Senate Armed Services Committee
Advance Policy Questions for Jules W. Hurst III
Nominee to be Under Secretary of Defense (Comptroller)

Duties and Qualifications

Section 135 of title 10, U.S. Code, as implemented in Department of Defense Directive (DODD) 5118.03, prescribes the duties and powers of the Under Secretary of Defense (Comptroller) (USD(C)). Among such duties, the Under Secretary serves as the Department of Defense (DOD) Chief Financial Officer (CFO) for purposes of sections 901-903 of title 31, U.S. Code, and performs the duties assigned in section 2222 of title 10.

1. **In your view, what are the duties and powers of the Under Secretary most critical to the national defense at this time?**
   In my view, the most critical functions of the Under Secretary at this time are ensuring that the Department of War is fully resourced to support the National Defense Strategy and National Security Strategy, and that there is proper and efficient allocation of those resources so that our men and women in uniform remain ready and able to meet any threat.

2. **What do you believe are the most important duties and responsibilities of the CFO?**
   The most important duties and responsibilities of a CFO are ensuring sound financial management across the Department, including ensuring accurate financial reporting, effective accounting, strong internal controls, and reliable financial data which supports decision-making. A key priority for the CFO is overseeing the Department's financial audits, and identifying and decisively addressing deficiencies by improving business practices and controls.

3. **If confirmed, what specific additional duties, if any, might you expect the Secretary of Defense to prescribe for you, particularly in light of the lines of effort set forth in the 2026 National Defense Strategy?**
   If confirmed, I would anticipate the Secretary of War would rely on me for timely and informed advice on the Department's budget, financial management, and resource allocation decisions, especially during this dynamic and rapidly evolving threat environment. I would also anticipate that the Secretary would call on me to ensure the Department's resources are aligned with the key priorities of the 2026 National Defense Strategy, including strengthening deterrence, defending the homeland, enhancing warfighting readiness, and supercharging the defense industrial base. In addition, I would expect to work closely with senior civilian and military leaders across the Department to ensure that financial resources are managed effectively and that the Department remains accountable, agile, and capable of meeting and defeating any defense or security challenge.

4. **If confirmed, specifically what would you do to ensure that your tenure as USD(C) fulfills the fundamental requirement for civilian control of the Armed Forces embedded in the U.S. Constitution and other laws?**
   Civilian control of the military is a fundamental constitutional principle and essential to the strength of our democracy. If confirmed, I would faithfully execute the laws enacted by Congress and the policies established by the President and Secretary of War. As USW(C), I would ensure that Department resources are managed in accordance with the law and under the oversight of accountable civilian leadership.

5. **If confirmed, what duties and responsibilities would you assign to the Deputy Under Secretary of Defense for Comptroller?**
   If confirmed, I would work closely with the Deputy Under Secretary of War (Comptroller) to ensure the top priorities and full range of the organization's responsibilities are effectively carried out. The Deputy's specific responsibilities would likely include advancing financial management modernization initiatives and leading efforts to achieve a clean audit opinion by 2028. The Deputy should always be prepared to perform the duties of the USW(C) when required.

6. **If confirmed, what innovative ideas would you consider providing to the Secretary of Defense to enhance the efficiency and performance of the Office of the Under Secretary of Defense (Comptroller) and the two Defense Agencies under the authority, direction, and control of the Under Secretary?**
   If confirmed, I would advise the Secretary of War on instituting a breadth of practical reforms that could improve speed, accountability, and auditability while reducing overhead, unnecessary processes, and overburdensome regulation. That would include expanding automation in financial systems, strengthening real-time visibility into budget execution, reducing fragmented reporting across systems, and instituting an enterprise-wide governance system.

Section 135 further provides that the USD(C) shall be appointed from among persons who have significant budget, financial management, or audit experience in complex organizations.

7. **What significant experience and education do you possess in the domains of budget, financial management, and/or the audit of complex organizations?**
   I have significant and broad experience in and out of uniform, including a variety of positions in this Administration. I performed the duties of Assistant Secretary of War for Manpower and Reserve Affairs as well as the duties of Under Secretary of War for Personnel and Readiness, where I served as the principal advisor to the Secretary of War on all matters related to military and civilian personnel policies, reserve integration, military community and family policy, and total force manpower. My most significant experience in budget, financial management, and auditing has been through my service performing the duties of the Under Secretary of War (Comptroller)/Chief Financial Officer. My prior service in senior roles at the Pentagon, on the Army staff, operational commands, and as Legislative Director to the Speaker of the House has given me a unique education on the Department's

financial operations that will allow me to be successful in this role.

8. **In particular, what leadership and management experience do you possess that you would apply to your service as USD(C) if confirmed?**
   My leadership experience has centered on building effective teams, setting clear priorities, and driving accountability across complex organizations. Much of my management experience comes from my service in the Army and from senior roles within the Department, where I have worked to align people, processes, and resources toward mission outcomes. In each position, I have sought to draw on lessons learned from prior assignments while listening carefully to the expertise of those around me.

   If confirmed, I would apply that same approach as USW(C) by setting clear objectives, empowering the workforce, holding the organization accountable, and ensuring the Department's financial management efforts directly support the warfighter.

9. **Do you believe that there are any steps that you need to take to enhance your ability to perform the duties and execute the powers of the USD(C)?**
   If confirmed, I would continue to deepen my understanding of the wide range of programs, policies, and authorities affected by the USW(C). I also believe it is essential to maintain strong relationships with the Department's financial management professionals, the Military Services, Congress, and interagency partners to ensure that the work of OUSW(C) supports the needs of our shared national defense mission.

<u>Major Challenges and Priorities</u>

10. **What are the most significant challenges you would face if confirmed as Under Secretary of Defense (Comptroller)?**
    I believe the most significant challenge I would confront, if confirmed as USW(C), would be passing a clean financial statement audit by the Congressionally mandated deadline.

    The Department is one of the largest and most complex financial enterprises in the world, and it continues to rely on outdated, fragmented, legacy systems that create real barriers to timely, reliable, and auditable financial information. That challenge is compounded by the number of internal and external stakeholders who must coordinate across the Department to translate financial data into effective management decisions and mission outcomes.

