

AMENDMENT TO RULES COMMITTEE PRINT 119-8
OFFERED BY MR. DAVIDSON OF OHIO

At the end of subtitle A of title V add the following
new section:

1 **SEC. 5____. REDUCTION IN NUMBER OF OFFICERS IN**
2 **GRADES O-8 AND HIGHER FOR EACH YEAR**
3 **THE SECRETARY OF DEFENSE DOES NOT**
4 **PERFORM THE REQUIRED AUDIT OF THE DE-**
5 **PARTMENT OF DEFENSE.**

6 (a) MODIFICATION TO AUDIT REQUIREMENTS.—Sec-
7 tion 240a of title 10, United States Code, is amended—

8 (1) by striking “The Secretary” and inserting
9 “(a) AUDIT REQUIRED.—Except as provided in sub-
10 section (b), the Secretary”; and

11 (2) by adding at the end the following new sub-
12 section:

13 “(b) WAIVER OF GENERALLY ACCEPTED GOVERN-
14 MENT ACCOUNTING STANDARDS.—(1) The Secretary may
15 waive the requirement under section 3521(e) of title 31
16 to audit a financial statement of the Department of De-
17 fense in accordance with applicable generally accepted gov-
18 ernment auditing standards if the Secretary determines

1 such statement is unfit to be audited in accordance with
2 such standards.

3 “(2) The Secretary shall annually submit to the con-
4 gressional defense committees notice and a description of
5 any financial statement for which the Secretary exercises
6 a waiver under paragraph (1).”.

7 (b) REDUCTION IF AUDIT INCOMPLETE.—Section
8 525 of title 10, United States Code, is amended by adding
9 at the end the following new subsection:

10 “(i)(1) For each fiscal year for which the Secretary
11 of Defense fails to perform the audit required under sec-
12 tion 240a of this title, each number in paragraphs (1)
13 through (5) of subsection (a) shall be treated during the
14 subsequent fiscal year as if the number were reduced by
15 10 percent, with all fractions rounded down to the next
16 whole number.

17 “(2) If the Secretary of Defense fails to perform the
18 audit required under section 240a of this title for consec-
19utive fiscal years, the reduction under paragraph (1) shall
20 compounded for each such consecutive fiscal year.”.

