

# Compliance with Legal and Regulatory Requirements

This section of the report provides the required information on the U.S. Department of the Interior's compliance with the following legal and regulatory requirements:

- ◆ Federal Managers' Financial Integrity Act (FMFIA)
- ◆ Federal Financial Management Improvement Act (FFMIA)
- ◆ Inspector General Act Amendments
- ◆ Audited financial statement results
- ◆ Major management challenges confronting Interior
- ◆ Federal Information Security Management Act (FISMA)
- ◆ Other key legal and regulatory requirements—
  - ▶ Prompt Payment Act (PPA)
  - ▶ Debt Collection Improvement Act (DCIA)
  - ▶ Electronic Funds Transfer (EFT)

In addition, this section includes summaries of the Department's financial management improvement initiatives regarding:

- ◆ E-Gov travel
- ◆ Financial Management Green Plan initiative
- ◆ Improved cost information
- ◆ Financial management systems
- ◆ Financial management systems improvement strategy
- ◆ Financial management human capital
- ◆ Financial data stewardship

### FY 2008 ASSURANCE STATEMENT

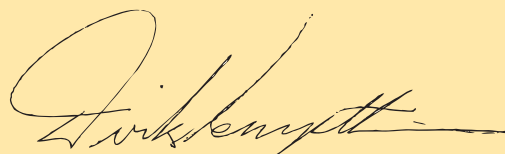
The Department of the Interior's management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act of 1982. Interior is able to provide a qualified statement of assurance that the internal controls and financial management systems meet the objectives of FMFIA, with the exception of one material weakness noted herein.

Interior conducted its assessment of the effectiveness of internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with Office of Management and Budget (OMB) Circular No. A-123, *Management's Responsibility for Internal Control*. Based on the results of this evaluation, Interior can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2008, was operating effectively and that no material weaknesses were found in the design or operation of the internal controls.

In addition, Interior conducted its assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of

assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of this evaluation, Interior can provide reasonable assurance that its internal control over financial reporting as of June 30, 2008, was operating effectively with the exception of one material weakness found in the design or operation of the internal control over financial reporting. The financial audit identified, and management concurs, that a material weakness exists in the internal control over financial reporting of unfilled customer orders. The Department will implement a corrective action plan to resolve the deficiency in the second quarter of FY 2009.

Interior can also provide reasonable assurance that its financial systems substantially comply with the Federal Managers' Financial Integrity Act and with the component requirements of the Federal Financial Management Improvement Act.



DIRK KEMPTHORNE  
Secretary of the Interior  
November 15, 2008

### Federal Managers' Financial Integrity Act

The Department believes that maintaining integrity and accountability in all programs and operations (1) is critical for good government, (2) demonstrates responsible stewardship over assets and resources, (3) ensures high-quality, responsible leadership, (4) ensures the effective delivery of services to customers, and (5) maximizes desired program outcomes. Interior has developed and implemented management, administrative, and financial system controls that reasonably ensure:

- ◆ Programs and operations achieve intended results efficiently and effectively;

- ◆ Resources are used in accordance with the mission;
- ◆ Programs and resources are protected from waste, fraud, and mismanagement;
- ◆ Laws and regulations are followed; and
- ◆ Timely, accurate and reliable data are maintained and used for decisionmaking at all levels.

Interior's internal control program is designed to ensure full compliance with the goals, objectives, and requirements of FMFIA and Office of Management and Budget (OMB) Circular No. A-123,

*Management's Responsibility for Internal Control*, including Appendix A, *Internal Control over Financial Reporting*; OMB Circular No. A-127, Appendix B, *Improving the Management of Government Charge Cards*, Appendix C, *Requirements for Effective Measurement and Remediation of Improper Payments*, *Financial Management Systems*, and OMB Circular No. A-130, *Management of Federal Information Resources*.

### Management Assurances

FMFIA requires agencies to provide an annual statement of assurance regarding internal accounting and administrative controls, including program, operational, and administrative areas as well as accounting and financial management and reporting. During Fiscal Year (FY) 2008, the Office of Financial Management (PFM) conducted comprehensive site visits and otherwise provided oversight with regard to risk assessments, internal control reviews, and progress in implementing audit recommendations. Interior's FY 2008 Annual Assurance Statement is highlighted to the left. The basis for the assurance statement conclusions are discussed below.

### Internal Control Assessments

Interior conducts annual assessments of the effectiveness of management, administrative, and accounting systems controls in accordance with FMFIA and OMB guidelines. The conclusions in the Secretary's FY 2008 Annual FMFIA Assurance Statement are based on the results of approximately 854 internal control reviews conducted by bureaus and offices, including assessments of internal control over financial reporting. In addition, Interior considered the results of 16 Office of Inspector General (OIG) program audits; 16 Government Accountability Office (GAO) program audits; and 6 financial statement audits conducted by the independent public accounting firm, KPMG LLP, under the auspices of the Chief Financial Officers (CFO) Act of 1990 and the Government Management Reform Act of 1994 (GMRA). In addition, many of Interior's internal control reviews and related accountability and integrity program activities focused on areas identified as major management challenges and on components of the President's Management Agenda (PMA).

## FMFIA Material Weaknesses and Accounting System Nonconformances

OMB Circular No. A-123 requires that each agency identify and report on material weaknesses affecting the agency. Interior has adopted the OMB guidelines for material weakness designations and recognizes the importance of correcting material weaknesses in a timely manner. PFM and senior program officials continuously monitor corrective action progress for all material weaknesses. At the beginning of FY 2008, Interior had no Department-level FMFIA material weaknesses pending correction carried forward from the previous year.

The Department has a reporting practice consistent with the December 2004 revision to OMB Circulars A-123 and A-136, *Financial Reporting Requirements*, to report only Department-level material weaknesses in the Performance and Accountability Report (PAR). Bureau-level material weaknesses continue to be reported internally and are actively monitored by the bureaus and PFM for timely corrective action.

The Department will report a material weakness corrected or downgraded when the following occurs:

- ◆ Senior management has demonstrated its commitment to resolving the material weakness as evidenced by resource deployment and frequent and regular monitoring of corrective action progress;
- ◆ Substantial and timely documented progress in completing material weakness corrective actions exists;
- ◆ Corrective actions have been substantially completed, remaining actions are minor in scope, and the actions will be completed within the next fiscal year;
- ◆ Implemented corrective actions have eliminated or minimized the root cause(s) of the material weakness; and
- ◆ Substantial validation of corrective action effectiveness has been performed.

## Compliance with Legal and Regulatory Requirements

A summary of the Department's financial statement audit material weaknesses, FMFIA material weaknesses and accounting system nonconformances is presented in Figures 1-44 and 1-45.

