

CHAPTER 3. IMPROVING FINANCIAL MANAGEMENT SYSTEMS

GOAL: Achieve and maintain a single, integrated financial management system that complies with Federal government policy.

The Department shares the view of the governmentwide CFO Council that a key to improved financial and program management is improved financial management systems. Improving financial management systems will provide for and strengthen our decision-making capabilities and enable Interior program and financial managers to more effectively carry out the Department's missions. The Department's goal is to achieve the objective stated in OMB Circular A-127 for each agency to establish a single, integrated financial management system.

History

Since the mid 1980s, the Department has improved its financial systems and eliminated duplicative and redundant systems. By 1984, the number of personnel/payroll systems used within the Department had been reduced from five to one. The Department's personnel/payroll system was replaced with a fully integrated, modern, on-line system, the Federal Personnel/Payroll System (FPPS), in FY 1999. This system also supports non-Interior clients, including the Social Security Administration.

By FY 1992, the number of existing bureau core financial systems had been reduced from ten to two, with off-the-shelf software, Federal Financial System (FFS), being used in six bureaus which account for over 95 percent of the Department's annual accounting transaction volume. The remaining three smaller bureaus use ABACIS, an in-house developed core accounting system. However, one of these bureaus, the Office of the Secretary, is currently converting to FFS.

Overall, the Department's financial management systems represent a combination of governmentwide systems, departmental systems, and bureau managed systems. Increasingly, the Department is becoming reliant on technology as the enabling agent for meeting management's need for more timely and comprehensive financial management information for streamlining underlying financial and administrative processes, and improving the efficiency of transaction processing.

Financial Management Systems Improvement Strategy

The Department's goal is to continue to improve financial transaction processing and to enhance the financial management systems support for the partnership between program and financial managers. The Department views the movement

toward a single, integrated financial system as encompassing three interrelated elements: (1) migrating to and enhancing standard departmentwide systems; (2) improving or replacing financial and mixed systems to take advantage of new technological capabilities (e.g., Internet browser and smart card technology); and (3) effectively interfacing or integrating financial management systems through electronic transfer of data and establishing standardized financial data classifications for movement of data to support finance and program managers.

The Department relies on a unified set of financial management systems planned for and managed together, and operated in an integrated fashion to collectively support program and financial managers. These systems are managed at various levels within the Department. Some of these systems are managed on a departmental level, others are maintained at a bureau or local level, and some are governmentwide systems that the Department relies on. Collectively, they represent the Department's financial management systems architecture. The current financial system architecture is shown in *Exhibit 3-1*, arrayed by the different types of management approaches being used. *Exhibit 3-2* lists the Department's financial management systems and applications.

