



United States Department of the Interior

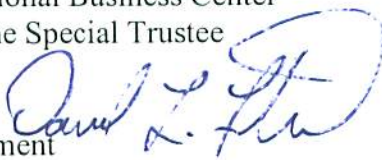
OFFICE OF THE SECRETARY
Washington, DC 20240

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FINANCIAL ADMINISTRATION MEMORANDUM NO. 2008-02 (II.A)

To: Bureau Chief Finance Officers
Bureau Assistant Directors, Administration
Chief Financial Officer, National Business Center
Finance Officer, Office of the Special Trustee

From: Daniel L. Fletcher, Director 
Office of Financial Management

Subject: Revised Guidelines for Preparing and Reporting Accomplishments on the Internal President's Management Agenda (PMA) Financial Management Scorecard

This Financial Administration Memorandum (FAM) updates guidance for preparing and reporting accomplishments on the internal PMA financial management scorecard first published in FAM 2007-021. Attachment 1 restates the guidelines for preparing and reporting accomplishments on the internal PMA financial management scorecard with changes to the guidance highlighted in bold print.

Changes to scorecard content:

All organizations who prepare internal PMA financial management scorecards should use the template at attachment 2 to document their accomplishments against the PMA standards for financial management. The template has been modified to correct a heading under the "Evidence of Progress" column that possibly misled organizations to report accomplishments for the previous six months. Organizations should report accomplishments for the reporting quarter only; do not report accomplishments for the previous six months.

Additionally, organizations should not combine the green and yellow standards that address the same topic when rating their current status. This presentation is the Office of Management and Budget's (OMB's) format for external PMA financial management scorecard reporting. It is the Department's format for internal PMA financial management scorecard reporting also.

Organizations that are part of the Department's consolidated audit should base their self assessment against the "Clean annual audit" yellow standard on the results attained from the consolidated audit. If the Department has a clean annual audit, then these organizations also have a clean annual audit.

Changes to Departmental scoring of organizational accomplishments

Occasionally, the Office of Financial Management (PFM) will include additional reporting requirements under the "Planned actions for next quarter" heading in the "Evidence of Progress" column of the scorecard. These are items that PFM tracks as part of the Department's Internal Control and Audit Follow-Up Program, Green Plan Initiative, Financial and Business Management System (FBMS) implementation, or other financial management program/initiative. These additional reporting requirements may also support PFM's external financial management scorecard reporting to OMB. Organizations must include these additional reporting requirements in next quarter's scorecard.

PFM point of contact for internal and external PMA scorecard reporting is Dorothy Sugiyama, (202) 208-5789, e-mail Dorothy_sugiyama@ios.doi.gov.

Attachments:

1. Guidelines for Preparing and Reporting Accomplishments on the Internal President's Management Agenda (PMA) Financial Management Scorecard
2. Internal PMA Scorecard Template (revised)
3. Improved Financial Performance Standards

Prior Financial Administration Memorandum on this subject:
FAM 2007-021 (Cancelled)

Guidelines for Preparing and Reporting Accomplishments on the Internal President's Management Agenda (PMA) Financial Management Scorecard

Schedule for submitting scorecards to the Office of Financial Management (PFM)

Internal PMA financial management scorecards are due to PFM by the following dates:

1 st quarter	January 15
2 nd quarter	March 1
3 rd quarter	July 15
4 th quarter	September 1

The second and fourth quarter scorecard due dates accommodate reporting deadlines that the Deputy Assistant Secretary, Performance, Accountability and Human Resources (DAS/PAHR) established for mid-year review and preparation of the Departmental Organizational Assessment. The Departmental Organizational Assessment includes the 4th quarter internal PMA financial management scorecard rating.

Scorecard content

All organizations who prepare internal PMA financial management scorecards should use the template at attachment 2 to document their accomplishments against the PMA standards for financial management. Organizations must rate their current status and progress as "red", "yellow" or "green" and shade the circle indicating self ratings accordingly.

The template contains three columns. The "Current Status" column captures the organization's self assessment against the green, yellow, and red PMA standards. **Organizations should not combine green and yellow standards that address the same topic when rating their current status.** The "Evidence of Progress" column **documents the organization's accomplishments during the reporting quarter** to support the organization's self-assessment for both current status and progress. Organizations also use the "Evidence of Progress" column to inform PFM of planned accomplishments for the next reporting quarter. PFM will base the Departmental rating on an organization's current status and progress on whether the listing of planned accomplishments was met. PFM will use the "Comments" column to provide organizations feedback on their scorecard.

Organizations that are part of the Department's consolidated audit should base their self assessment against the "Clean annual audit" yellow standard on the results attained on the consolidated audit. If the Department has a clean annual audit, then these organizations also have a clean annual audit.

Self assessments on the "Uses financial information to drive results in key areas" and "Expands routine data use" green standards must be supported by one of the following:

- Organization has prepared several green plan examples or an organizational green plan that clearly show that the organization uses financial management information for decision making, and that the organization has a plan for expanding routine financial management data usage throughout the organization.
- Organization has on file with PFM documentation that shows how it is using financial management information for decision making. To be given full credit for both of these green standards, the documentation must also address ongoing or planned efforts to expand routine financial management data usage throughout the organization. Documentation can include program status reports containing financial data, corrective action plans addressing ongoing financial management issues, managerial cost accounting reports from an organization's Activity Based Cost Management (ABCM) system, excerpts from the organization's budget submission, etc. PFM will discuss the suitability of this documentation for fulfilling these green standards with the organization prior to approving the use of this documentation for substantiating the organization's self-assessment on these green standards.