    I am proud of the progress made on the audit during my time performing the duties of USW(C), but I recognize the Department still faces a significant uphill battle to achieve a clean opinion, and I would treat that effort as one of my highest priorities.

11. **If confirmed, specifically what management actions would you take, and in what order of priority, to address each of these challenges?**
If confirmed, I will continue to build on the momentum of the Department's consolidated audit strategy. During my time performing the duties of the USW(C), I worked to stand up the Joint Task Force Audit to ensure that components across the Department are meeting the milestones necessary to achieve a clean financial statement opinion by the congressionally mandated deadline. I am also focused on reducing the Department's reliance on outdated legacy systems, using emerging tools where appropriate, and increasing transparency in the funding distribution process to support the Department's audit objectives.

<u>Relationships</u>

12. **Describe the relationship you would foster, if confirmed as the USD(C), with the Director, Cost Assessment and Program Evaluation, particularly in light of the independence and direct reporting relationships and responsibilities accorded to the Director in law. If confirmed, on what projects would you expect to collaborate with the Director?**
If confirmed, I will work in close coordination with the Director for Cost Assessment and Program Evaluation (CAPE) to deliver rigorous, data-driven assessments and strategic options to the Secretary and Deputy Secretary. CAPE and the Comptroller remain vital partners in the Planning, Programming, Budgeting, and Execution (PPBE) process, and I am committed to maintaining and strengthening these critical relationships.

13. **Describe the relationships you would foster, if confirmed as the USD(C), with the Military Department Assistant Secretaries for Financial Management and the Military Department and Fourth Estate Budget Directors. On what projects would you expect to collaborate with these officials?**
If confirmed, I will work in close coordination with the Military Department Assistant Secretaries for Financial Management and the Military Department and Fourth Estate Budget Directors to deliver rigorous, data-driven assessments and strategic options to the Secretary and Deputy Secretary. We remain vital partners in the Planning, Programming, Budgeting, and Execution (PPBE) process, and I am committed to maintaining and strengthening these critical relationships. Recurring coordination forums would be established to share best practices, address emerging challenges, and reinforce a unified financial management vision across the Department of War.

14. **Describe the relationship you would foster, if confirmed as the USD(C), with the Director of the Office of Management and Budget. If confirmed, on what projects would you expect to collaborate with the Director?**
If confirmed, I will work in close partnership with the Office of Management and Budget (OMB) throughout the preparation and execution of the Department's budget.

Together, we will advance the shared priorities of both the Administration and the Department. I am committed to working directly with the OMB Director to rigorously assess our topline requirements, ensuring the annual budget request fully resources the President's national security strategy.

15. **If confirmed, what actions would you take to develop and sustain an open, transparent, timely, and productive relationship between Congress—the Senate Armed Services and Senate Appropriations Committees, in particular—and the Office of the Under Secretary of Defense (Comptroller) (OUSD(C)) and the Defense Agencies subject to your authority, direction, and control?**
I believe that the Department's relationships with congressional committees and staff are essential to the Department's mission, and a critical statutory duty for the OUSW(C). If confirmed, I will work to ensure that the OUSW(C) provides timely and regular updates to Congress on budget priorities and arising challenges. I will also work to build trust and confidence with Congress, including by being responsive to their inquiries and requests for information, and by providing them with the information and resources they need to make informed decisions.

<u>**National Defense Strategy**</u>

The 2026 National Defense Strategy (NDS) is a sharp departure from the 2018 NDS, published during President Trump's first term, which prioritized the resumption of Great Power Competition and deterrence of rogue regimes.

16. **Are the programs and resources required to generate the capabilities necessary to implement the 2026 NDS properly prioritized in the DOD budget? Are there areas in which the budget is not aligned with the guidance? If confirmed, how would you realign or refocus DOD programs and funding, if at all?**
The DoW budget is fully aligned with the President's National Security Strategy and funds the Secretary's 2026 NDS directives to reestablish deterrence, rebuild our military, and restore the Warrior Ethos. The Fiscal Year (FY) 2027 DoW budget builds upon the historic $1 trillion topline for FY 2026 and prioritizes the DoW's investments to deliver a generational increase in warfighting capability and capacity.

17. **If confirmed, what revisions or adjustments, if any, would you recommend to the Secretary of Defense regarding DOD's resourcing and implementation of the 2026 NDS?**
The threat environment is dynamic, and our resourcing must remain agile. If confirmed, I will continuously evaluate the Department's resourcing of the 2026 National Defense Strategy. I will provide the Secretary of War with actionable, timely advice on any required adjustments or realignments to guarantee that the Warfighters are fully resourced to meet evolving national security challenges.

In its July 2024 report, the Commission on the National Defense Strategy recommended that Congress provide real growth for defense spending, at an annual average rate of three to five percent above inflation.

18. **Do you agree that sustained real growth in the defense budget is necessary?**
Sustained real growth in the Department's budget is essential to maintaining U.S. military readiness, modernizing capabilities, and countering evolving global threats. Current funding trends and structural constraints make this imperative. Given the scale of modernization needed, the pace of technological change, and the rising cost of maintaining a capable force, sustained real growth in the defense budget is necessary to ensure the U.S. can meet current and future security challenges. Without it, the military risks falling behind in capability, readiness, and industrial capacity.

19. **Do you believe that any growth in the defense budget should be considered in the context of its potential impact on the national debt?**
Yes — any growth in the defense budget should be considered in the context of its potential impact on the national debt, because defense spending is a major component of federal expenditures and can significantly affect the federal budget. However, FY 2027 Department of War budget of $1.5 trillion represents a generational investment to rebuild our military and increase deterrence, which, if not addressed, would have a much greater cost to the country. Previous Administrations underinvested in our military while our enemies grew stronger and more dangerous, so we are now changing the game. This budget builds this arsenal without compromising readiness that will ensure that we remain the world's premier fighting force, we protect the homeland, and we create peace through strength now and into the future.