Exhibit 3-1

**Department of the Interior
Financial Management Systems - Current Environment**

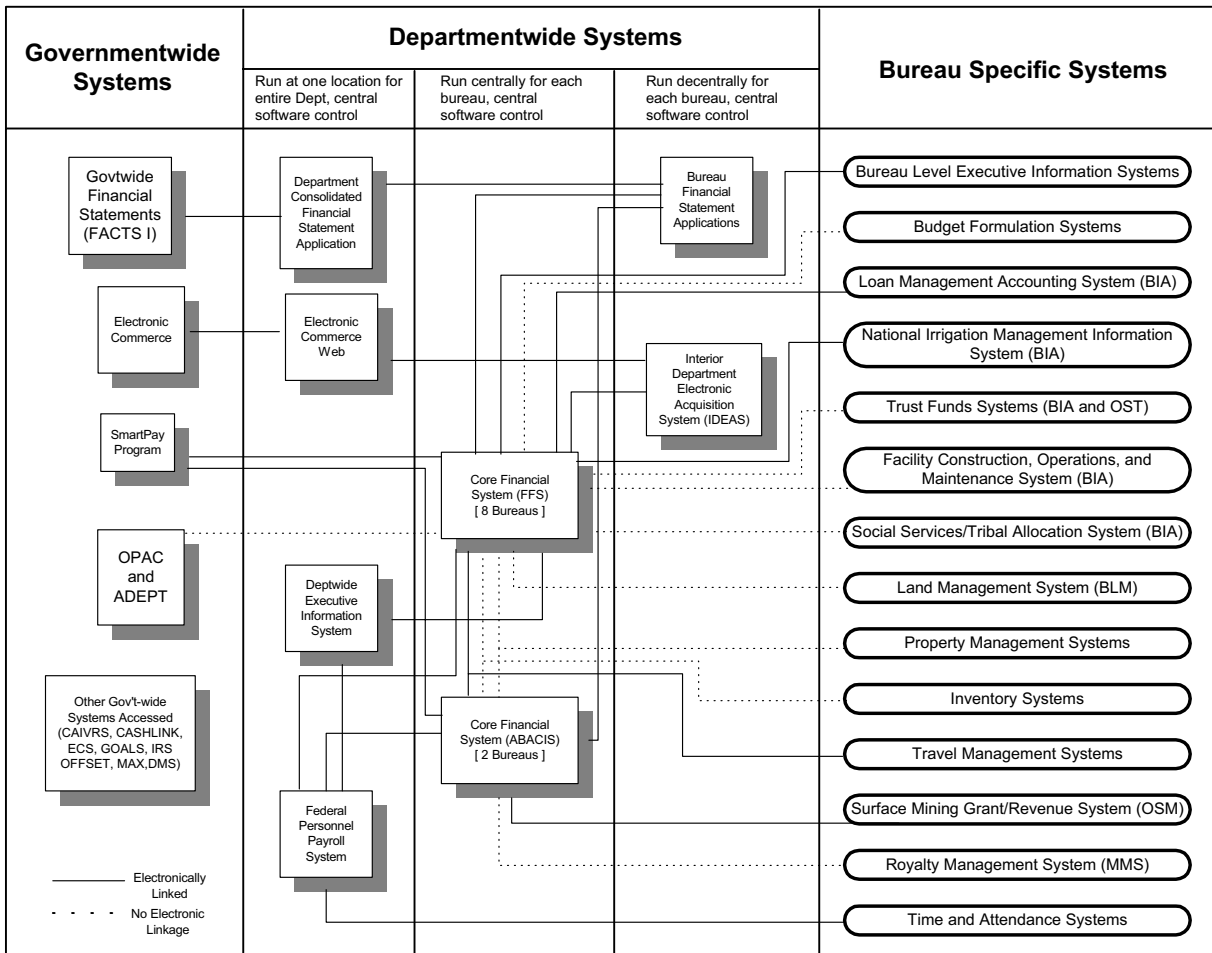


Exhibit 3-2

**Department of the Interior
Financial Management Systems Supporting Exhibit 3-1
System/Applications**

DEPARTMENTWIDE SYSTEMS**Department-wide Executive Information**

- Decision Support System/Executive Information System (DSS/EIS)

Payroll Personnel System

- Federal Personnel/Payroll System (FPPS)

Core Financial System (FFS)

- Federal Financial System (8 Bureaus/Offices)

Core Financial System

- Advanced Budget/Accounting Control and Information System (2 Bureaus)

- Accounting and Aircraft System (OAS)

Interior Department Electronic Acquisition System**BUREAU SPECIFIC SYSTEMS****Bureau Level Executive Information Systems**

- Program Management System (BLM)
- Administrative Information System (GS)
- Administrative Financial System II (NPS)
- Federal Aid Project Accounting and Ledger System (FWS)
- TABS (GS)
- Financial Reporting and Reconciliation System (NPS)

Budget Formulation Systems

- Program and Budget System (BOR)
- Budget Formulation System (NPS)

Loan Management Accounting System (BIA)**National Irrigation Management Information System (BIA)****Trust Funds (BIA, OS)**

- Individual Indian Monies System
- Integrated Resources Management System
- Omni Trust/ES

Facility Construction, Operation, and Maintenance System (BIA)**Social Services/Tribal Allocations System (BIA)**

- Tribal Allocation Priority System
- Social Services Automated System

Land Management System (BLM)

- Payment in Lieu of Taxes

Procurement Systems

- Procurement System (OS)
- SATIN (OS)

Property Management Systems

- FFS Fixed Assets Subsystem (BIA, BLM, GS)
- Real Property (BLM)
- Moveable Property System (BOR)
- Property Management System (MMS, OSM)
- Personal Property Management Information System (NPS)
- Property Accounting and Control System (OS)
- Property Management Information System (New System Being Developed by MMS For Use By MMS, OS, and OSM)
- Personal Property Management Information System (FWS)
- Real Property Management Information System (FWS)

Inventory Systems

- FEDSTRIP System (BOR)
- DORRAN (GS)
- Inventory Subsystem (GS)

Travel Management Systems

- Travel Manager Plus

Royalty Management System (MMS)

- Production Accounting and Auditing System
- Auditing and Financial System

Surface Mining Grant/Revenue System (OSM)

- Grant Information Financial Tracking System
- Fee Billing and Collection System
- Audit Fee Billing and Collection System
- Civil Penalty Accounting Control System

The Department's goal is to continue to improve financial transaction processing and to enhance the financial management systems support for the partnership between program and financial managers. The Department's financial management systems improvement strategy involves four major thrusts:

- *Year 2000 Compliance*: Convert all financial management systems to be Year 2000 compliant.
- *Current Systems Enhancements*: Improve selective financial management systems to better support administrative and program managers.
- *Financial Management Systems Migration Project*: Define and implement a new generation of financial management systems to take advantage of new technology opportunities.
- *Replacing Critical Programmatic Management Systems*: Re-engineer and replace certain critical bureau based programmatic/ financial management systems supporting critical programs: Royalty Management System; Indian Trust Funds Systems; and Facilities Management System.