### Internal Control over Financial Reporting

Revised OMB Circular A-123, Appendix A, strengthens internal control requirements over

financial reporting in Federal agencies. The Circular provides updated internal control standards and requirements for conducting management's assessment of the effectiveness of internal control over financial reporting.

In FY 2008, the Department completed its third assessment of the effectiveness of internal control over financial reporting. The results of

FIGURE 1-44

Summary of FY 2008 Financial Statement Audit					
<b>Audit Opinion</b>	Unqualified				
<b>Restatement</b>	No				
<b>Material Weaknesses</b>	<b>Beginning Balance</b>	<b>New</b>	<b>Resolved</b>	<b>Consolidated</b>	<b>Ending Balance</b>
Controls over Unfilled Customer Orders	0	1	0	0	1
Total Material Weaknesses	0	1	0	0	1

FIGURE 1-45

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
<b>Statement of Assurance</b>	<b>Qualified</b>					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Controls over Unfilled Customer Orders	0	1	0	0	0	1
Total Material Weaknesses	0	1	0	0	0	1

Effectiveness of Internal Control over Operations (FMFIA § 2)						
<b>Statement of Assurance</b>	<b>Unqualified</b>					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Conformance with Financial Management System Requirements (FMFIA § 4)						
<b>Statement of Assurance</b>	<b>Systems Conform to Financial Management System Requirements</b>					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total of Non-Conformances	0	0	0	0	0	0

Compliance with Federal Financial Management Improvement Act (FFMIA)		
	<b>Agency</b>	<b>Auditor</b>
Overall Substantial Compliance	Yes	No
1. System Requirements	Yes	
2. Accounting Standards	Yes	
3. U.S. Standard General Ledger at Transaction Level	Yes	

the assessment revealed that a material control weakness exists in the financial reporting of unfilled customer orders. The weakness was reported in Interior's Statement of Assurance. For other financial reporting areas, adequate controls exist and financial reporting can be relied upon by senior management when used in conjunction with other decisionmaking processes. The assessment did not disclose any other material weaknesses in the Department's financial reporting activities. Although deficiencies were found in some financial reporting business processes, corrective actions and compensating controls are expected to address the deficiencies. The Department's internal control over financial reporting reasonably ensures the safeguarding of assets from waste, loss, and unauthorized use or misappropriation, as well as compliance with laws and regulations pertaining to financial reporting with the exception of the one material weakness (See FY 2008 Assurance Statement, paragraph 2).

Departmental policymakers and program managers continuously seek ways to achieve missions, meet program goals and measures, enhance operational processes, and implement new technological developments. The OMB requirement to assess control over financial reporting strengthens the accountability of Departmental managers regarding internal controls and improves the quality and reliability of the Department's financial information.

### Federal Financial Management Improvement Act

FFMIA builds upon and complements the CFO Act, Government Performance and Results Act (GPRA), and GMRA. FFMIA requires that Federal agencies substantially comply with 1) applicable Federal accounting standards, 2) the U.S. Standard General Ledger (USSGL), and, 3) Federal financial management system requirements that support full disclosure of Federal financial data, including the cost of Federal programs and activities.

Federal agencies are required to address compliance with the requirements of FFMIA in the representation letter to the financial statement auditor. The auditor is required to report on the agency's compliance with FFMIA requirements

in the Independent Auditors' Report. If an agency is not in compliance with the requirements of the FFMIA, the agency head is required to establish a remediation plan to achieve substantial compliance.

The FY 2008 Department financial statement audit report identified a noncompliance deficiencies — Federal accounting standards with regard to unfilled customer orders. Although this deficiency was identified in the financial statement audit report, the Department substantially complies with FFMIA.

### Inspector General Act Amendments (Audit Followup)

Interior has instituted a comprehensive audit followup program to ensure that audit recommendations are implemented in a timely and cost-effective manner and that disallowed costs and other funds due from contractors and grantees are collected or offset. In FY 2008, Interior monitored a substantial number of new Single Audit (298), OIG (25), and GAO (16) audit reports. Audit follow-up actions include analyzing audit reports referred; advising grantors of single audit findings; tracking, reviewing, and validating program and financial audit recommendations; developing mutually acceptable and timely resolution of disputed audit findings and recommendations; overseeing the implementation, documenting and closing of audit recommendations; and monitoring the recovery of disallowed costs. The OIG Semiannual Report to the Congress provides additional information about OIG activities and results.

### Departmental Goal for Timely Implementation of Audit Recommendations

To further underscore the importance of timely implementation of OIG and GAO audit recommendations, Interior has an aggressive performance goal to implement 85 percent of all GAO and OIG recommendations where implementation was scheduled to occur during the year or in previous years.

In FY 2008, Interior exceeded its performance goal with a composite implementation rate of 91 percent (Figure 1-46). Interior's success in achieving the performance goal for the 6th consecutive year was due primarily to Interior's

**FIGURE 1-46**

<b>FY 2008 Departmental Performance Goal for Implementation of OIG and GAO Audit Recommendations</b>			
<b>Agency</b>	<b>Recommendations Meeting Departmental Goal Criteria</b>	<b>Recommendations Implemented</b>	<b>Percentage Implemented</b>
DOI TOTAL	434	396	91

**GAO Audits**

GAO audits are a major component of Interior’s audit followup program workload and cover a variety of programs, operations, and activities. During FY 2008, GAO audits containing 69 recommendations were tracked; 60 (87 percent) were completed or closed.

aggressive monitoring process. Progress monitoring will continue in FY 2009 to help achieve next year’s performance goal.

**Audits Performed Under the Single Audit Act**

Interior provides over \$2 billion each year in funding for grants, cooperative agreements, Indian self-determination contracts, and self-governance compacts to State and local governments; Indian tribes, colleges and universities; and other not-for-profit organizations. Under the provisions of the SAA, grantees’ financial operations, internal control structures, and levels of compliance with applicable laws and regulations must be audited each year. All SAA reports are forwarded to and screened by the Federal Single Audit Clearinghouse.

SAA reports with findings and recommendations requiring audit followup are forwarded to the Department’s OIG, which, in turn, forwards those reports to PFM for distribution to the appropriate bureaus for audit followup, resolution, and tracking. Each bureau is responsible for meeting with grantees and negotiating a resolution to the deficiencies identified in the audit reports, as well as for determining the allowability of any expenditure of Federal funds that has been questioned by the auditors.

Interior closed 220 of 380 audits under the Single Audit Act (58 percent) that were in tracking during FY 2008. As in previous years, the Department plans to continue its monitoring and follow-up activities during FY 2009 to close audit reports including those with disallowed costs.

**Performance and Financial Audits**

Performance and Financial Audits are OIG-conducted audits of Interior’s programs, organizations, and financial and administrative operations. During FY 2008, OIG audits containing 365 recommendations were tracked; 336 (92 percent) were completed or closed.

