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Department of War

DEFENSE OFFICE OF PREPUBLICATION AND SECURITY REVIEW

**House Oversight and Reform Committee  
Sub-Committee on Government Operations  
Hearing on Department of War progress towards a clean opinion  
May 13, 2026**

**Written Statement for the Record, by  
Thomas W. Harker, Deputy Chief Financial Officer**

**OPENING:**

Chairman Sessions, Ranking Member Mfume, and distinguished members, I appreciate the opportunity to testify about the Department of War plan to get a clean opinion on the FY 2028 agency wide financial statement audit. Thank you for the opportunity to appear before you today.

I've been in this job for 6 months, and have been fixing federal financial audit problems for more than 20 years, starting at DHS when I was on active duty in the Coast Guard & DHS underwent their first 10 audits before getting a clean opinion. I've also audited financial statements while working at a large public accounting firm, and have led efforts that resolved audit issues at multiple cabinet agencies. Getting a clean opinion for the Department of War isn't just my job, it's something I'm passionate about, so much so that I came out of a comfortable quasi-retirement to take this job.

The leadership tone at the top of the Department is unprecedented, with the Secretary and Deputy Secretary both making it clear that passing this audit is a condition of employment for departmental leaders. They have both issued written guidance on the audit, and if you haven't seen the Secretary's recent video, I highly recommend it.

We are finally being honest with ourselves: the Department's financial reporting has lagged behind every other major federal agency. We are fixing that using the authority provided in Secretary Hegseth's recent memo standing up Joint Task Force Audit. JTF Audit is a unified

team of service members, civilians, and private sector experts, led by the Under Secretary of War Comptroller. The mission is clear: work with the services and defense agencies to execute the corrective actions required to get a clean opinion on the FY28 financial statements, elevating bureaucratic barriers to senior leadership for immediate action.

The JTF will provide a common operating picture to SecWar and other senior leaders, that will provide them with visibility not previously seen in the audit space and enable them to take action when things stall. One of my favorite bosses said, “Transparency breeds self-correcting behavior” and the knowledge that their performance is being seen and judged by the Secretary will motivate military and civilian leaders to ensure they have full accountability for their assets.

In addition to the stand-up of JTF Audit, we are partnering with the OIG to hire an independent public accounting firm to perform the consolidated audit. We are also ending the inefficient process of dozens of disjointed, standalone audits and focusing our remediation efforts on getting a clean opinion on the agency wide financial statements—just like every other CFO Act agency.

We are using a hybrid strategy, where we rely on internal controls where they exist, maximize the use of artificial intelligence and automation wherever we can, and have the auditors perform substantive testing where they must. Much work has been done putting internal controls in place across the department’s processes, but the proliferation of legacy systems and decentralized nature of funds execution means that it would take too much time for us to be able to rely solely on controls. Fortunately, the advent of AI and automation (and the funds we received in the One Big Beautiful Bill Act) allow us to use those tools to compensate for our antiquated and disconnected systems. Where we can’t use AI or automation, we will have to rely

on a great deal of substantive testing, so that the auditors can get statistically valid information that would allow us to adjust our financial statements and get a clean opinion.

In addition, we are focusing our efforts on the line items and processes that have a major impact on our ability to get a clean opinion. Accountability for our assets, accurate accounting for our liabilities, revenues and expenses, and working to clear the material weaknesses and NFRs that matter. The entire department of war will be under audit, and we will present our financial statements at the consolidated, agency-wide level, as required by law. In addition, the Marine Corps, Navy and Air Force will continue stand alone audits, as they either have clean opinions or are close to attaining them and the best path forward is to continue that effort.

I want to recognize the leaders and teams who have already set the standard for excellence. The Marine Corps became the first military service to achieve a clean audit opinion, and has sustained that for three consecutive years. Many other defense agencies have also achieved clean opinions, starting with the Army Corps of Engineering over 20 years ago. These teams are the vanguard, and we expect every branch to match their urgency and commitment to financial discipline.

Our next milestones are clear:

- A clean opinion on the Fiscal Year 2026 Navy Working Capital Fund,
- A clean opinion on the Fiscal Year 2027 Defense Working Capital Fund,
- A clean opinion on the Fiscal Year 2028 agency-wide audit.

These are ambitious targets, but we are determined to provide the American taxpayer with the highest standards of fiscal accountability and to ensure the Department's financial foundation is strong.

Thank you. I look forward to your questions.