The target architecture for the next five years will be determined by the results of the Financial Management Systems Migration Project. Therefore, an illustration of the target architecture is not included in this financial management plan.

Year 2000 Compliance

All of Interior's financial management systems have been modified, where necessary, to make them Year 2000 compliant. In addition, the major financial systems that were classified as "mission-critical" have also undergone a rigorous Independent Verification and Validation (IV&V) process to ensure that they are, in fact, year 2000 compliant. Moreover, in April 1999, the Department awarded a contract to perform a third party independent verification of systems that covered a wide spectrum of Year 2000 sensitive areas, including certain financial management systems (e.g., FPPS, IDEAS, FFS, etc.). The contractor reviews that have been completed to date indicate that the Department's Year 2000 program is strong and effective, and that the IV&V activities performed on "mission-critical" financial management systems provides "reasonable assurance" that these systems are Year 2000 ready.

Current Systems Enhancements

Over the past five years, the Department's financial management systems strategy was to target systems improvements to adjust to changes brought about by organizational rightsizing, streamlining, and re-engineering efforts. These efforts focused on completing nine major financial management systems improvement efforts: (1) enhancing current core accounting systems; (2) implementing FPPS; (3) implementing a Decision Support System/Executive Information System (DSS/EIS); (4) implementing a departmentwide procurement system (IDEAS); (5) maximizing opportunities for utilizing Electronic Commerce (EC) and other Electronic Data Interchange

(EDI) applications; (7) improving property systems; (8) improving the Indian Trust Funds systems; and (9) Royalty Management Program Re-engineering Initiative.

FY 1999 Accomplishments

During FY 1999, the Department continued financial systems enhancements which included successfully completing systems improvement efforts begun in previous years and expanding the use of outside services to support transaction processing.

Significant FY 1999 accomplishments include the following:

- *SmartPay Program:* Beginning in FY 1999, the Department aggressively implemented its "SmartPay" integrated charge card program in all bureaus to: outsource transaction processing to BankAmerica; provide web-based access for transaction information to more than 40,000 cardholders; automate the reconciliation process for centrally-billed accounts; and develop an automated interface for credit card transactions to the Department's accounting systems in an attempt to create the next generation of management controls by using electronic reporting to provide a higher level of oversight over individual transactions than has heretofore been possible.
- *Implement a Departmentwide Procurement System:* In FY 1999, the Department completed the implementation of IDEAS, a standard, automated procurement system. This system automates the acquisition process in requisitioning, contracting, purchasing, and contract administration. This effort was begun in January 1997 when the Department of the Interior chose for its Interior Department Electronic Acquisition System (IDEAS) procurement automation software the Windows-based, commercial-off-the-shelf package Procurement Desktop (PD) from American Management Systems, Inc. (AMS). The new IDEAS-PD software has been tested, including Year 2000 compliance, and implemented in all major buying offices of the Department, as well as in buying offices of our National Business Center's franchise client agencies, including the National Science Foundation, the U.S. Secret Service, the Maritime Administration, and the Federal Trade Commission. A web-based electronic commerce capability and an interface to financial systems have been developed and are being implemented along with IDEAS.
- *Current Core Accounting Systems:* In FY 1998, Interior bureaus developed and implemented software changes to FFS that made this system Year 2000 compliant. As an integral part of this effort, Interior also developed and implemented an automated FFS table clearing process to archive prior year "closed" records/tables to reduce the size of the operating files, thus streamlining nightly operations and saving online storage space. The Department continues to maintain the existing core accounting systems until a replacement core accounting system is identified, acquired, and implemented. A new release of the FFS core accounting system software was implemented in June 1999.
- *Improving Property Systems:* The Department continues to coordinate with the bureaus to reduce the number of separate bureau automated personal property systems. The Department's property system strategy is aimed at standardizing

and streamlining the automation of the personal and real property management functions departmentwide. This effort is intended to increase productivity and to avoid the costly development or modification of duplicative, independent systems, and interfaces with other administrative systems. Material weaknesses have existed in several bureaus' property management programs. The Property Management Partnership is continuing to address needed enhancements in property systems with the objective to migrate as quickly as possible to systems that incorporate new technologies which will eliminate duplicate data entry and allow for easy and timely access to data. A personal property module, with an electronic linkage to the Federal Financial System (FFS), has been developed and implemented in four bureaus: the U.S. Geological Survey (USGS), the Bureau of Land Management (BLM), the Bureau of Indian Affairs (BIA), and the National Park Service (NPS). Progress in real property systems is underway with BLM and BIA modifying the FFS personal property module to also track real property.