**Audited Financial Statement Results**

As required by the GMRA, Interior prepares consolidated financial statements. These financial statements have been audited by KPMG LLP, an independent public accounting firm, since FY 2001 (the OIG audited the financial statements prior to FY 2001). Additionally, certain bureaus prepare financial statements that are also audited.

The preparation and audit of financial statements are an integral part of the Department’s centralized process to ensure the integrity of its financial information.

The results of the FY 2008 financial statement audit are summarized in Figure 1-44. As shown in the table, Interior again achieved an unqualified audit opinion, the 12th consecutive one, for the Department’s consolidated financial statements.

Figures 1-47 and 1-48 summarize the status of material weaknesses and noncompliance issues reported in the FY 2008 and FY 2007 financial statement audit. As noted previously, Interior reports only Department-level material weaknesses and noncompliances. The Department has established an internal goal of completing corrective actions for material weaknesses and noncompliance issues by the end of the following fiscal year, unless the magnitude of the corrective action involves a multiyear effort. The FY 2008 auditor’s report identified one instance of material weakness concerning controls over unfilled customer orders. Interior concurred with the finding (See Figure 1-47).

As previously stated, the report also identified 2 instances of noncompliance with laws and regulations. Interior concurred with the SAA finding but not with the Federal accounting standards finding (See Figure 1-48).



FIGURE 1-47

FY 2008 and 2007 Audited Financial Statements Material Weakness Corrective Action Plan (as of September 30, 2008)						
Bureau	Material Weakness Description	Corrective Action	Fiscal Year		Original Target Date	Status
			2007	2008		
DEPT BLM DO FWS NPS USGS	Controls Over Unfilled Customer Orders	1.) Develop and communicate accounting policies and procedures for unfilled customer orders; 2.) Provide training to personnel on accounting for unfilled customer orders; 3.) Record the entire amount of unfilled customer orders when the order is received; and, 4.) Monitor and close out unfilled customer orders when the order expires or funding is no longer available for obligation.		X	3/31/09	In progress

FIGURE 1-48

FY 2008 and 2007 Audited Financial Statements Noncompliance Corrective Action Plan (as of September 30, 2008)						
Bureau	Noncompliance Description	Corrective Action	Fiscal Year		Original Target Date	Status
			2007	2008		
DEPT DO BOR FWS NPS	Single Audit Act Amendments of 1996	Obtain Single Audit, Financial Status, Grant Performance, and Annual Reports and issue management decisions on audit findings in accordance with the requirements of the Single Audit Act Amendments.	X	X	9/30/06	Carryover
DEPT BLM DO FWS NPS USGS	Federal Financial Management Improvement Act of 1996	Improve procedures and internal controls to ensure the financial statements are prepared in accordance with Federal accounting standards.		X		Interior Non-concurs

## Major Management Challenges Confronting Interior

The OIG and the GAO annually advise Congress on what they consider to be the major management challenges facing the Department. A summary of the major management challenges identified by the OIG and GAO and the Department of the Interior’s response to the challenges identified are contained in Part Four, Other Accompanying Information, of this report.

## Federal Information Security Management Act

FISMA provides a framework and relevant agency roles for ensuring the effectiveness of security controls with regard to information resources that support Federal operations and assets. The law gives latitude for OMB and the Department

of Commerce through the National Institute of Standards and Technology (NIST) to identify minimum standards for operating information systems within the Federal Government.

Information security is an ongoing process of continuous improvement. Challenges are constantly present from evolving requirements and technologies. The Department has identified the safeguarding of information through policy and compliance oversight, correcting identified incidents of breach or loss of information or information systems, and ensuring Departmental processes serve Federal mandates and Mission requirements as its top priorities. During FY 2008, the Department also continued to work on the priorities identified in FY 2007 for improving its overall information security posture. These are:

- ◆ Revising Department Certification and Accreditation (C&A) documentation and

execution processes to include OMB requirements for protecting personally identifiable information;

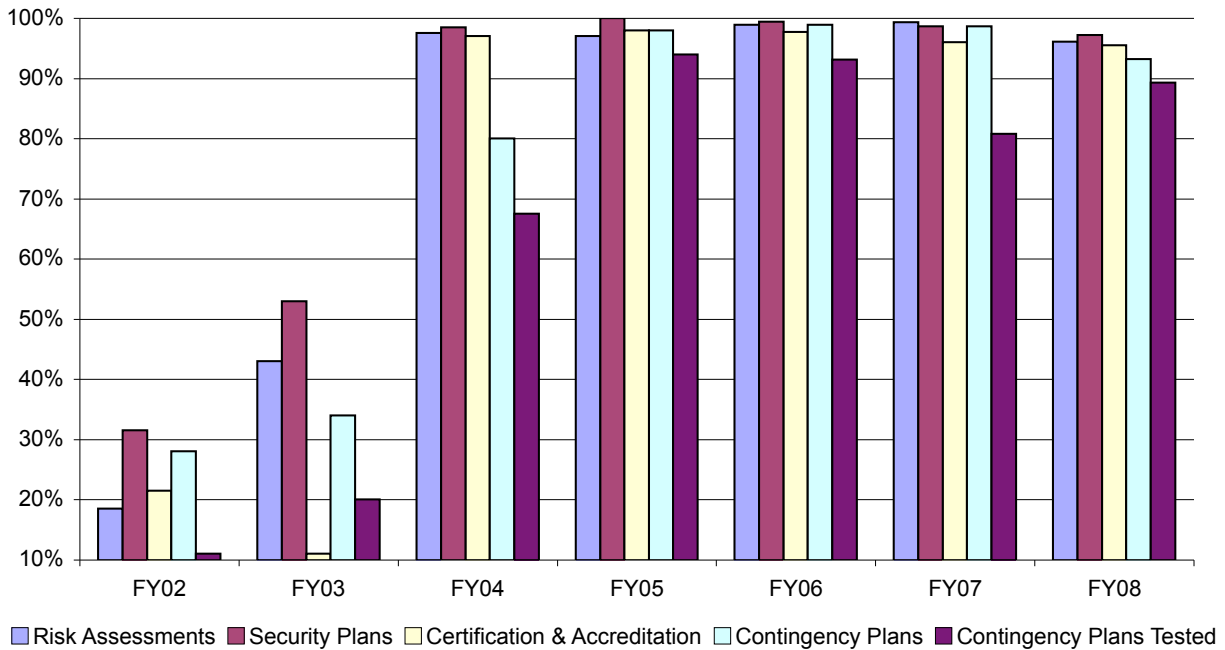
- ◆ Improving the Department's security configurations in accordance with emergent security configuration standards (e.g., the Federal Desktop Core Configuration (FDCC));
- ◆ Refining the Department's compliance effort in meeting the requirement to report system weaknesses through the Plan of Action and Milestones (POA&M) process;
- ◆ Implementing automated tools to verify and validate system security configurations; and
- ◆ Integrating processes into life cycle management.