20. **Do you believe that the national debt should also be viewed as a potential national security concern?**
I share the concern that long-term fiscal constraints, including the national debt, pose challenges to our national security planning. The best way the Department can address this is through rigorous financial stewardship. If confirmed as Comptroller, my priority will be to maximize the value of every dollar entrusted to us. I will be committed to advancing the Department's auditability, safeguarding taxpayer dollars, and maintaining transparency with Congress. I will work with the Secretary, OMB, and Congress to eliminate waste and ensure that all spending remains within authorized and appropriated limits.

21. **In your opinion, in what areas of the implementation of the 2026 NDS is the Department taking the most risk in terms of resources allocated?**

We looked for every possible savings and efficiency in the budget in order to reallocate funds to deliver the most effective capabilities to our Warfighters. Though rigorously developed, the Department's budget cannot perfectly anticipate every possible future scenario. We have reduced risk based on the best analysis of information available today.

22. **Looking forward, what types of resource shortfalls are likely to hamper DOD's execution of the NDS and other national defense priorities, in your view? How would you address or mitigate these shortfalls, if confirmed?**

    Unforeseen events will always place a financial burden on the Department. When this occurs, Congress and the Department should work together to address these challenges and mitigate any shortfalls. While the current overall resource levels, as reflected in the FY 2027 Budget, provide a solid foundation for executing the President's priorities, the most significant challenge lies in the potential rigidities and inflexibilities of how those resources are allocated and utilized. To address these potential shortfalls, I would focus on working with Congress and the Department to identify and eliminate unnecessary hurdles in the budget process, allowing for more agile reprogramming of resources to address emerging priorities. I would also champion initiatives that support financial pathways for rapid prototyping and deployment of new technologies and capabilities.

23. **If confirmed, by what standards would you measure the adequacy of DOD funding going forward?**

    If confirmed, I will measure the adequacy of Department funding through two distinct lenses: strategic alignment and fiduciary responsibility. Strategically, I will measure adequacy by our budget's alignment with the National Defense Strategy, ensuring funding directly translates to Warfighter readiness and accelerates innovation. Fiduciarily, I will measure adequacy by our execution rates, on-time and on-cost program delivery, and continued progress in our audit outcomes. Using the PPBE process, I will work closely with Department leaders to ensure every dollar requested is both justified by strategy and executable in practice.

Homeland

The NDS identifies protection of the homeland as the Defense Department's top priority. This is consistent with past strategies, but the emphasis has shifted from protecting the homeland from strategic attacks to securing our borders and defending against narco-terrorists.

24. **Has the Department made the necessary programmatic and resourcing adjustments to reflect this reprioritization?**

Yes, the Department reflects this shift by sustaining border control through National Defense Areas and intensifying operations against narco-terrorist networks. It funds the intelligence, surveillance, and interdiction capabilities needed to disrupt cartel supply chains and support coordinated actions with regional partners. If confirmed, I will ensure congressional resources remain focused on defending the homeland and protecting the American people.

Supplemental or Emergency Funding

25. **The Department no longer uses the Overseas Contingency Operations accounts to budget for or designate contingency operations-related funding. In your view, how should the Department seek to account for its supplemental or emergency budgetary needs and how should the Department identify and account for conflict-related funding?**

    The Department uses approved force deployment packages to estimate contingency needs and if required, will request supplemental funding through established budget mechanisms.

26. **In addition to passing spending bills on time, what more can Congress do, in your view, to afford DOD the resource stability and flexibility it needs, particularly in addressing emergent needs or contingency operations?**
    Congress can help the Department by supporting several key reform efforts to improve the way we do business. For example, the Department continues to pursue budget line item (BLI) consolidations to collapse similar efforts or families of things to enable year of execution flexibility for critical capability areas.

    We are seeking software funding flexibility that allows Operation and Maintenance (O&M), Procurement, or RDT&E funding to be used for research, development, test and evaluation, procurement, production, modification, and operation and maintenance for software and digital technology programs, allowing for the seamless ability to address rapidly changing software requirements.

    Two-Year O&M funds, instead of one-year funds, for just 5 percent of the appropriation would allow for and incentivize better decision making with year-end spending. Increasing the below threshold reprogramming thresholds would provide for greater flexibility in addressing emergent, execution year requirements.

    Finally, two-Year Permanent Change of Station (PCS) funding for the Activity Components, instead of one-year funding, would maximize the use of appropriated PCS funds that typically cross fiscal years due to the seasonal nature of PCS moves.

Anti-deficiency Act

The USD(C) is charged with maintaining effective control and accountability over the use of all financial resources of the Department. Each year, the Government Accountability Office (GAO) submits to Congress a compilation of Anti-deficiency Act (ADA) reports submitted by federal agencies for the previous fiscal year. The ADA prohibits federal agencies from obligating or expending federal funds in advance or in excess of an appropriation, and from accepting voluntary services.

27. **What is your level of confidence that DOD has in place the policies and procedures necessary to ensure the identification of all potential ADA violations?** The Department of War has established a comprehensive framework for identifying and addressing potential ADA violations. This includes detailed guidance in Volume 14 of the DoD Financial Management Regulation, which outlines the entire ADA violation process—from initial discovery and preliminary review to formal investigation, reporting, and disciplinary actions. While the policies and procedures are robust on paper, the GAO and internal reviews have historically noted challenges in consistent implementation across DoW components. In terms of confidence, the DoW has the necessary policies and procedures in place; however, the effectiveness of their implementation can vary. Ongoing oversight and training are critical to ensuring full compliance and identifying all potential violations.

28. **What are your ideas for better preventing ADA violations from occurring in DOD and for identifying and correcting them sooner?**

    To strengthen compliance with the Anti-Deficiency Act (ADA), the Department of War should modernize its funds control systems, integrating real-time tracking capabilities and automated alerts to prevent potential over-obligations. Simultaneously, elevating the quality of fiscal law training, specifically through interactive, scenario-based modules for fund certifiers and program managers, will reinforce accountability and compliance awareness. Additionally, the ongoing Department-wide financial statement audit serves as a critical mechanism to expose systemic weaknesses, driving enhancements in internal controls that facilitate the early detection and remediation of potential statutory violations.