- *New Federal Personnel/Payroll System:* Prior to FY 1997, the Department operated and maintained a payroll/personnel system, called PAY/PERS, for all of Interior, as well as seven other government agencies. An on-going development effort to replace PAY/PERS with a new system called FPPS, (Federal Personnel/Payroll System), was completed by the end of calendar year 1998. FPPS is a fully integrated personnel and payroll system that provides real-time updating of data in a database environment. It provides a full range of functional capabilities and allows supervisors and managers to access the system directly for both processing of actions and retrieval of information. It provides for electronic initiation and certification of personnel and payroll actions and electronic access to data, thus virtually eliminating the handling and mailing of hard copy forms. It utilizes state-of-the-art technology, has extensive security and flexibility, and is designed to be year 2000 compliant. FPPS is considered to be one of the most advanced personnel/payroll systems in the Federal government today.
- *Hyperion Enterprise Consolidated Financial Reporting System:* In FY 1997, the Department began using Hyperion Enterprise software for collecting financial statement information to support the preparation of consolidated financial statements. The Consolidated Financial Statement (CFS) application collects summary financial data by Treasury Fund Symbol by Standard General Ledger codes from the core accounting systems that process financial transactions for each bureau of the Department. The CFS application is the single source of data used in preparing the Department's consolidated financial statements. In FY 1999, the Department enhanced the preparation process to allow each bureau finance office to participate in the data collection process via direct access to the Hyperion Enterprise application. This capability will be used in preparing the FY 1999 financial statements within the Department. Using a single unified application, each bureau now has direct ownership of its portions of the consolidated financial statements, allowing each bureau to prepare its segment of the financial statements and create journal entries. The benefits of this enhancement include the elimination of redundant journal postings, improved timeliness of trial balance data submissions, and a uniform throughput of analysis by the Department's Office of Financial Management and the OIG audit teams. The CFS application is also used to provide data to the Department of the Treasury

for the governmentwide consolidated financial statements through the FACTS I process.

- *Decision Support System/Executive Information System*: Interior's efforts to implement a Decision Support System/Executive Information System (DSS/EIS) is intended to deliver summary level information to executives for decision-making purposes and provide a user friendly graphical interface to interact with individuals who may or may not be highly proficient in using computer technology. Since September 1995, the Department has used Hyperion software tools to address selected applications including departmentwide consolidated financial statements, access to departmentwide consolidated SF-133 from the Office of Management and Budget, and providing summary financial information to senior BIA executives for FY 1998 and FY 1999. In addition, the Department has participated in establishing the Hyperion Users Group and is actively working with the Department of the Treasury, which uses Hyperion software to prepare the governmentwide financial statements, to improve the transmittal of financial data to Treasury.
- *GPRAs Performance Tracking System*: The Government Performance and Results Act (GPRAs) requires agencies to submit strategic plans to the Office of Management and Budget and Congress identifying measurable goals that define what will be accomplished during a fiscal year and reflect a level of accomplishment commensurate with the resources required and subsequently funded. The Department is beginning a process to build the needed infrastructure to provide the necessary reporting capacity to meet the GPRAs requirement on a departmental basis. The Department established an Access data base which is being used to collect quarterly performance measurement. This approach recognizes the need to be compatible with bureau level systems that are being built or planned to support GPRAs requirements. The systems will be used to report on FY 1999 performance measurement data; support data needed for the Annual Accountability Report; and support budget office needs to report on performance against the annual performance plan.

PLANNED ACTIONS

FY 2000 Planned Activities

- *Enhance the Human Resources System*: Use the Booze-Allen and Hamilton study recommendations to determine the future direction of FPPS and continue with scheduled enhancements and new releases to the system.
- Continue to address needed enhancements in property systems through the leadership of the Property Management Partnership (PMP), in conjunction with the Financial Management Systems Migration Project, with the objective to migrate as quickly as possible to systems that incorporate new technologies which will eliminate duplicate data entry and allow for easy and timely access to data. These enhancements include the following:

1. The Property Management Partnership will expand effort to standardize and streamline real property systems by including BOR, FWS, USGS, and NPS, and determine the extent of common requirements and of an interface with the Department's current facilities management initiative. As requirements for real property automation are defined, future funding needs to support system development for the other four bureaus will be determined.