Specific actions, initiated and/or completed, in FY 2008 include:

- ◆ **Department of the Interior Information Security Program and Security Awareness Training**—The Office of the Chief Information Officer (OCIO) completed and promulgated the Department's Information Technology Security Policy Handbook. This document aligns Departmental policies with the NIST Special Publication (SP) 800-53, *Recommended Security Controls for Federal Information Systems*, families of controls and establishes minimum Information Technology (IT) security policies and implementation standards for all of Interior's bureaus and offices. OMB's requirement for the training of personnel based on position is addressed in Interior's Role-Based IT Security Training (RBST) Standard issued on January 30, 2008. Comprehensive personnel lists were developed, tracking methods identified, and policies and procedures implemented to ensure compliance; and
  - ◆ **Certification and Accreditation Process** — In FY 2007 Interior established a Memorandum of Agreement with the Department of Justice and initiated a project to begin deploying the Cyber Security Assessment and Management (CSAM) solution in support of improvements to Interior's C&A, POA&Ms, and Internal Control Review (ICR) processes. CSAM, now implemented, is providing the required automation for Interior's C&A on tracking, management, and reporting processes. This FISMA automated reporting tool provides bureaus and offices greater simplicity in entering and managing information security documentation requirements.
- Senior management commitment towards ensuring FISMA compliance and continuous improvement with regard to assessing risk, demonstrating commensurate controls, and documenting agency official approval of operations is demonstrated by Interior's C&A performance metrics in Figure 1-49.
- ◆ **Plans of Action and Milestones** — The POA&M is the OMB-required, authoritative format for tracking identified weaknesses in information security programs and systems. The OCIO issued Directive 2008-005, dated January 31, 2008, which promulgated a new POA&M process standard, resulting in greatly enhanced Department-level reporting. This more efficient reporting mechanism, in conjunction with CSAM, enables constrained staff resources to focus on the accuracy of weakness descriptions, appropriateness of resolution plans, accuracy of corrective action status, and enable greater prioritization of resources to perform increased compliance oversight.
  - ◆ **Information Security Controls** — The Department established an Interior Internal Security Improvement Team (ISIT) working group to develop an IT Security Defense-in-Depth strategic plan that included approximately 40 recommendations to address risks associated with insider threats to Interior's information and information systems. The plan was completed and approved by Interior's Information Technology Management Council (ITMC) and is being utilized to prioritize additional IT security improvements and enhancements that are necessary to keep pace with rapidly increasing, emerging, and evolving threats. Many of the plan recommendations are already integrated into the Department's



FIGURE 1-49  
**Certification and Accreditation Activities**



IT Roadmap initiative, that has the goal of improving the planning, management, integration, and implementation of those projects.

As part of Interior’s self-assessments performed under annual ICRs, Interior measures the progress of implementing required security controls consistent with NIST Federal Information Processing Standards (FIPS) Publication 200, *Minimum Security Requirements for Federal Information and Information Systems*, and SP 800-53, and assessed in accordance with NIST SP 800-53A, *Guide for Assessing the Security Controls in Federal Information Systems*, for information systems using five levels of effectiveness with the following maturity levels:

- ▶ Level 1 — control objective documented in a security policy.
- ▶ Level 2 — security controls documented as procedures.
- ▶ Level 3 — procedures have been implemented.

- ▶ Level 4 — procedures and security controls are tested and reviewed.
- ▶ Level 5 — procedures and security controls are fully integrated into a comprehensive program.

Based on the results of these reviews, Interior continues to improve on its overall level, now at a maturity level of 4.62, when measured against the assessment criteria.

- ◆ **Minimum Standards for Security Configurations** — Interior maintains an inventory of approved Security Technical Implementation Guides (STIGs) based on the NIST National Checklist Program (NCP — formerly the NIST Security Configuration Checklist Program) for critical IT security components, such as operating systems, router configuration, database hardening, etc. Interior directed bureaus and offices to implement OMB’s FDCC STIG for the Windows XP Operating System and fully implemented that standard throughout the organization by the end of FY 2008. Configuration documents are meticulously reviewed by bureaus and offices and amended as required to conform to

operational requirements only after staffing through configuration management boards. Compensating controls are used when necessary to ensure adequate controls are in place.

The annual FISMA evaluations of both the OIG and Chief Information Officer (CIO) concluded that information security at Interior needs improvement, risks and vulnerabilities remain, and improvements can be easily made. Interior believes the additional policies and processes put in place over the last year to address those risks have resulted in improved information security. Additionally, improvements will continue to be made in a timely and cost-effective manner. As a result of the evaluations, it was determined that Interior substantially complies with FISMA.

**Compliance with Other Key Legal and Regulatory Requirements**

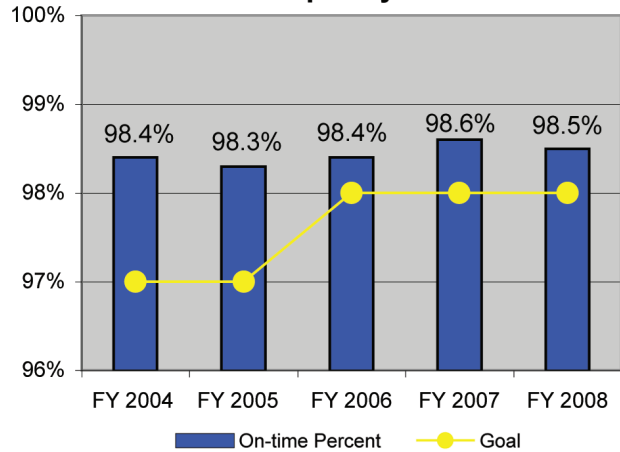
Interior is required to comply with several other legal and regulatory financial requirements, including the PPA and the DCIA.

