plan described in paragraph
21 (5);

22 “(ii) the progress of the agency in imple-
23 menting the governmentwide 4-year financial
24 management plan prepared by the Director of

1 *the Office of Management and Budget under sec-*
2 *tion 3512(a)(2) of this title; and*

3 *“(iii) the performance of the agency against*
4 *financial management metrics established by the*
5 *Director of the Office of Management and Budg-*
6 *et;”;* and

7 *(iii) in subparagraph (D)—*

8 *(I) by striking “of the reports”*
9 *and inserting “of—*

10 *“(i) the reports”;*

11 *(II) in clause (i), as so des-*
12 *ignated, by striking “the amendments*
13 *made by the Federal Managers’ Finan-*
14 *cial Integrity Act of 1982 (Public law*
15 *97–255); and” and inserting “section*
16 *3512(d) of this title;”;* and

17 *(III) by adding at the end the fol-*
18 *lowing:*

19 *“(ii) agency spending data published under*
20 *the Federal Funding Accountability and Trans-*
21 *parency Act of 2006 (31 U.S.C. 6101 note); and*

22 *“(iii) the reporting of the agency under the*
23 *Federal Financial Management Improvement*
24 *Act of 1996 (31 U.S.C. 3512 note); and”;*

25 *(H) in paragraph (8), as so redesignated—*

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

3 (ii) by striking “, and prepare and
4 submit to the head of the agency timely per-
5 formance reports; and” and inserting a
6 semicolon;

7 (I) by inserting after paragraph (8), as so
8 redesignated, the following:

9 “(9) be responsible for linking performance and cost
10 information, including the preparation and submission to
11 the head of the agency of timely performance reports that
12 incorporate cost information;”;

13 (J) in paragraph (10), as so redesignated—

14 (i) by inserting “inflation and” before
15 “costs”; and

16 (ii) by striking the period at the end
17 and inserting “; and”; and

18 (K) by adding at the end the following:

19 “(11) coordinate with senior agency personnel,
20 including the Chief Data Officer, Chief Information
21 Officer, Chief Performance Officer, Chief Acquisition
22 Officer, Chief Risk Officer, and Chief Evaluation Offi-
23 cer of the agency on—

24 “(A) the exercise of authorities under this
25 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 Offi-
7 cer in the performance of each of the duties of the
8 agency Chief Financial Officer under this chap-
9 ter” 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 Financial
14 Officer of the agency shall serve as the acting Chief Finan-
15 cial 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 igned, 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-effective;
19 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 Infor-
24 mation Officers Council, the Chief Data Officer
25 Council, the Chief Acquisition Officers Council,

1 *the Council of the Inspectors General on Integ-*
2 *riety and Efficiency, the Government Account-*
3 *ability Office, and, as appropriate, other coun-*
4 *cils and financial management experts.”; and*

5 *(ii) in subparagraph (B)—*

6 *(I) in the matter preceding clause*
7 *(i), by striking “5-year” and inserting*
8 *“4-year”;*

9 *(II) in clause (iii)—*

10 *(aa) by striking “for devel-*
11 *oping” and inserting “for improv-*
12 *ing financial management sys-*
13 *tems, including—*

14 *“(I) developing”; and*

15 *(bb) by adding at the end the*
16 *following:*

17 *“(II) linking performance and cost in-*
18 *formation to facilitate effective and efficient*
19 *decision making;*

20 *“(III) eliminating duplicative and un-*
21 *necessary systems and activities; and*

22 *“(IV) identifying opportunities for*
23 *agencies to share systems and services and*
24 *encouraging agencies to do so where prac-*
25 *ticable;”;*

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 per-
7 formance and cost information;”;

8 (VI) in clause (vi), by striking “5-
9 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 (viii)
20 the following:

21 “(ix) include comprehensive financial man-
22 agement performance-based metrics against
23 which the financial management performance of
24 executive agencies can be assessed; and”;

1 *(XI) in clause (x), as so redesign-*
2 *ated, by striking “5-year” and insert-*
3 *ing “4-year”;*

4 *(E) by inserting after paragraph (2) the fol-*
5 *lowing:*

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 updates or*
14 *revisions to the cost estimates included in the most re-*
15 *cent 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 3515*
25 *of this title; and*

1 “(i) 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 the
12 requirements of section 803(a) of the Federal Finan-
13 cial Management Improvement Act of 1996 (31
14 U.S.C. 3512 note), and a summary statement of the
15 efforts underway to remedy the noncompliance; and

16 “(G) any other information the Director con-
17 siders appropriate to fully inform Congress regarding
18 the financial management of the Federal Govern-
19 ment.”;

20 (F) in paragraph (4)—

21 (i) in subparagraph (A)—

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

1 *Federal Financial Management Act*”;

2 *and*

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

5 *(ii) in subparagraph (B)—*

6 *(I) in clause (i)—*

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

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

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

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

3 (II) in clause (ii)—

4 (aa) by striking “revised gov-
5 ernmentwide 5-year” and insert-
6 ing “governmentwide 4-year”;
7 and

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

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

13 “(C) Each year, concurrently with the submis-
14 sion of the budget of the United States Government
15 under section 1105(a) of this title, the Director of the
16 Office of Management and Budget shall submit to the
17 appropriate committees of Congress and the Comp-
18 troller General a financial management status re-
19 port.”; and

20 (G) by striking paragraph (5);

21 (2) in subsection (d)(2)—

22 (A) in subparagraph (A), by striking “and”
23 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 (g)
6 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 (e), identify
12 the key financial management information needed for
13 effective financial management and decision making;
14 and

15 “(2) annually assess and make a conclusion on
16 the effectiveness of the internal controls of the execu-
17 tive agency over financial reporting and key financial
18 management information identified under paragraph
19 (1).”.

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

22 (1) in subsection (e)—

23 (A) by redesignating paragraphs (1) and
24 (2) as subparagraphs (A) and (B), respectively,
25 and adjusting the margins accordingly;

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

3 (C) in paragraph (1), as so designated, by
4 striking “standards—” and inserting “stand-
5 ards.”; and

6 (D) by inserting after paragraph (1), as so
7 designated, the following:

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

10 “(A) evaluate the design of the internal control
11 of the agency over financial reporting and key finan-
12 cial information, as assessed and reported on by the
13 head of the agency under section 3512(d)(2)(C) of this
14 title;

15 “(B) determine whether those controls have been
16 implemented;

17 “(C) for controls that are properly designed and
18 implemented, perform sufficient tests of those controls
19 to conclude whether the controls are operating effec-
20 tively, including sufficient tests to support a low level
21 of assessed control risk; and

22 “(D) communicate controls that the auditor con-
23 cludes are not suitably designed and implemented or
24 are not operating effectively, as appropriate under

1 *applicable generally accepted government auditing*
2 *standards.*

3 “(3) *Audits under this subsection shall be conducted—*
4 ”*; and*

5 (2) *in subsection (h), by striking “section*
6 *3512(a)(3)(B)(viii)” and inserting “section*
7 *3512(a)(2)(B)(viii)”.*

8 (d) *TECHNICAL AND CONFORMING AMENDMENT.—Sec-*
9 *tion 3348(e) of title 5, United States Code, is amended—*

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

11 (2) *by striking paragraph (4); and*

12 (3) *by redesignating paragraph (5) as para-*
13 *graph (4).*

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[Report No. 118-302]

A BILL

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

DECEMBER 17 (legislative day, DECEMBER 16), 2024
Reported with an amendment