2. The PMP will implement, with BLM serving as the lead bureau and with the assistance of the National Business Center, the Screen Available and Exchange-Sale (SAVES) system which is a standardized, departmentwide web-based system to share and report information on personal property available for reuse within Interior.

- Continue to enhance the consolidated financial statement process through the use of Hyperion Enterprise software as the single source of consolidated financial statement data. The Department will enhance the Hyperion Enterprise application software and data processing environment to more effectively support use of the system by bureau finance offices. The Department will also provide greater system access to individuals outside the bureaus through web-based technology.
- Participate in a pilot program with the Department of the Treasury to implement FACTS II to replace the existing SF 133, *Report on Budget Execution*, and TFS 2108, *Year-End Financial Statement*, with standard general ledger trial balance data. Treasury believes that collection of trial balance data is more amenable for analysis than standard reports. The Department will pilot test collecting and transmitting required data to the Department of the Treasury in support of the FACTS II requirements.
- Deploy the BIA Hyperion financial application for budget managers and analysts. The existing software used for the BIA application will be upgraded to a newer release of software. The conversion will take place later in the fourth quarter of FY 1999 and into the first quarter of FY 2000. Plans also include developing web-based tools to allow access of financial reports.
- Further Interior's efforts to meet GPRA requirements by determining how it will obtain data on a departmentwide basis to meet performance measurement requirements and the means that will be used to verify and validate measured values. This effort will include an assessment of options for developing a data warehouse for collecting departmental GPRA data from bureaus to support GPRA reporting requirements for FY 1999 and subsequent years, using technology currently available in the Department or accessible within the time frames and budget constraints. The intent is to establish a technical architecture to appropriately link bureau level initiatives with departmentwide efforts.
- Continue the enhancement of IDEAS through: (a) assisting bureaus in any additional IDEAS implementations at smaller field units, including financial interfaces and electronic commerce; (b) continuing to work with other Federal agency users of the AMS PD product, including the Department of Defense, the Patent and Trademark Office, the House of Representatives, the Library of Congress, franchise client agencies, and others to coordinate and reduce the costs of

software enhancements; and (c) and continuing to provide (as an OMB authorized franchise effort) procurement system support to other agencies.

Financial Management Systems Migration Project

In February 1998, the Interior Chief Financial Officers (CFO) Council established the Financial Management Systems Migration Steering Committee, which is composed of bureau CFOs/Deputy CFOs and chaired by Interior's Deputy CFO. The purpose of establishing the Steering Committee was to provide for senior level leadership in the planning, acquisition, and implementation of replacements for existing Interior financial management systems. An integrated approach to systems replacement is greatly needed since a number of the Department's financial management systems must be replaced within the next few years. For example, both of the Department's core accounting systems (FFS and ABACIS) are nearing the end of their useful lives. FFS is a mainframe system based on outdated technology that was first implemented in Interior in October 1988. The FFS vendor has already developed and is marketing its new generation of core accounting system software, and will eventually discontinue support of the old version of FFS. Consequently, Interior must replace FFS with a system that complies with a contemporary "open system architecture" environment within the next five or so years. The development of a migration strategy will ensure that any new replacement systems adhere to the Department's information systems architecture and allows for full integration among the Department's financial management systems.

The Steering Committee recommended to the Interior CFO Council that the Department engage in a coordinated cross-functional financial management streamlining effort that encompasses the following business functions: budget formulation and execution; personnel and payroll management; acquisition, receipt, accounting, maintenance, and disposition of property and services; managerial cost accounting; and travel management. This effort would provide the basis for developing comprehensive requirements for an integrated financial management system within an Interior information systems architecture that adheres to the Joint Financial Management Improvement Program's *"Framework for Federal Financial Management Systems."* These recommendations were endorsed by the CFO Council.

This effort involves a Department-sanctioned project to conduct streamlining of each of the key financial management business functions before the acquisition of replacement financial management system modules to support these functions. Thirteen cross-functional teams have been established which are assessing each process and identifying both process improvements and outlining the data used in each process; the information required by each process; and the system requirements to support the streamlined processes. This migration project will form the basis for a systems architecture that supports financial management functions and executive information into the future.

The initial stage of the effort is to develop the Financial Management Systems Migration Strategy for replacing the current financial management systems. This strategy needs to address re-engineering processes, where necessary, and building a business case for making investments in financial management systems replacement. The initial stage involves three phases:

Phase I - Functional Analysis Phase: Defining/refining the requirements of the individual systems/modules (by function) that comprise the integrated financial management systems and identify and document interactions/transactions/data exchanges with other financial management systems/modules to identify potential business process improvements.

Phase II - Business Process Review: Reviewing individual and cross-functional processes to identify business process improvements that are automation related that should be incorporated into any new financial management systems architecture. The goal is to identify what the integrated systems environment should be to meet the Steering Committee's goals to be paperless to the extent possible, require only a single user logon for access, allow one-time initial data entry, and provide easy access to common data.