**Prompt Pay, Debt Collection, and Electronic Funds Transfer**

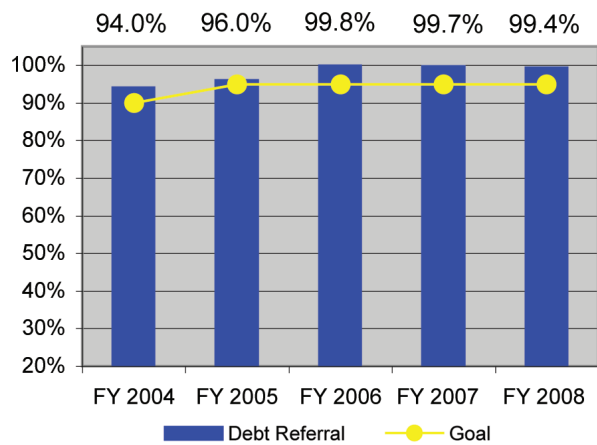
The Department is continuing to improve performance under the requirements of the PPA and the DCIA. The PPA requires that eligible payments be made within 30 days of receipt of invoice; otherwise, the Federal Government is required to pay interest. The DCIA requires any nontax debt owed to the United States that has been delinquent for a period of over 180 days be turned over to the Department of the Treasury for collection. The Electronic Funds Transfer (EFT) provision of the DCIA mandates all recipients of Federal payments, receive their payments electronically, except for tax refunds.

The Department exceeded its FY 2008 performance goals for PPA (Figure 1-50), DCIA (Figure 1-51), and payments made by EFT (Figure 1-52).

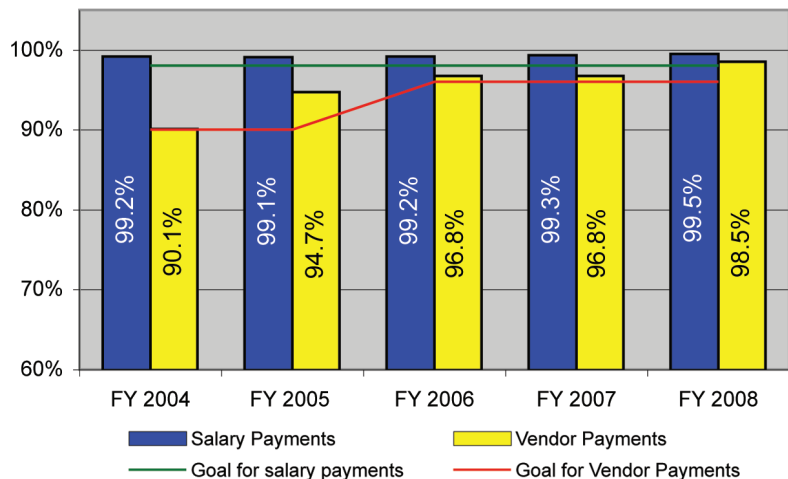
**FIGURE 1-50  
Prompt Payment**



**FIGURE 1-51  
Debt Referral**



**FIGURE 1-52  
Electronic Funds Transfer**



## Financial Management Improvement Initiatives

### E-Gov Travel

The Department is approximately 80 percent complete with its E-Gov Travel implementation initiative, which deploys an end-to-end automated travel management system providing booking/reservations, travel authorization, and travel voucher processing services under one system. As of September 30, 2008, about 60,000 Interior users are able to access the system, and 45,000 vouchers have been processed in the system. The Department will complete its E-Gov Travel implementation by the end of November 2008.

### Financial Management Green Plan Initiative

During FY2008, the Department implemented its Financial Management Green Plan initiative. The Financial Management Green Plan initiative is built upon the single goal of integrating the use of financial information in the decisionmaking process of programs and functions that are essential to execution of the Department's Strategic Plan. To achieve this goal, the Department identifies programs and functions with outlays equal to or exceeding \$100 million where financial information is not used for decisionmaking, or is incidental to decisionmaking, validates that financial information should be part of the decisionmaking process or is not integral to decisionmaking, and then documents how financial information will become part of the decisionmaking process in a green plan example.

As of September 30, 2008, the Department has developed green plan examples for finance, procurement, fleet management, recreation, science knowledge advancement, and hydropower cost recoupment. During FY 2009, green plan examples will be developed for wildland fire, Indian trust, mined land management, dam safety, and construction.

### Improved Cost Information

The Department continues enhancement of the Management Cost Accounting (MCA) system and its integration with the financial accounting system. This integration has focused on providing valid and useful information related to performance measurement and budgeting to all levels of

management throughout the organization. This requires cost information aggregation and reconciliation that support bureau program managers, as well as Departmental management's strategic goals and objectives. Interior has accomplished alignment in the Statement of Net Cost by building an organizational structure that captures cost transactions at the Mission Area and the End Outcome Goal levels while allowing bureaus to adopt flexible goals and activities that support these outcomes. These flexibilities have led to some criticism by GAO that there is no single integrated information system to obtain the MCA data. However, Interior has begun addressing this concern by expanding the Financial and Business Management System (FBMS) capabilities to two currently deployed bureaus and implementing all existing system functionality at the Bureau of Land Management (BLM). Full implementation of FBMS will facilitate a single data source solution and ensure consistency across each entity. In FY 2008 Interior focused on identifying representative measures within each mission area and expense data for these measures as they are built into the Statement of Net Cost model.

## Financial Management Systems

The Department shares the view of the Government-wide 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 decisionmaking capabilities and enable Interior program and financial managers to more effectively achieve the Department's missions. Interior recognizes the importance of its financial management systems as a part of its capital assets portfolio and uses sound information technology investment management principles to plan and monitor these systems. With FBMS, Interior's goal is to achieve and maintain the objective stated in OMB Circular No. A-127, *Financial Management Systems*, for each agency to establish a single, integrated financial management system. In pursuing this goal, the Department will follow the information technology investment management practices and principles identified in the Clinger-Cohen Act of 1996.

### Financial Management Systems Improvement Strategy

The Department's goal is to continue to improve financial transaction processing and to enhance financial management systems support through an effective partnership of program, information system, and financial managers. The Department relies on financial management systems planned for, managed together, and operated 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 level, and some are Government-wide systems on which the Department relies. Collectively, they represent the Department's financial management systems architecture.

The Department has viewed the movement toward a single, integrated financial system as encompassing four interrelated elements: (1) improvement of internal control, (2) elimination of redundant data entry, (3) enabling end-to-end transaction processing, and (4) standardization of data for improved information quality.

The Department's current financial management system improvement efforts involve three major thrusts:

- ▲ **FBMS.** Define, carefully plan, and implement a new generation of financial management systems to replace existing systems that are no longer supported by their software companies;
- ▲ **Critical Programmatic/Financial Management Systems.** Continue to improve critical bureau-based programmatic/financial management programs: Minerals Revenue Management and American Indian Trust Funds; and
- ▲ **Interior Enterprise Architecture Program.** Continue to improve the IT infrastructure supporting financial systems. The IT infrastructure is critical to maintaining quality financial management systems. One of the major IT infrastructure efforts is the Integrated Enterprise Architecture (IEA) program.

### Financial and Business Management System

Interior is implementing the fourth of eight FBMS deployments that will result in the Department's business transformation to a fully integrated business management system. The Department is successfully executing its strategic plan and is making significant progress in a number of business areas. One of those business areas is financial management, and FBMS is the primary catalyst for improvement in this area.