Financial Management

In February 2025, the Government Accountability Office (GAO) once again included the DOD's financial management system on its high-risk list. The report stated, "DOD's financial management is hampered by ineffective processes, aging systems, and inadequate controls; incomplete corrective action plans; and insufficient monitoring and reporting."

29. **In your view, what are the main challenges and most significant opportunities for improving the usage of financial data in decision-making? Answer: D/CFO**

    The main challenge is the complexity and fragmentation of the Department's financial data, driven by many legacy systems. The greatest opportunity lies in automating, modernizing, and standardizing systems and data to enable reliable, real-time insights for both audit and management decisions. Prioritizing data standardization and system consolidation will be key to unlocking better financial reporting and more effective decision-making. Establishing a comprehensive universe of transactions will further enhance data reliability and transparency across the Department.

30. **If confirmed, what specific steps would you take to improve DOD's financial management systems so that GAO can remove them from the "high risk" category?**
    Working with the Chief Information Officer, I would provide clear guidance to the financial management community on financial system modernization that defines the end state and lays out a clear path for the Services and OSW. This financial systems strategy will focus near term efforts on elimination of legacy systems and replacement with a modern financial management system that complies with the Treasury Department's Quality Service Management Office requirements.

<u>Acquisition Reform</u>

Congress has explored significant reform of the defense acquisition enterprise, to include establishing and expanding authorities related to special acquisition pathways, the use of streamlined acquisition methodologies, and the creation of portfolio acquisition executives.

31. **If confirmed, what changes would you make to financial management regulations to afford financial management, comptroller, and acquisition personnel the flexibility required to support novel acquisition approaches and to take advantage of emerging technologies and responding to emerging threats in a timely fashion?**
    If confirmed, my priority will be shifting our financial management culture from a rigid compliance mindset to an operational enabler mindset. I would work with the Under Secretary of War for Acquisition and Sustainment to ensure the financial management regulations are updated to support novel acquisition approaches. Finally, I will collaborate closely with Congress to defend, expand, and properly scale the budget flexibilities needed to field emerging technologies at the speed of relevance.

32. **What changes, if any, would you recommend to financial management regulations to provide sufficient budgetary authority to portfolio acquisition executives to manage the portfolio of programs under their purview?**
    If confirmed, I will work with the Services and the Under Secretary of War for Acquisition and Sustainment to develop options to collapse narrow, weapon-system-specific programs into broader, capability-based portfolios that will allow agile reallocations while establishing clear portfolio guardrails needed for Congressional and management oversight.

<u>Audit and Financial Management</u>

The Chief Financial Officers Act of 1990 mandated that federal agencies complete financial audits. DOD is the only federal agency unable to complete a financial audit in accordance with the law, despite having invested billions of dollars over the past decades to do so. In Fiscal Year (FY) 2025, DOD completed its eighth comprehensive audit and received a Disclaimer of Opinion.

33. **In your view, how, if at all, do the audit and its remediation activities support the 2026 National Defense Strategy?**
    The audit and its remediation activities directly support the National Defense Strategy objective of reforming the Department for greater performance and affordability, by highlighting and validating areas for improvement in DoW's internal controls and processes. As DoW remediates audit findings and improves its overall financial management processes and information, decision makers will have improved access to reliable and timely information. If confirmed, I will work with senior leaders across DoW to move towards a single source of data for both financial statement preparation and investment decisions. Transitioning to a single source of financial data will emphasize the importance of reliable financial information and will directly link performance and financial management.

34. **How does the audit contribute to operational readiness, in your view?**
    Audits are vital for operational readiness, providing taxpayer transparency, enhanced resource insights for leaders, and better data for warfighter support. Stronger financial management allows optimized resource allocation and a robust readiness posture. Audit results drive improvements and prioritize solutions. For example, USMC auditors validated asset location and its condition, thereby improving data quality, inventory management, and cybersecurity. A FY 2024 GAO report affirmed value beyond the audit opinion, citing operational benefits like improved systems, reduced cybersecurity risk, better asset visibility, and more efficient processes.

35. **What challenges are unique to conducting an audit of DOD? If confirmed, how do you plan to overcome those challenges to ensure that the Department continues to make demonstrable progress towards a clean audit opinion?**

DoW's size and complexity create a unique audit environment. It's larger than any organization with a clean audit opinion. The scale, mix of classified and unclassified transactions, and numerous feeder systems add to the complexity. The DoW-wide financial statement audit previously consisted of over 25 standalone audits and an overarching DoW OIG audit. The Department is moving to use an Independent Project Analysis firm as the Consolidated Group Auditor and has a robust plan to achieve a clean opinion on the FY 2028 financial statements as required by the NDAA and CFO Act of 1990.

36. **In what year do you expect the Department to receive an unmodified audit opinion?**
The FY 2024 National Defense Authorization Act (NDAA) requires the Secretary of Defense to ensure the Department receives an unmodified financial statement audit opinion by December 31, 2028. I am fully committed to achieving an unmodified audit opinion on the FY 2028 financial statements.

37. **What metrics should the Congress be tracking to monitor the continuous progress of the Department towards achieving an unmodified audit opinion?**
The Department will likely achieve a clean opinion on the FY 2026 Navy Working Capital Fund, and aims to achieve a clean opinion on the Defense Working Capital Fund in FY 2027, and the General Fund in FY 2028. In addition to those targets, the Department is developing a Common Operating Picture (COP) that can be used to view the path to those opinions and where they are in real time.

38. **If confirmed, would you recommend that the Military Services, Defense Agencies, and Field Activities be directed to develop their own individual schedules for achieving a clean audit for their organizations and metrics to track their progress towards that goal? Please explain your answer.**
No, the Department has shifted to a strategy that focuses resources on the specific financial statement lines and processes that need to be clean to get a clean opinion on the Agency Wide financial statements (as required by the CFO Act). The initial approach that focused on every Service and DAFA achieving an opinion was necessary to move the Department towards the goal of attaining an Agency Wide opinion, but will not allow us to meet the required timeline of an agency wide clean opinion on the FY2028 statements.