Phase III - Business Case Development: Preparing a business case for acquiring software to meet the requirements of the re-engineered processes defined in Phase II. This business case will need to meet the requirements of the Information Technology Management Reform Act (Clinger-Cohen Act), satisfy "Rainey Rules" for justifying major information technology investments, and receive departmental approval from the Information Technology Steering Committee (ITSC). Following the streamlining efforts, the migration effort would replace existing system modules within the defined architecture on a schedule determined by Interior's CFO.

FY 1999 Accomplishments

- Developed a FY 1999 Steering Committee Work Plan.
- Established 13 cross-functional teams to accomplish Phases I, II, and III as described previously. These 13 teams are:
 - Budget
 - Finance
 - Travel
 - Revenue
 - Personal Property/Fleet Management
 - Real Property
 - Charge Card
 - Acquisition
 - Financial Assistance
 - Payroll/Personnel
 - Facilities Management
 - Reports
 - Information Resources Management
- Completed Phases I and II as defined previously.

PLANNED ACTIONS

FY 2000 and Beyond Planned Activities

- Complete Phase III as defined previously.
- Develop a long term strategic plan for the migration to an integrated financial management system for the Department. This effort would establish the proper strategy for upgrading/replacing the existing financial management systems within the Department and provide the justification for the system migration efforts under "Rainey Rules" and the Information Technology Management Reform Act (ITMRA). This effort would be led by the Steering Committee.
- Carry out the migration strategy established to replace existing financial management systems within an integrated information technology architecture.

Replacing Critical Programmatic Management Systems

The Department has projects underway to replace or enhance certain critical programmatic management systems that process financial data. These projects include the following:

Royalty Management Program Re-engineering Initiative

The Royalty Management Program (RMP) is responsible for ensuring that all mineral revenues from Federal and Indian Lands are efficiently, effectively, and accurately collected, accounted for, verified, and disbursed to appropriate recipients in a timely manner. These revenues amount to more than \$4.5 billion annually. RMP is faced with a number of challenges that has forced it to reexamine its core business processes. One of these challenges is the Federal Oil and Gas Simplification and Fairness Act of 1996 which significantly changed many of the RMP's historical operating assumptions, as well as some fundamental Federal oil and gas mineral revenue financial activities. Another compelling reason for a re-engineering effort is the need to improve the RMP's performance by reducing its business cycle to match other comparable organizations in the public and private sectors. Key to the RMP's re-engineering initiative is the modernization of its information technology infrastructure, by deploying a variety of new technologies and replacing many applications whose roots can be traced to the early 1980s.

The re-engineering initiative addresses all core RMP business processes including financial, accounting, compliance, and supporting computer systems. The re-engineering team is expected to eventually produce new business processes and support systems that are highly integrated, process centered, focused on outcomes, less costly, and well positioned to meet current and future mission requirements.

FY 1999 Accomplishments

- Select a contractor for a database design, underlying IT environment, and implementation of the financial and royalty management systems. The contract-

ing strategy used to address the Royalty Management Program re-engineering initiative features a two-phased contract award process. To ensure full competition, contractors were invited to submit capability statements in response to broadly stated re-engineering requirements. RMP then selected a small number of contractors from this group (two to three) to participate in another competitive round. These contractors were invited to spend two to three months with the re-engineering team and RMP operational staff. During this period, they gained a clear understanding of re-engineering requirements. Proposals were obtained for the financial module with a contract to be awarded to the firm's proposal that best met RMP objectives in terms of use of technology, functional capability, and cost. A Request for Proposal for the financial accounting system was issued on April 9, 1999. Vendor responses were received in June 1999 and a contract will be awarded in September 1999.

PLANNED ACTIONS

FY 2000 Planned Activities

- Design the database and establish the underlying infrastructure to be used to integrate compliance, asset, financial, and royalty management systems.
- Document compliance functional requirements and system performance expectations in sufficient detail to solicit capability statements and proposals from vendors.
- Prepare and issue a Statement of Work and Request for Proposals.
- Award a contract to implement re-engineered compliance processes.

FY 2001 and Beyond Planned Activities

- Implementation of the financial module (September 2001).
- Implementation of the compliance module (September 2001).
- Transition of the RMP organization and staff to the new business processes and automated systems.