FBMS is an integrated suite of software applications that will help the Department manage a variety of business functions, including core financials, acquisition, budget formulation, personal property and fleet management, real property, travel, financial assistance, and enterprise management information and reporting. When fully operational in FY 2013, FBMS will provide the Department with standard business practices supported by a single, integrated financial and administrative system for all bureaus.

The standardization and integration delivered by FBMS will help facilitate more collaborative relationships and establish a common approach to financial and business management across the Department. As a result, the Department will be positioned to deliver programs and services in a more efficient and more effective manner. Benefits gained from implementing this suite of applications will include:

- ▶ Standardized and integrated business processes;
- ▶ Improved security and internal controls;
- ▶ Improved cost information;
- ▶ Improved tracking and auditing capabilities;
- ▶ Reduction of double entry of data in multiple systems and manual paper processing;
- ▶ Improved Department-wide and bureau-specific reporting capabilities;
- ▶ Increased data integrity; and
- ▶ Retirement of aging and unsupported legacy systems.

**FY 2008 Accomplishments**

The program’s accomplishments include the completion of functional specifications and system configuration, conversion and integration testing, and end-user pilot training activities to ensure the successful first quarter FY 2009 deployment of the FBMS functionality of personal property and fleet management, E-Gov Travel, FedConnect, and Human Resources Mini-Master to the BLM, the Office of Surface Mining (OSM), and the Minerals Management Service (MMS). In FY 2008, the Program Management Office (PMO) developed FBMS acquisition, core financial, financial assistance, and enterprise management information and reporting functions for BLM. This functionality will be deployed to BLM early in FY 2009. These functions were previously deployed to OSM and MMS. The PMO provided operations and maintenance support to FBMS. The National Business Center (NBC) remained the system’s shared-service provider. Some of the accomplishments by the PMO and NBC include:

- ◆ Improved month-end processing managed in a cooperative manner with the bureaus;
- ◆ Completed system configuration, business process procedures, and test scripts for personal property/fleet management functionality;
- ◆ Developed and tested conversion and interface programs, including external interfaces; and
- ◆ Planned for and initiated business blueprinting for the FY 2009 full deployment of FBMS functionality to BLM, OSM, and MMS, and the FY 2010 deployment of all FBMS functionality, except budget formulation, to the U.S. Geological Survey (USGS). The major functionality additions planned for this deployment (Deployment 5) include Real Property and Budget Formulation.

**FY 2009 Planned Activities**

Other necessary activities are planned to be accomplished to ensure successful deployments of FBMS in FY 2009. These activities include:

- ◆ Completing system cutover and data conversion testing, conducting end-user

training, executing system cutover and Go-Live activities for Deployment 4 (BLM);

- ◆ Conducting post-Go-Live system support for Deployment 4 (BLM);
- ◆ Conducting Deployment 5 (USGS) business blueprint, and
- ◆ Designing, developing, testing, and implementing three interim FBMS enhancements in April and July of FY 2009 and November of FY 2010.

**Critical Programmatic/Financial Management Systems**

The Department has two critical programmatic systems that process financial data. They are the Minerals Revenue Management (MRM) Support System and the American Indian Trust Funds Systems.

**MMS Minerals Revenue Management System**

The Minerals Revenue Management (MRM) program 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 recipients in a timely manner. These revenues have averaged about \$13 billion annually over the last 5 years. To ensure revenues are properly collected and disbursed, MMS utilizes a broad range of financial services and pursues a comprehensive compliance strategy that includes an automated compliance verification program to validate the accuracy and timeliness of revenues paid.

Information systems and electronic government infrastructure play a critical role in MMS’s collection and disbursement of the Nation’s mineral revenues. The MMS continues to ensure that its systems remain secure, interactive, and in compliance with the latest mandated accounting requirements and technologies, and is Web based. The MMS Minerals Revenue Management Support System (MRMSS) uses commercial off-the-shelf (COTS) software that has been modified



for MRM requirements and is contractor-owned and operated. The MRMSS is critical to the ability of MRM to account for and disburse mineral revenues in a timely manner from mineral leases on the Outer Continental Shelf and onshore Federal and American Indian lands to the U.S. Treasury, States, and American Indians. The MRMSS includes four primary information technology subsystems to support MRM's mission-critical work:

- ▶ The Financial Management System accounts for all Federal and Indian minerals rents, royalties, bonuses, and their distribution/disbursement to the Treasury, States, and American Indians. The system also issues bills for nonpayment of royalties or late royalties;
- ▶ The data warehouse provides a repository of historical financial and production information for use by internal users in the BLM and other agencies, as well as state and tribal entities under contract for MRM to ensure compliance on leases within their jurisdiction;
- ▶ The Compliance and Asset Management Subsystem includes specialized tools for verifying companies' compliance with laws, lease terms, and regulations; and
- ▶ The Royalty-in-Kind subsystem provides an automated system supporting internal controls to manage the transporting, processing, and selling of oil and natural gas taken in-kind and sold by MRM in lieu of receiving in-value payments.

### **FY 2008 Accomplishments**

In FY 2008, the MMS:

- ◆ Awarded a cost efficient MRMSS Operation and Support Contract and
- ◆ Implemented an MRM IT governance structure to monitor and manage the performance of MRMSS project

activities throughout its investment system development lifecycle.

### **FY 2009 Planned Activities**

The following MRMSS system improvements are planned for FY 2009:

- ◆ The Adjustment Line Monitoring Initiative, which automates the process of identifying royalty adjustments made by payors outside of required timeframes in order to enhance compliance efforts and
- ◆ The Interactive Payment Reconciliation and Billing Initiative, which automates MMS's interface with its customer base on numerous activities to enhance online reporting and verification capabilities, as well as enforcement efforts.

### **American Indian Trust Fund Systems**

The American Indian Trust Fund Management Reform Act of 1994 (the Act) 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 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 for maintaining accurate data on ownership and leasing of Indian lands.

In FY 2001, the Department commissioned an independent review which concluded that previous reform results were not accomplishing the intended comprehensive result. Accordingly, the Department developed a more comprehensive and integrated approach—the Comprehensive Trust Management Plan, dated March 28, 2003 (CTMP)—that sets forth a strategic framework, including six strategic goals (and



various objectives) for the Department to meet in fulfilling its obligations to its fiduciary trust beneficiaries:

- ▶ Beneficiary services that are trusted, accurate, and responsive;
- ▶ Tribal self-governance and self-determination that increase participation in managing assets;
- ▶ Ownership information that is accurate, timely, and reliable;
- ▶ Land and natural resources management that maximizes return while meeting beneficiary desires (constrained by beneficiary preferences or other factors);
- ▶ Trust fund assets management that meets fiduciary standards; and
- ▶ Administrative services that: (1) enable and empower the organization and workforce to be an effective fiduciary trustee, and (2) provide modern, appropriate systems and tools to manage the fiduciary trust.