39. **If confirmed, what role would you play in reviewing, analyzing, and acting on the data collected through the application of such metrics?**
The Secretary of War established the Joint Task Force Audit while I was PTDO Comptroller, and the Comptroller is designated as the Director of the JTF. JTF Audit is building a COP that lays out the critical path to a clean opinion and shows where the Department is at any given time. The JTF is tasked to provide the Comptroller with bi-weekly reports on the status of the audit and associated remediation efforts.

40. **In your view, what incentives are needed to ensure senior leaders—not only the financial management community—are fully invested and engaged in the process of achieving a clean audit opinion? Are those incentives currently in place? What disincentives or structural impediments, if any, preclude or hamper such senior leader engagement, in your view, and what can be done to eliminate such impediments?**
The formation of JTF Audit provided clear direction from the Secretary of War that audit is Commander's Business and tasked all department leaders with supporting Comptroller as they work to obtain a clean opinion on the FY 2028 financial statements.

41. **Specifically, what measures should be used to hold senior leaders accountable if they do not meet statutory deadlines for DOD auditability?**
JTF Audit provides for escalation of all identified barriers to success so that they can be removed in real time. If the JTF and DCFO can't remove the barrier, they will escalate to the Deputy Comptroller, then Comptroller, and ultimately the Deputy Secretary or Secretary.

42. **In your view, has the introduction of mandatory spending for traditionally discretionary programs complicated accounting practices, financial management transactions, and auditability? Please explain your answer.**
The introduction of mandatory spending for traditionally discretionary programs has introduced new requirements for accounting and auditability, which the Department is managing. The benefits of the mandatory spending far outweigh the administrative requirements.

The FY 2024 National Defense Authorization Act requires the Department of Defense to receive an unqualified opinion on financial statements of the Department by December 31, 2028.

43. **If confirmed, how would you ensure that the Department meets Congress's mandate?**
The Secretary of War stood up Joint Task Force Audit to meet the statutory requirement to get a clean opinion on the FY 2028 financial statements and designated the Comptroller as Director of JTF Audit. If confirmed, I will exercise the full authority of JTF Audit to accomplish this requirement: tracking accomplishment of all items on the critical path, intervening to remove any barriers to success that may be identified, ensuring resources are available, and holding Department and Service leaders accountable for results.

44. **How would you ensure that all elements of the Department work together towards this common goal?**
While I performed the duties of the Comptroller, I worked to get service buy-in for the Department's new audit strategy and the creation of JTF Audit. If confirmed, I commit to continuing to partner with the Military Departments and Department Agencies to reinforce these partnerships. Moreover, I will use creation of the JTF

Audit COP to drive fact-based conversations with DoW Components and continue progress towards the 2028 audit.

The Marine Corps has achieved its third consecutive clean financial audit and is the first military service to do so.

45. **Why do you think the Marine Corps has been the only military service to achieve a clean audit?**
General Berger and General Smith both made audit a priority and communicated the requirement that all Marines accomplish a clean audit opinion. This helped prioritize the audit for the various three-star Marine commanders and Deputy Commandants. Navy and Marine Corps financial leaders worked with the rest of the Marine Corps to accomplish all the required audit remediation work in sufficient time to obtain a clean opinion.

46. **How will you apply the lessons learned from the Marine Corps with the other services?**
Secretary Hegseth has set the same tone as Marine Corps Leadership in advance of their successful audit. The formation of JTF Audit provides the same imperative from top leaders to accomplish a clean Agency Wide audit opinion on the FY 2028 financial statements. If confirmed, I will work with the Department's leaders to ensure they accomplish all the required audit remediation work in sufficient time to obtain a clean opinion.

Some commentators have asserted that efforts to achieve a clean audit opinion on DOD financial statements may not be the best use of resources.

47. **Do you agree with this assertion? Please explain your answer.**
I do not agree. Every federal agency, military service, and defense agency that has obtained a clean opinion received significant operational benefit from the work that was done to obtain that opinion. Ongoing efforts to get a clean opinion have identified and freed up billions of dollars of inventory, property and budgetary resources that have been reallocated to better purposes.

48. **Achieving a clean financial audit is a massive undertaking for the Department. Do you have recommendations for how to improve that process to make it less costly and more efficient?**
The Department is working closely with modern technology firms to increase the use of advanced tools that will improve the efficiency and effectiveness of our financial processes by using resources provided in the One Big Beautiful Bill Act. The Department added that requirement to our base budget this year, and if confirmed, I will continue this effort to improve the efficiency of our financial processes and modernize our financial systems.

49. **In your view, are there lessons that can be learned beyond the goal of a clean audit opinion? Based on your experience, do you anticipate operationalizing any**

intermediate lessons from the audit into the DOD's overall management reform objectives?
A clean audit opinion provides the baseline for further improvements to our use of financial information. Having accurate information on cost, value, inventory, and other financial data for operational decision makers will allow us to bend the cost curve in our direction as we deploy operational forces.

Audit Innovation

50. **If confirmed, how would you leverage artificial intelligence (AI) and automation to streamline financial data collection and reconciliation across the Department's disparate systems?**
The One Big Beautiful Bill Act provided $350M for AI and automation to accelerate audit progress. If confirmed, I would ensure those funds are used to maximize return on investment from the use of AI and automation to unify data collection and reconciliation. This includes deploying AI-powered platforms to standardize data, automate reconciliations and the retrieval of evidential matter, and monitor transactions. These tools reduce manual workload, improve traceability, and accelerate audit readiness by providing instant evidence and facilitating analysis for both internal and external audits.

51. **In your view, how should the Department bridge the gap between modern AI tools and legacy data systems to ensure accurate, real-time audit data, and how would you evaluate the effectiveness of that integration?**
Bridging the gap requires targeted investment in systems modernization. I would prioritize replacing legacy systems with modern Enterprise Resource Planning platforms while integrating AI solutions that ingest, validate, and reconcile data from both old and new systems. Effectiveness would be measured by reductions in reporting errors, improved posting rates, fewer unsupported adjustments, and successful completion of audit milestones.