Improving the American Trust Funds Systems

The American Indian Trust Fund Management Reform Act of 1994 affirmed the Secretary's trust responsibilities and established the Office of Special Trustee for American Indians (OST). The Act identified actions required for the Secretary's proper discharge of trust responsibilities, including: providing adequate systems for accounting for and reporting trust fund balances; providing adequate controls over receipts and disbursements; providing periodic, timely account reconciliations; determining accurate cash balances; and preparing periodic statements of account performance and balances. The Act also addressed the need for developing systems for accounting and investing funds, for reporting to account holders, and maintaining accurate data on ownership and lease of Indian lands.

The OST, headed by the Special Trustee (currently vacant), oversees and coordinates trust fund management reforms for the Department. The Special Trustee reports directly to the Secretary. In 1996, a Secretarial Order expanded the Special Trustee's responsibilities by transferring to OST the Office of Trust Fund Management (OTFM) and other financial trust services functions of BIA.

Reviews by the General Accounting Office, the Department's Inspector General, and independent accounting firms have identified serious financial management problems in the BIA's management of Indian Trust Funds. Reports based on these reviews indicated, among other things, that current trust fund data is unreliable, inaccurate, and inconsistent, and current trust systems are inadequate to comprehensively process trust data and incapable of supporting investment activities. Additionally, inadequate internal controls and lack of consistent, written policies and procedures were also cited in the reports.

To bring about long-term constructive improvement in trust funds management, the Department issued a draft report, *"Indian Trust Funds and Trust Asset Management Reform Plan"* in June 1994. Several initiatives have stemmed from the report, known as the Secretary's "Six Point Plan." The Office of Trust Fund Management implemented an interim service bureau system for managing tribal investments and accounting services. It improved the Office of Trust Fund Management's performance of fiduciary duties regarding tribal trust fund investment, accounting, and reporting. The majority of collection activities are still being performed by BIA. The Six Point Plan also called for correcting problems with Individual Indian Money (IIM) accounts, including correcting IIM data and improving IIM-related systems.

In April 1997, the Special Trustee submitted a proposed comprehensive strategic plan to the Secretary and the Congress. Although the Secretary had reservations about certain aspects of the plan, it was agreed that the trust system improvements and data clean up efforts in the plan would proceed. The plan included initiatives to clean up IIM records; eliminate data backlogs; improve policies, procedures, and controls; enhance training; and improve computer systems. Acquisitions were planned for these systems: (1) Trust Funds Accounting System (TFAS), (2) Trust Asset and Accounting Management System (TAAMS), and (3) Land Records Information System (LRIS) enhancements.

These initiatives were also included in the July 1998 High Level Implementation Plan (HLIP) of the Trust Management Improvement Project (TMIP). It addressed 13 subprojects, responsible bureaus and offices, supporting tasks, critical milestones, work plans, resource estimates, and accountable officials. Related subprojects have been combined, and the TMIP now consists of 11 subprojects:

- OST Trust Financial Records Clean Up
- BIA Trust Records Clean Up
- Probate Backlog
- BIA Appraisal System
- Trust Funds Accounting System
- Trust Asset and Accounting Management System

- Minerals Management Service Royalty Management Program Re-engineering Initiative
- Records Management
- Policy and Procedures
- Training
- Internal Controls

FY 1999 Accomplishments

- Efforts are well underway in various areas including records cleanup, probate backlog elimination, and activities for improved systems. Pilot efforts are being used to prove concepts, develop alternatives where necessary, identify implementation barriers, develop realistic cost estimates, and gain firsthand experience for broader full scale implementation.
- The TFAS was acquired and implemented at several sites. It will be used for all tribal accounts and the IIM investment pool.
- The TAAMS contract was awarded and implementation is underway at pilot sites.

PLANNED ACTIONS

FY 2000 Planned Activities

- After successful pilot test, roll out TFAS to remaining OTFM and BIA sites.
- Continue TFAS training.
- Implement TAAMS at remaining BIA Area Offices.
- Continue implementing Indian Probate Reinvolution Lab recommendations.
- Establish continuing quality assurance presence and address internal control weaknesses.

FY 2001 and Beyond Planned Activities

- Complete TAAMS implementation at all sites and complete deferred modifications.
- Under the MMS Royalty Management Program re-engineering initiative, complete development and delivery of financial system, relational database management system, and related modules.

Facilities Management System

Interior's public buildings, structures, and other facilities represent a major investment of tax dollars. Ensuring that maintenance and repair of such facilities is funded and implemented efficiently and effectively is an important element in protecting that investment and reducing potential Department and bureau liability. Inadequately funded maintenance due to reduced budgets, diversion of maintenance funds for emergency responses, and competition for resources from other program needs has led to accelerated facility deterioration. Deterioration can affect public health and safety, reduce morale and productivity of employees, compromise bureau missions, reduce revenues, and increase the need for costly major repair or early replacement of constructed assets.