Once the Office of Management and Budget (OMB) has approved an organization's green plan examples, progress reporting and planned actions for the next quarter must also address accomplishments against milestones in the approved green plan examples. OMB requires green plan milestone updates as part of the Department's external financial management scorecard reporting. However, not all green plan milestones will be reported to OMB. PFM will communicate which green plan milestones to include in the internal scorecard.

Departmental scoring of organizational accomplishments

In accordance with the internal scorecard submission schedule, PFM will review the scorecard reports, assign a rating for each organization for both "Status" and "Progress", and provide the organization feedback on their scorecard reports within 15 calendar days of the deadline for submission.

Occasionally, PFM will include additional reporting requirements under the "Planned actions for next quarter" heading in the "Evidence of Progress" column of the scorecard. These are items that PFM tracks as part of the Department's Internal Control and Audit Follow-Up Program, Green Plan Initiative, Financial and Business Management System (FBMS) implementation, or other financial management program/initiative. These additional reporting requirements may also support PFM's external financial management scorecard reporting to OMB. Organizations must include these additional reporting requirements in next quarter's scorecard.

In assigning a current status rating, PFM considers whether an organization has met all of the green, yellow, and red standards identified at attachment 2, and particularly whether the organization has met the two green standards addressing the use/expansion of financial

management information for decision making. As indicated in attachment 3, to attain a green or yellow rating, all of the applicable standards must be met.

In assigning a progress rating, PFM considers the following:

- Progress made in addressing issues identified in the prior fiscal year's financial audit. Only financial related issues will be assessed for scorecard ratings.
- Actions identified in self-ratings addressing the use of financial data for decision making in key program areas and plans for expanded use
- Actions identified in self-ratings to attain a clean audit opinion
- Likelihood of occurrence and the magnitude of impact of identified internal control weaknesses
- How well the organization met all quarterly milestones.

If there is disagreement between an organization's self rating and PFM's rating of the organization, the organization can request a meeting with PFM to discuss the basis of PFM's rating, and to justify the organization's self-rating. Organizations should request meetings to resolve disagreements in ratings within five business days of receiving PFM's feedback on the organization's scorecard. Meetings are not required if both the organization and PFM assign the same rating to "Status" and "Progress".

If meetings between the organization and PFM do not resolve disagreements, the disagreement is elevated to the DAS/PAHR for resolution in accordance with annual guidance that the DAS/PAHR publishes on the internal and external PMA scorecard process.

President’s Management Agenda
Department of the Interior
Bureau

	CURRENT STATUS (As of _____)	EVIDENCE OF PROGRESS Quarter FY _____	COMMENTS (Reserved for PFM)
<p>IMPROVED FINANCIAL PERFORMANCE</p> <p>Bureau Lead: _____</p> <p>DOI Lead: Nina Rose Hatfield (Dan Fletcher)</p>	<p>GREEN STANDARDS</p> <p><input type="radio"/> Self rating</p> <p>Next ↑ est. by (Q408)</p> <p>__ Meets all yellow standards</p> <p>__ Uses financial info to drive results in key areas</p> <p>__ Expands routine data use</p> <p>__ FFMIA compliance reported</p> <p>__ No repeat material auditor-reported internal control weaknesses</p> <p>__ No repeat material weaknesses in FMFIA Sec. 2 (financial only) and Sec. 4</p> <p>YELLOW STANDARDS</p> <p>__ Clean annual audit</p> <p>__ Meets reporting deadlines</p> <p>__ No chronic or significant Anti-Deficiency Act Violations</p> <p>__ No more than one repeat material auditor-reported internal control weaknesses</p> <p>__ No material non-compliance with laws or regulations</p> <p>__ No more than one repeat material weaknesses in either FMFIA Sec. 2 (financial only) or Sec. 4</p>	<p><input type="radio"/> Self rating</p> <p><u>Actions taken this quarter:</u></p> <p><u>Planned actions for next quarter:</u></p>	

IMPROVED FINANCIAL PERFORMANCE

○	○	◉
<p>Agency:</p> <ul style="list-style-type: none"> • Meets all Yellow Standards for Success; • Currently produces accurate and timely financial information that is used by management to inform decision-making and drive results in key areas of operations; • Is implementing a plan to continuously expand the scope of its routine data use to inform management decision-making in additional areas of operations; • Reports in its audited financial statements that its systems are in compliance with the Federal Financial Management Improvement Act; • Has no repeat material auditor-reported internal control weaknesses; AND • Has no repeat material weakness reported under Section 2 Over Financial Reporting and no repeat non-conformances reported under Section 4 of the Federal Managers' Financial Integrity Act that impact the agency's internal control over financial reporting or financial systems. 	<p>Agency:</p> <ul style="list-style-type: none"> • Receives an unqualified audit opinion on its annual financial statements; • Meets financial statement reporting deadlines; • Has no chronic or significant Anti- Deficiency Act Violations; • Has no more than one repeat material auditor-reported internal control weaknesses; • Has no material non-compliance with laws or regulations; AND • Has no more than one repeat material weakness reported under Section 2 over Financial Reporting and no more than one non-conformance reported under Section 4 of the Federal Managers' Financial Integrity Act that impact the agency's internal control over financial reporting or financial systems. 	<p>Agency:</p> <ul style="list-style-type: none"> • Receives an opinion other than unqualified on its annual financial statements; • Does not meet financial reporting deadlines; • Cannot report in its audited annual financial statements that its systems are in compliance with the Federal Financial Management Improvement Act; • Commits chronic or significant Anti-Deficiency Act Violations; • Has more than one repeat material auditor reported internal control weaknesses; • Is in material non-compliance with laws or regulation; OR • Has more than one repeat material weakness reported under Section 2 over Financial Reporting more than one non-conformance reported under Section 4 of the Federal Managers' Financial Integrity Act that impact the agency's internal control over financial reporting or financial systems.