52. **In your view, what role does poor data or outdated information technology systems play in the Department's ability to have timely and accurate insight into its financial needs and available budgetary resources?**
Poor data and outdated IT systems are major impediments to timely and accurate financial insights. They hinder the Department's ability to reliably account for assets, liabilities, budgetary resources, and costs. Modernization and data standardization are essential to improve reporting quality, enhance decision-making, and support audit remediation efforts.

53. **The DOD's audit involves tracking billions in assets and financial transactions across global operations. How would you prioritize the deployment of AI and automation to tackle the most persistent audit challenges, like property accountability or contract management?**
This is the largest audit in the history of the world, covering approximately $5 trillion in assets and liabilities. I would prioritize AI and automation deployment to areas

with the highest materiality and impact, including property accountability, contracts, and intragovernmental transactions. This includes automating reconciliation, streamlining document reviews, and implementing workflow-driven remediation for correcting errors.

54. **How would you drive the adoption of cutting-edge AI tools—like predictive analytics or machine learning—to proactively identify financial risks before they escalate? How would you foster a culture of innovation within the OUSD(C) to sustain these advancements?**
    If confirmed, I would champion the use of predictive analytics and machine learning to continuously monitor financial data, detect anomalies, and recommend corrective actions. To sustain innovation, I would foster a culture of transparency, agile problem-solving, and cross-component collaboration, as modeled by the Joint Task Force Audit. Regular sharing of best practices, biweekly progress reports, and visible leadership engagement would reinforce this culture and ensure ongoing adoption of advanced tools.

55. **What role do you see for process innovation, not just technology innovation, in modernizing auditing for DOD?**
    Process innovation is essential to modernizing. The Department is moving from fragmented, component-level audits to a unified, department-wide audit strategy, emphasizing continuous auditing and prioritizing material line items that drive audit outcomes. The establishment of the Joint Task Force Audit brings a disciplined, agile approach to quickly removing barriers and sharing best practices across components. These processes complement technology innovation and will accelerate progress toward a clean audit opinion.

<u>The Planning, Programming, Budgeting, and Execution (PPBE) Process</u>

In 1961, then-Secretary of Defense Robert McNamara created the framework of the current PPBE process. As the core decision making process by which DOD decides how and on what it spends its money, the PPBE process —still in effect today—is intended to connect strategic objectives with resources.

56. **Do you believe the PPBE process results in the proper allocation of resources according to the strategic priorities of the Department of Defense?**
    Yes, I do. The Deputy Secretary of War declared that reforming our resource allocation processes is critical to our national security and operational readiness. PPBE reform is now underway with the successful launch of a cross-functional team that brings together stakeholders across the budget, accounting, audit, and operational communities to formally kick it off as a unified effort.

57. **In your view, do the DOD Components (particularly OSD) have the human and automated analytic decision support capability and capacity to facilitate informed strategic decision making in a relevant timeframe?**

    The Department is rebuilding its human and automated analytic decision support capability in financial management, guided by Deputy Feinberg's memorandum that reestablished Advana for Financial Management as a key priority for the CDAO. While progress is underway, continued investment in talent and technology is needed to ensure the Department can facilitate informed strategic decision-making in a timely manner.

58. **In your view, are the data and information systems that support each of the processes sufficiently interoperable to facilitate seamless decision-making?** The use of systems such as Advana and other modern technology is enabling the Department to facilitate seamless decision making, and if confirmed I will continue to support this effort.

59. **What is your understanding of the Department's ability to have automated capability do resource modeling for the Department to help make tradeoff decisions when it comes to budgeting and execution? In your view, can that be linked with the planning and programming processes to help with longer-term strategic decision making about tradeoffs in capabilities and available resources?**

    As the PTDO Under Secretary for Comptroller, I initiated several financial reform initiatives, including a review board to examine financial data standards across the Department's PPBE process. If confirmed, I intend to continue these initiatives which will ultimately link execution to programming and budgeting, enabling the Department to better make strategic financial tradeoffs.

Some commentators have observed that in matters related to the realignment of strategic objectives with resources via the PPBE process, DOD's size, structure, and culture favor the "status quo."

60. **Do you agree with this assessment? Please explain your answer**
    No, I think that the PPBE process adapts each cycle to reflect the priorities for that particular budget. As you can see in the FY 2027 President's Budget, I think that historic investment in many areas is anything but the status quo. FY27 drastically increases investment in neglected areas like munitions procurement, drone dominance, and space, cyber, and electronic warfare capabilities.

61. **Can the PPBE cycle iterate fast enough to respond to changes in strategic or programmatic direction, in your view? Please explain your answer.**

Yes, the PPBE cycle can iterate fast enough to respond to changes in strategic direction, but with a significant burden on Department, OMB, and Congressional Staff.

62. **In your view, is the PPBE process flexible enough to enable DOD to make programmatic changes within the annual budget cycle?**
Yes, I think it can, and would refer again to all the significant investments we made in the FY 2027 President's Budget. When things change after that budget has been sent, there are still mechanisms available to us to address any unforeseen events or requirements.

The congressionally appointed Commission on PPBE Reform released its final report in March 2024, and Congress has directed the DOD to establish a cross-functional team to oversee the implementation of the Commission's recommendations.

63. **If confirmed, what would you do to implement the recommendations of the Commission, and how would you work with Congress to ensure success?**
If confirmed, I view the Commission's recommendations as a critical roadmap for modernizing our resource allocation processes. My immediate priority would be to work closely with the financial and acquisition communities to assess and accelerate the implementation of recommendations that directly enhance our agility, specifically those that allow us to more rapidly transition emerging technologies into the field. To ensure success with Congress, I recognize that true reform cannot happen in a vacuum. I will prioritize continuous, transparent engagement with the Committees. Any structural changes we pursue must be balanced by accountability and maintaining our strong commitment to congressional visibility. By partnering with Congress, we can build consensus on implementing these reforms in a way that provides the Department with the necessary execution flexibility while preserving strict congressional oversight of taxpayer dollars.

The Commission also recommended improved data sharing between DOD and Congress, which could include shared communication enclaves for both classified and unclassified data.