In FY 1997, the Interior Planning, Design, Construction and Maintenance Council (PDCMC) initiated a departmentwide study of maintenance and repair issues with the goal of reducing financial and safety liability to Interior, increasing the effectiveness and awareness of facilities maintenance, controlling the increasing backlog of deferred maintenance, and ultimately, improving the stewardship of Interior's constructed assets. In February 1998, the final report from the study was issued. It is entitled, *"Facilities Maintenance Assessment and Recommendations"*, and offers ten major recommendations to improving the bureaus' and the Department's facilities maintenance programs. Three of these recommendations are directly related to facilities management systems:

1. Ensure Appropriate Use of Maintenance Allocations

- Initiate policies and procedures such that maintenance funds are separately identified, allocated, and tracked to ensure that all maintenance funds are used for facilities maintenance.
- Establish policies and procedures to effectively account for expenditure of facilities maintenance funds.

2. Establish Common Definitions for Key Maintenance Terms

- Interior should establish:
 - a common subset of facilities data elements
 - more standardized definitions of terms
 - procedures for documenting inventory and backlogs
 - procedures for determining estimated replacement costs
 - budget categories for the bureaus to adopt into their facilities program processes.
- The bureaus' real property and facilities data and systems should be consistent to achieve compatibility of data.
- Program and budget information should be linked with the Federal Financial System.

3. Ensure Integrity of Maintenance Deficiency Databases

- Initiate a uniform methodology and core data set for facility condition surveys to assess the maintenance and repair needs of all existing Interior facilities. Validate inventory of existing facilities.
- Develop automated backlog documentation that accurately communicates the facilities' needs and can easily be reviewed and updated by field staff. Include standard need descriptions and associated cost estimating procedures.

The Department is currently implementing these recommendations.

FY 1999 Accomplishments

- As a result of the recommendations presented in the *"Facilities Maintenance Assessment and Recommendations"* report and the Administration's concerns regarding the deteriorating condition of the Federal government infrastructure, the Department requested funding for the Safe Visits to Public Lands initiative in the FY 1999 budget. This initiative recognizes that funding is urgently required to ensure safe visits for the visitors to the national parks, refuges, fish hatcheries, and public lands. It is also needed to ensure that DOI employees have safe working environments and that students attending BIA schools have safe educational environments. This initiative relies heavily on the availability of accurate and complete facilities needs data and a comprehensive facilities management system to effectively utilize that data in identifying those facilities that are at most risk.
- In December 1998, Interior's Chief Financial Officer determined that a departmental material weakness existed in the area of maintenance management systems in four of the six facility managing bureaus. The Department's CFO directed that a Maintenance Management System Selection Team (MMSST) be established. The MMSST findings were (1) that commercial off-the-shelf (COTS) facilities maintenance management software is widely available on the open market and extensively used in the private sector, (2) that the use of COTS software had attractive advantages (i.e., cost effective, state-of-the-art, tested and proven, used throughout the industry, eliminate the high initial development and long-term upgrade costs of in-house developed systems), (3) that the most commonly cited negatives attributed to COTS software are the need for customization of the software to meet unique user needs and cost of the software, and (4) that a common core COTS software system, MAXIMO, is used by BOR and BIA and has been selected for use by NPS and USGS. The BOR, BIA, and NPS have the largest facilities programs in the Department. The Department is still in discussions with BLM and FWS, which have smaller facilities programs.

PLANNED ACTIONS

FY 2000 Planned Activities

- In order to meet the needs of Safe Visits to Public Land initiative, in the FY 2000 budget request the Department will implement the first year of the *"Five-Year Facilities Maintenance and Capital Improvement Plan"* to address critical health and safety needs and critical resource protection needs across the bureaus. The long-term improvement of facilities management is dependent upon the ability to collect current and accurate facilities data, utilize standard data base definitions for those data elements that are required at the Department level, implement a formal program of facilities condition assessments, and have systems to effectively and efficiently process facilities data.
- Establish a Facilities Management System Partnership to function under the PDCMC. This partnership would:
 - Coordinate FMS implementations within DOI.
 - Provide a forum for exchanging information and experience on FMS.
 - Develop standardized facilities management data definitions and data bases.
 - Coordinate FMS developments with the Financial Management Systems Migration Project.
 - Ensure compatibility among FMS.
 - Develop improved methods for meeting regulatory and other requirements (e.g., FASAB No. 6).
 - Recommend future common software enhancements and acquisitions.

FY 2001 and Beyond Planned Activities

- Continue implementation and improvement of the Five-Year Facilities Maintenance and Capital Improvement Plan.
- Improve accuracy of the deferred maintenance backlog through cyclic facilities condition assessments.
- Complete development and deployment of standardized facilities management systems throughout the bureaus.