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Opening Statement Congressman Todd R. Platts September 24, 2003

Today's hearing is one in a series focusing on financial management at Federal agencies. For fiscal year 2002, 21 of the 24 agencies mandated by the CFO Act to audit their statements earned an unqualified or "clean" opinion. Agencies that did not earn clean opinions have been invited to testify before the Subcommittee as part of our oversight on financial management. The U.S. Agency for International Development will be the focus of today's hearing. I appreciate today's witnesses for agreeing to testify.

Our intent today is to focus not only on the financial challenges facing USAID, but also on successful improvements in USAID's financial management practices. After receiving disclaimers for five consecutive years, I understand that the Agency improved enough to earn a qualified opinion on its consolidated statements. In fact, four of the five statements that make up the consolidated financial statements actually received clean opinions.

That being said, USAID still faces financial management challenges including the material weaknesses cited in the audit and the use of so-called "heroic efforts," the costly and time-consuming manual accounting transactions used to reconcile the books at year-end. Today's hearing will look at these aspects of financial management and focus on the goal of achieving sound business practices, not just earning a clean opinion.

President Bush's Administration has made financial performance a top priority and a key part of the President's Management Agenda. Congress has placed a great deal of emphasis on the financial accountability of publicly traded companies and their responsibility to provide accurate information to investors. Congress and the Federal government have an equal, if not greater, responsibility to be accountable to our investors, the American taxpayer.

Our witnesses today will discuss the results of the financial audit for fiscal year 2002 at USAID. We are honored to have the Honorable John Marshall, Assistant Administrator for Management at USAID, the Honorable Everett Mosley, Inspector General for USAID, and Mr. Greg Kutz, Director of Financial Management and Assurance with the U.S. General Accounting Office. Thank you for the written statements you have provided the committee. I look forward to hearing your oral testimonies as well.