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# Letter From the Chief Financial Officer

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**T**he demand for the services provided by the Department of the Interior continues to grow. Park visitation is projected to reach 276 million in 1996. Hunting, recreation, and other visits to the public lands and wildlife refuges will increase. The number of students taught in Bureau of Indian Affairs schools will increase 10 percent over the next two years.

At the same time, the cost of doing business, as a result of pay increases and other changes, is projected to increase 4.8 percent between fiscal year 1994 and fiscal year 1996. For obvious reasons, then, we must continue finding better and more efficient ways to serve our customers. To that end, we have moved forward aggressively with a reinvention plan and improved financial management that will help the Department of Interior work better and cost less. Interior has completed or begun implementation of over 95 percent of the Interior-specific recommendations of the Vice-President's National Performance Review, and has made substantial improvements in financial management.

**Integrity:** The importance of financial integrity cannot be underestimated -- only with it can we ensure that the public's money is being well spent. The foundation for improving the integrity and accountability of Federal programs is the establishment of basic requirements for financial systems, financial reporting, and audited financial statements. What gets measured, gets done. Our stakeholders -- the Congress, the Administration, and the taxpayers -- have a right to know the results achieved for the resources expended. In my view, the Chief Financial Officers Act and the Government Performance and Results Act will go a long way toward establishing a "performance infrastructure" within the Federal Government.

For our part, DOI has implemented one core accounting system run at the bureau level, covering 95 percent of all appropriated dollars. We have audited financial statements for each bureau in fiscal year 1994. We have devoted increased attention to managing financial risks, including the clean up of hazardous materials on federal lands. We are developing new standards of what integrity means -- establishing new expectations; making program managers accountable for financial results; setting Senior Executive performance; and defining performance measures -- transforming focus from inputs to outcomes.

**Reinvention:** We believe in putting funds where they count -- at the field level, with the employees who work directly with our stakeholders and natural and historic resources. Interior's

streamlining plan will establish a 1:14 supervisor-to-employee ratio by 1999. The plan will result in a reduction (over five years) of 59 percent of supervisors, 49 percent in headquarters staff, 53 percent of personnel specialists, 43 percent of budget specialists, 33 percent of acquisition specialists, and 32 percent of accountants/auditors. These reductions reflect the serious effort Interior is making to reduce administrative overhead and streamline our operations. Whether it's maintaining a trail in Great Smoky Mountain National Park, repairing a dam on the Navajo Reservation, or improving earthquake and flood monitoring in California, the emphasis is on supporting and improving the services provided to our customers.

During the past year, the Department embarked on an ambitious benchmarking effort to systematically identify accounting and financial processes and procedures that could be standardized, improved, or eliminated to improve the customer service and reduce cost. We convened the Finance Officers' Partnership -- consisting of senior financial managers in each bureau -- to provide a baseline for future financial management re-engineering activities.

**Building for the Future:** I believe that the Department of the Interior is at an important crossroads today, with unmitigating pressure to do more with less. The decade of the 1990's will prove, I believe, to be one of the most challenging, dynamic periods ever experienced by public managers. The challenge facing all Chief Financial Officers is to rethink the ways we conduct the government's business; to provide the necessary leadership to efficiently manage resources; to provide timely and accurate financial information for stakeholders and program managers; and, most importantly, to restore the public's faith in government.

**BONNIE R. COHEN**  
*Chief Financial Officer*