The CTMP identifies three primary business lines: (1) beneficiary trust representation, (2) trust financial management and stewardship, and, (3) management of land and natural resources. Each business line represents a distinct group of products or services for comprehensive trust management and encompasses related processes, products, and services within its scope. Strategic goals and specific related objectives fit within these business lines. The CTMP provided the ground work to create the Fiduciary Trust Model (FTM). The FTM provides the framework to carry out the various trust reforms within Interior.

### **FY 2008 Accomplishments**

Through OST, Interior is in its fourth year of implementing the FTM. The FTM is designed to enhance beneficiary services for tribes and individuals, with better information about ownership, land and natural resource assets,

trust fund assets, Indian self-governance and self-determination, and administrative services. When fully implemented, the FTM will transform current trust processes into more efficient, integrated, and fiscally-responsible business processes that better meet the needs of beneficiaries and employees.

By the close of FY 2008, the OST and IA achieved another milestone in trust management reform through conversion from the Trust Funds Receivables (TFR) module and the Trust Funds Accounting System (TFAS) income allocation process to the new Trust Asset Accounting Management Systems (TAAMS) invoicing and distribution module. The processing of forestry payments was included in this conversion, enabling the automatic distribution of forestry funds. As of May 31, 2008, all locations were successfully converted to the new TAAMS invoicing and distribution system. The conversion streamlined the invoicing process and allowed for income to automatically be distributed to beneficiaries on a timely basis. This is the first time a national level report has been produced. Other selected accomplishments include:

- ◆ Continued implementing the FTM, including the migration of other automated systems that are integrated;
- ◆ Reconnected to the Internet after a decision from the U.S. District Court for the District of Columbia which allowed OST to do so;
- ◆ Developed OST requirements for the Royalty Distribution and Reporting System conversion and provided to IA for their conversion efforts;
- ◆ Assured accuracy of TAAMS data by performing post quality assurance review on IA realty and title documents; and
- ◆ Performed transaction testing across multiple bureaus and offices in Interior

that have oversight of Indian trust assets in coordination with Policy, Management and Budget (PMB).

**FY 2009 Planned Activities**

- ◆ Use Interior’s automated Appraisal Request and Review Tracking System to accurately track and project Office of Appraisal Services cost and performance data;
- ◆ Conduct post quality assurance review on the encoding of TAAMS leasing module data to ensure accuracy and timely interface with TFAS and the TAAMS title module;
- ◆ Strengthen risk management program by: (1) expanding transaction testing across additional bureaus and offices in Interior that have oversight of Indian trust assets, (2) expanding content to include additional processes at Office of Historical Trust Accounting (OHTA), (3) modifying the risk program to incorporate processes modified as a result of the Royalty Distribution and Reporting System conversion, and (4) reviewing select offices within OST, updating their defined programs and processes to incorporate current regulations, and working with other bureaus/offices within Interior to make risk analysis of programs more consistent;
- ◆ Continue integration of Protrac with TFAS and TAAMS; and
- ◆ Provide tribal account holders online access to their statements of performance.

**Interior Enterprise Architecture Program**

For the past four years, the Interior Enterprise Architecture program has exceeded the OMB’s Enterprise Architecture (EA) Assessment Framework thresholds to achieve “green” on the President’s Management Agenda E-Gov Scorecard. Each Federal Cabinet agency’s EA program is evaluated on three factors: completion, use, and results.

The GAO also assesses the maturity of Federal EA programs in the GAO Enterprise Architecture Management Maturity Framework (EAMMF). According to GAO evaluation criteria, the IEA program has achieved a rating of 100 percent indicating that all GAO evaluation criteria have been fully met. As evidenced by the scores on the above two frameworks, Interior has a mature EA program that is providing tangible results to our business community. Interior is focused on obtaining measurable results from its investment in EA to result in increased efficiencies for Interior business areas.

The IEA program is viewed as a “best practice” as evidenced by:

- ▶ **Leadership in Segment Architecture Practices** — Interior has been cited by the OMB Federal Enterprise Architecture (FEA) Program Management Office as a best practice for other Federal agencies to leverage in developing segment architectures and is leading an interagency initiative to develop Federal-wide guidance in this area;
- ▶ **Speaking engagements** — The Interior Chief Architect and members of the Enterprise Architecture Division (EAD) staff are requested regularly to speak about the Interior EA program at the Federal Enterprise Architecture Certification Institute, National Defense University’s CIO and EA certification courses, and the U.S. Department of Agriculture Graduate School; and
- ▶ **Outreach** — Interior has provided assistance to advance the knowledge of the EA community and “best practice” information sharing sessions with numerous Federal, State, and local government agencies, as well as five foreign governments.

The IEA program continues to deliver value to the Interior business community, as well as generate outcomes that benefit citizens. The public frequently requests maps and other geospatial data from Interior, particularly during emergency response situations when using the best available data can be used to save lives. The Geospatial One-Stop portal provides an integrated environment to coordinate requests for data, making a response from

Interior more efficient. These portal services are available as a result of work performed on Interior's Geospatial Modernization Blueprint.

Interior is focused on obtaining measurable results from its investment in EA. The following are some highlights of the measurable results that have helped to strengthen EA's stature within the agency.

- ▶ Interior's Financial Management Modernization Blueprint features the target state for FBMS;
- ▶ Interior continues to realize cost savings and avoidance from its architecture driven hardware and software enterprise license agreements (ELA). Through standards included in the Interior Technical Reference Model, ELAs have allowed Interior to realize significant cost savings/avoidance; and
- ▶ Interior's Recreation Modernization Blueprint features <**Recreation.gov**>, a PMA e-government success story. Interior has retired multiple legacy services and systems to consolidate to this one-stop shopping site for the tourist public.

In addition to providing concise findings and management recommendations, IEA blueprints identify gaps and redundancies in Interior's existing IT portfolio that can hamper successful achievement of strategic and programmatic goals. Modernization blueprint milestones are represented in the Enterprise Transition Strategy (ETS) and are annually updated. ETS entries define the sequencing for all modernization efforts across Interior.

In support of the Blueprint efforts, IEA has developed policy and guidance for determining authoritative data sources, data quality improvement, and system decommissioning. These documents support consistency in data management and IT operations thus improving overall services while reducing risks. In efforts to further formalize data standardization, IEA has implemented performance measures for data quality for the Department Enterprise Architecture Repository (DEAR). These guidance documents have undergone Departmental review and are being finalized for release.

