

Systems and Controls

Financial Systems

The Bureau's systems modernization efforts are designed to improve the effectiveness and efficiency of financial data processing and reporting capabilities. Planned improvements to the Bureau's financial systems address integrating all financial-related systems and establish direct links between program costs and performance measures.

The following were financial management system accomplishments in FY 2000:

- ❖ Continued the rollout and stabilization of the Bureau's new financial system;
- ❖ Implemented four electronic interfaces with core system;
- ❖ Reconciled and closed out the conversion of five years of historical data;
- ❖ Completed baseline implementation, including:
 - Payroll Interface;
 - Additional Reports;
- ❖ Completed documentation of Time & Attendance system requirements;
- ❖ Began phased implementation of new Human Resources system.

FY 2001 Plans:

- ❖ Upgrade financial system software and hardware;
- ❖ Configure automated financial statements;
- ❖ Document Space Management and Property System interface requirements;
- ❖ Conduct new user and refresher training;
- ❖ Implement Fleet Card Program with interface to the core financial system;
- ❖ Increase number of financial system users in Bureau program offices;
- ❖ Identify integration requirements for Revenue systems;

- ❖ Continue phased rollout of HR system.

Integrated Tax Collection System

The Integrated Tax Collection System (ICS) is a long-range project to integrate Bureau revenue management, including operational and financial processes. Areas specifically targeted for improvement are ATF business processes; revenue collection; management and accounting practices; and system flexibility to respond to changing functional and information requirements.

This project integrates numerous stand-alone tax and fee databases to provide comprehensive revenue management information for Bureau program managers. Completion of the ICS will reduce the risk of revenue loss, eliminate duplication found in multiple databases, and increase ATF's tax return and claim verification efficiency.

FY 2000 accomplishments:

In late FY 1999 and early FY 2000, ATF deployed Year 2000 date compliant applications on an Oracle based client-server architecture for the legacy revenue systems that had been on a mainframe platform. After defining a priority listing of issues which had the potential to impact adversely the findings of out-year CFO Act reviews, we expended additional maintenance funds for solutions to these issues. As part of the systems development life cycle process, ATF contracted for a feasibility study, cost/benefits analysis, and project planning efforts for the Revenue Systems Integration project. In addition, ATF prepared the business case for an e-Government initiative in FY 2002. The business case presented to ATF's Investment Review Board and to the Department of Treasury's Capital Investment Review Board, has been well received and is moving forward for funding in FY 2002. ATF would use the e.Government initiative to pilot the Pay.gov which is being developed by Treasury's Financial Management Service. The initiative would allow ATF to comply with the October 21, 2003 mandate of the Government Paperwork Elimination Act and would result in improved customer service.

FY 2001 plans:

ATF will continue its efforts to resolve deficiencies identified in CFO Act reviews of currently deployed revenue applications. In addition, with the findings and recommendations of the systems integration study, ATF hopes to address the requirements and design phases of revenue systems integration.

Federal Managers' Financial Integrity Act (FMFIA) Summary

Annual Assurance Statement for FY 2000

ATF has evaluated its management controls and financial management system for the fiscal year ending September 30, 2000, as required by the Federal Managers' Financial Integrity Act (FMFIA) of 1982 and the Federal Financial Management Improvement Act (FFMIA) of 1996. ATF provides a "reasonable assurance" that the objectives of FMFIA (both Sections 2 and 4) have been achieved and believes that it is in "substantial compliance" with the FFMIA. As a result, there is a reasonable assurance that (1) obligations and costs are in compliance with applicable laws and assets are safeguarded; (2) operational revenues and expenditures are properly recorded and accounted for; (3) accounting systems conform to the Comptroller General's accounting principles and standards; and (4) sound business practices are used to manage Bureau resources. In addition, ATF has implemented and maintained financial systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level.

FMFIA Highlights

The Bureau centrally manages the Federal Managers' Financial Integrity Act (FMFIA) program, with oversight responsibilities assigned to the CFO. However, each executive office maintains responsibility for a cost-effective system of controls to provide reasonable assurance that Government resources are protected against fraud, waste, abuse, mismanagement, or misappropriation. The Executive Staff's responsibilities include ensuring that new and existing programs and administrative support activities are managed efficiently and effectively. All Executive Staff members and managers are accountable for safeguarding resources and are also evaluated as financial managers. In addition, the CFO Steering Committee, chaired by the Deputy CFO, is comprised of the deputies of each major Bureau component. This committee provides a forum for monitoring progress, resolving problems, providing coordination, and developing consensus recommendations regarding issues that

arise from the Bureau's audit and its management and internal control environment.

2000 FMFIA STATUS

ATF's FY 2000 annual statement of assurance indicated that the Bureau could reasonably assure that:

- (1) obligations and costs are in compliance with applicable laws and assets are safeguarded;
- (2) operational revenues and expenditures are properly recorded and accounted for; and
- (3) accounting systems conform to the Comptroller General's accounting principles and standards.

The reasonable assurance was based on the Bureau's continued effort to improve its systems of management controls and aggressive steps to improve automated systems. No FMFIA deficiencies were identified during FY 2000.

Policies and Procedures

In FY 2000, the Bureau resolved two of the three reportable conditions from FY 1999. The remaining reportable condition requires the further strengthening of controls to protect information. Due to the sensitive nature of this finding, ATF is unable to provide additional information.

Monthly Accountability Plan

The Monthly Accountability Plan (MAP) continued in FY 2000 as a reporting mechanism used to monitor critical, key activities that must be accomplished in order to achieve an efficient and effective integrated financial management process. Included in the MAP are data on key operating duties and indicators, such as account reconciliations, system assurance, financial reporting, and workload statistics.