64. **If confirmed, would you pursue implementing this recommendation?**
Yes. We have previously provided access to an instance of Advana to Congressional staff, but the Department needs to improve the accessibility of the system and data quality.

65. **How would you ensure that such a system might be established that maintains the privacy, security, and integrity of communications and prerogatives between separate and independent branches of government?**

Advana is capable of ensuring privacy, security and integrity of communication between the separate and independent branches of government.

66. **The Department's Advanced Analytics (ADVANA) initiative, now known as the War Data Platform, started as a means to bring new data analytics capabilities to the financial management community, though its capabilities have expanded far beyond financial management. In your view, what role does the OUSD(C) play in this program, if any?**
The Comptroller plays a central role in the Advana for Financial Management program, collaborating closely with the CDAO to ensure the ingestion, consolidation, and availability of financial data in the War Data Platform, which is the data layer. This partnership enables robust analytics and accelerates AI-enabled capabilities, supporting the Department's clean audit opinion goals while ensuring the Comptroller maintains governance and control over the financially relevant data.

The DOD Financial Management Workforce

67. **Is the DOD financial management workforce properly sized, in your view?** The Department continuously evaluates the size and composition of the Financial Management (FM) workforce to ensure it aligns with mission requirements. If confirmed, as part of this effort, I commit to assessing the size of the Comptroller staff on an annual basis.

68. **Does the DOD financial management workforce have the appropriate capabilities, and are those capabilities properly distributed, in your view?**

    In my view, while our Financial Management workforce is incredibly dedicated, it currently faces a mismatch in modern technical competencies and their distribution across the enterprise.

    If confirmed, I will focus strictly on right-sizing these critical skill sets across the Department. To achieve this proper distribution, my goal is to push advanced analytical capabilities down to component levels to address transactional issues at the source, while maintaining strong, centralized strategic oversight at the enterprise level.

69. **What else would you do, if confirmed, to improve the capacity and capability of the financial management workforce? In particular, how would you increase the data literacy and data analytics capability of the financial management workforce in terms of the availability of training, the availability to more and better data, and the availability of new tools?**

    If confirmed, my priority will be to accelerate the transformation of the Financial Management (FM) workforce from transaction processors into strategic business analysts. Achieving a clean audit and maximizing the lethality of our budget requires a workforce fluent in data. To achieve this, I will focus on expanding the availability of training, and equipping the workforce with new tools. To transform our financial management personnel into strategic data analysts, we are mandating a shift from legacy compliance training toward rigorous, skills-based certifications. We are concurrently deploying targeted dashboards within Advana to map our 50.4K FM against Department priorities.

70. **How do compensation packages for the DOD financial management workforce compare to private sector counterparts? Should financial management workforce compensation be adjusted to match private sector compensation levels, in your view?**
While direct DoD base salaries often lag behind the private sector, particularly for financial management professionals with advanced degrees and specialized certifications, the total federal compensation package remains competitive due to robust non-salary benefits like the Federal Employees Retirement System (FERS), TSP matching, comprehensive healthcare, and the intrinsic value of the national security mission.

To recruit and retain the highly qualified personnel needed to oversee and audit the Department's complex budget, targeted compensation adjustments should be actively pursued rather than a dollar-for-dollar across-the-board match. If confirmed, I will advocate for closing the compensation gap by maximizing existing special pay authorities, exploring targeted retention bonuses, and assessing potential legislative updates to ensure the Department maintains a world-class financial management workforce.

71. **Is DOD prepared to sustain requisite capacity and capability during the impending financial management workforce "bath tub"—a descriptor often used to graphically illustrate the impending potential loss of financial management workforce expertise due to the retirement of large numbers of baby boomers and the lack of experienced people to fill the vacancies?**

As the PTDO Under Secretary Comptroller, I worked with our HR Team to expand the number of Schedule A appointments, training positions, and McCain Fellows on the Comptroller Staff. I also worked to capture expertise of retiring personnel through succession planning, and began development of a rotational assignments program to develop mid-career professionals. If confirmed, I will continue this work across the Department.

We must aggressively attract and retain financial management talent, particularly early-careerists, by utilizing targeted financial incentives, educational benefits, fellowships, and workload management initiatives to prevent burnout and build a resilient, long-term workforce.

Defense Agencies

Defense Contract Audit Agency (DCAA)

72. **What have been some of the successes, especially in terms of savings to DOD and the taxpayer, from the work of DCAA?**
    Strong oversight and stewardship of taxpayer dollars are fundamental to public trust and national security. DCAA's work has delivered significant value by deterring unallowable costs and returning over $5 billion to the Department in Fiscal Year 2025 alone, with a return of more than $7.5 for every dollar invested in DCAA. These efforts not only generate direct savings but also help prevent fraud, waste, and abuse, ensuring that defense resources are used efficiently and responsibly. I am committed to upholding these standards of accountability and maximizing value for the Department and the American taxpayer.

73. **If confirmed, what steps would you take to improve DCAA's ability to execute its designated missions?**
    I am committed to ensuring DCAA remains a trusted partner in safeguarding defense resources. If confirmed, I will support DCAA's ongoing transformation to streamline operations, reduce regulatory burdens, and encourage innovation in the defense industrial base, all while protecting the Department's interests. I will prioritize risk-based auditing, modernization of audit programs, and workforce centralization to enhance collaboration and efficiency. By advancing these initiatives, I will work to ensure DCAA continues to deliver timely, high-quality insights that strengthen acquisition outcomes and serve the warfighter and taxpayer alike.

74. **If confirmed, what new investments in technology, training, and workforce would you recommend to improve the effectiveness and efficiency of DCAA?**
    DCAA is transforming its training and capitalizing on generative AI to create efficiencies. DCAA is currently transforming its onboarding and new hire training, reducing the amount of time to fully develop an auditor by almost 60%. Further, DCAA has already developed several AI tools to perform routine tasks freeing up auditors to perform more complex audit work that directly benefits the acquisition cycle. If confirmed, I commit to ensuring DCAA continues to create efficiencies through training and technology, and I commit to ensuring DCAA has the resources needed to further develop these types of efficiencies and continue to provide actionable insights to the acquisition community.

Defense Finance and Accounting Service (DFAS)

The Defense Finance and Accounting Service (DFAS) was established to consolidate finance and accounting functions previously performed by the Military Services.

75. **If confirmed, what steps would you take to improve DFAS's ability to execute its designated missions?**

If confirmed, I would work closely with DFAS to advance automation and the modernization of critical financial systems across the Department. We must continue to increase our value and decrease our costs to the Military Departments. My immediate goal would be to continue modernization of our pay systems, to decrease of delays or mistakes in paying our service members and civilian employees.

76. **If confirmed, what new investments in technology, training, and workforce would you recommend to improve the effectiveness and efficiency of DFAS?**

DFAS has begun to accelerate the integration of AI into its processes and systems, and leads the Department in the utilization of bots for routine tasks. DFAS must shed and replace legacy systems, consolidate data to provide better service to our customers, and increase the availability of financial data. As PTDO Comptroller, I oversaw DFAS efforts to consolidate and retire numerous systems. If confirmed, I will continue this effort and continue to make an effort to accelerate the fielding of modern financial platforms.

77. If confirmed, how would you ensure that as new automation and productivity tools are adopted by DFAS, that commensurate training and workforce development opportunities are provided to the workforce so that DFAS employees have reskilling and upskilling opportunities?

DFAS has implemented a change management process that intentionally assesses and plans for the workforce needs as part of its change management strategy. If confirmed, I will work with DFAS leadership to further accelerate DFAS' already robust workforce training programs for emerging capabilities like AI, Robotics, and other cutting-edge technologies. Additionally, I will strategically export the strong foundation developed by DFAS to build an agile, Department-wide financial management workforce equipped to leverage advanced technologies and maintain our competitive advantage in a contested environment.

Working Capital Funds

More than two decades ago, DOD created several working capital funds as part of an effort to streamline defense business processes.

78. What do you perceive to be the value of working capital funds?
The Defense Working Capital Funds leverage the critical financial flexibilities granted under 10 U.S.C. § 2208. Under 10 U.S.C. § 2208, the DWCF is legally structured to operate as a continuous, non-expiring business-like entity, enabling it to finance large-scale, multi-year supply inventories and absorb upfront procurement costs before receiving customer reimbursements.

79. **If confirmed, would you consider any reforms to, or expansion of, existing working capital funds?**

Yes. If confirmed, I commit to working with Congress and entities across the Department to explore how we could reform, and if beneficial, expand Department Working Capital Funds.

80. Are there other defense business operations that would benefit from the creation of a new working capital fund to promote operational efficiency or cost savings?
If confirmed, I commit to exploring opportunities with Congress to consider the creation of new working capital funds.

Reprogramming

81. **Do you commit that, if confirmed, you would follow the well-established precedent of waiting for "4-way" congressional approval before transferring funds between appropriations accounts or reprogramming funding above the threshold established in enacted appropriations bills?**

If confirmed, I commit to keeping the committees appraised of all critical reprogramming that are required to fund emergent requirement to meet national defense activities.

82. **What is your view of the efficacy of the current transfer and reprogramming process?**

If confirmed, I will review the reprogramming and transfer processes and work with the Department's committees of jurisdiction to make necessary improvements.

83. **Do the dollar thresholds associated with the reprogramming process remain appropriate in the current day? Please explain your answer.**
As noted in the Commission on PPBE Reform's Final Report, legacy reprogramming thresholds restrict the Department's ability to swiftly reallocate resources in response to emerging threats, technological breakthroughs, and urgent operational needs. These rigid limits can delay critical capabilities and degrade taxpayer value. To restore operational agility, the Commission recommended raising below-threshold reprogramming limits to match historical purchasing power, while fully preserving congressional oversight and transparency. If confirmed, I will partner with Congress, OMB, and Department stakeholders to evaluate these thresholds and seek adjustments that align with modern fiscal realities while upholding rigorous legislative oversight.

84. **In your view, how might the reprogramming process be improved to meet DOD's need for flexibility, while maintaining trust and transparency with Congress?**

At a minimum, the Department and Congress should explore electronic means of requesting and reviewing reprogramming requests, and provide options for the committees to suggest alternate sources if they disagree with sources proposed by the Department.

Congressional Oversight

In order to exercise legislative and oversight responsibilities, it is important that this committee, its subcommittees, and other appropriate committees of Congress receive timely testimony, briefings, reports, records—including documents and electronic communications, and other information from the executive branch.

85. Do you agree, without qualification, if confirmed, and on request, to appear and testify before this committee, its subcommittees, and other appropriate committees of Congress? Please answer with a simple yes or no.

Yes.

86. Do you agree, without qualification, if confirmed, to provide this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs such witnesses and briefers, briefings, reports, records—including documents and electronic communications, and other information, as may be requested of you, and to do so in a timely manner? Please answer with a simple yes or no.

Yes.

87. Do you agree, without qualification, if confirmed, to consult with this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs, regarding your basis for any delay or denial in providing testimony, briefings, reports, records—including documents and electronic communications, and other information requested of you? Please answer with a simple yes or no.

Yes.

88. Do you agree, without qualification, if confirmed, to keep this committee, its subcommittees, other appropriate committees of Congress, and their respective staffs apprised of new information that materially impacts the accuracy of testimony, briefings, reports, records—including documents and electronic communications, and other information you or your organization previously provided? Please answer with a simple yes or no.

Yes.

89. Do you agree, without qualification, if confirmed, and on request, to provide this committee and its subcommittees with records and other information within their oversight jurisdiction, even absent a formal Committee request? Please answer with a simple yes or no.

Yes.

90. Do you agree, without qualification, if confirmed, to respond timely to letters to, and/or inquiries and other requests of you or your organization from individual Senators who are members of this committee? Please answer with a simple yes or no.

Yes.

91. Do you agree, without qualification, if confirmed, to ensure that you and other members of your organization protect from retaliation any military member, federal employee, or contractor employee who testifies before, or communicates with this committee, its subcommittees, and any other appropriate committee of Congress? Please answer with a simple yes or no.

Yes.