### FY 2008 Accomplishments

- ◆ Received a green rating on OMB's maturity assessment by exceeding the required 4.0 rating in all three categories: Completion, Use and Results;
- ◆ Launched an IT Infrastructure Modernization Blueprint to improve Interior's IT Infrastructure services recognizing the close correlation with the Information Technology Infrastructure Line of Business (ITILOB) initiative. The ITILOB establishes Government-wide standardized metrics for IT infrastructure services, partitioned into the areas of end user systems and support (EUSS), mainframes and servers services and support (MSSS), and telecommunications systems and support (TSS). While Interior met or exceeded almost all of the ITILOB target metric values for the EUSS infrastructure area, data call results indicated Help Desk services as an area for potential improvement and therefore this focus area is currently being analyzed in the blueprint effort;
- ◆ Prepared and delivered the IT Roadmap which contained the major IT infrastructure projects warranting Departmental coordination. This initiative established a standard status reporting format and schedule for all IT roadmap projects in order to reduce project risks by managing discrete projects as an overall portfolio. Additionally, governance was established to manage changes or issues related to each of the projects;
- ◆ Developed the Geospatial Blueprint which was approved in December, 2007;
- ◆ Updated the Interior Business Model and mapped core mission and support functions to the Federal Enterprise Architecture Business Reference Model (FEA BRM); and
- ◆ Generated international interest by providing information sharing sessions on its methods and achievements to representatives from Singapore and South Korea.

### FY 2009 Planned Activities

As with all blueprints, the IEA program will work closely with the appropriate business and IT representatives across Interior in the development and eventual implementation of the IT Infrastructure Roadmap and Modernization Blueprint. At the same time, Interior will be aligning planning initiatives to comply with the OMB led ITILOB, to establish benchmarks for cost and performance that all Federal agencies are expected to meet. Some of the areas that will be reviewed are end-user computing and support services, data centers, networks, and telecommunications.

IEA will complete the IT Infrastructure Modernization Blueprint. Using the federated service governance process, IEA will analyze alternatives for improving Help Desk services and incorporate the plans to implement the Help Desk service delivery model. IEA will support analysis and planning of other IT Infrastructure federated services, incorporating findings and recommendations for the ITILOB MSSS and TSS data calls. IEA will incorporate approved plans and milestones from the IT Infrastructure Modernization Blueprint in the Agency 5 -Year Infrastructure Optimization Plan required for the ITILOB.

IEA plans to implement the Enterprise Project Management Portal (EPMP), an application for coordinating multiple, interrelated project schedules and their associated work products. EPMP will significantly improve collaboration capabilities within and across project teams, will standardize project status reporting and will improve visibility and understanding of project schedule dependencies. By supporting the collection of multiple project schedules into a master schedule, EPMP will simplify tracking the execution of transition plans in completed segment architectures and thus the execution of the enterprise transition strategy.

IEA will continue to manage the IT Roadmap, leveraging EPMP to present the IT Roadmap as a single master schedule over all the component IT Infrastructure projects. As the projects inspired by the IT Infrastructure Modernization Blueprint are executed, they will be added to the IT Roadmap. As the individual IT Infrastructure projects are completed, they will be removed from the IT Roadmap. In this fashion, the IT Roadmap

will continually show the portfolio of major IT Infrastructure projects in progress across Interior.

IEA plans to rebaseline the existing Law Enforcement segment architecture Blueprint to address terrorism-related information sharing. This work will enable Interior to utilize the same information sharing protocols and standards used throughout all levels of government for law enforcement activities.

IEA plans to publish the Interior Authoritative Data Source Policy, as well as the Data Quality and the Interior System Decommissioning guides, in the first quarter of FY 2009.

IEA plans to restructure the Interior Enterprise Transition Strategy to better articulate strong linkages to outcome oriented performance goals and agency mission performance improvement plans.

IEA plans to work with OMB and the Federal architecture community (e.g. Chief Architects Forum) to finalize products and gain approval for the Next Generation Segment Architecture Guidance. Additionally, outreach materials, training, and a transition plan will be prepared as full responsibility for maintaining this product is transferred to the OMB FEA PMO.

## Financial Management Human Capital

Interior established the R. Schuyler Leshner Financial Management Career Intern Program (FMCIP) in 2002 to recruit and train entry-level professionals in accounting and financial analysis for Interior and the bureaus. Each year Interior's financial management community partners with DOI University to recruit a new class of high potential entry-level accountants and financial analysts to participate in this career development program.

As of the Summer of 2008, 37 interns have graduated from FMCIP; 79 percent are still with Interior and 88 percent are still working for the Federal Government. To ensure that the program continues to meet the requirements of Interior's financial community, focus groups were formed in FY 2008 to review the program requirements, objectives, curriculum, and desired outcomes. A

team of subject matter experts will then work with DOI University to redesign the FMCIP in order to meet the customer's need and develop the financial management workforce of the future.

### **FY 2008 Accomplishments for the Intern Program**

- ◆ Graduated the FMCIP Class of 2006 (four members);
- ◆ Completed the first year of training and development for the 2007 FMCIP Intern class (five interns);
- ◆ Aligned training with the Joint Financial Management Improvement Program and Interior financial management competency models; and
- ◆ Partnered with the financial community to revise FMCIP objectives and desired outcomes.

### **FY 2009 Planned Actions for the Intern Program**

- ◆ Launch the newly redesigned intern program;
- ◆ Expand participation of Interior bureaus in the FMCIP Class of 2009;
- ◆ Recruit a new class of interns; and
- ◆ Continue delivering required training for the class of 2007.

### **Sponsoring Comprehensive Training and Career Development Programs in Financial Management**

The other critical component of Financial Management Human Capital is to provide appropriate training and professional development opportunities to existing financial management personnel to prepare them to carry out their growing responsibilities. The Financial Management Workforce Plan noted specific competencies that Interior's workforce must develop to support both the implementation of the FBMS and a successful transformation to a world-class finance organization. The plan emphasized the need for a simultaneous focus on competency training and development for both the current transition period and for the future.

The Financial Management Workforce Plan recommends a comprehensive financial management career path program, with career paths defined at multiple levels. Initial work

has begun on the design and development of a competency model. The competency model will be used to develop and implement the midlevel, senior-level, and executive-level components of this comprehensive program.

### **FY 2008 Accomplishments**

- ◆ Updated the Financial Management Workforce Plan;
- ◆ Continued to encourage participation in organizations with a focus on financial management (Association of Government Accountants, Joint Financial Management Improvement Program, etc.) to gain exposure to other approaches to financial management and improve communication between agencies;
- ◆ Encouraged cross training between Interior bureaus to facilitate communication and cooperation; and
- ◆ Conducted the Business Management Conference with attendees from the finance, procurement, and budget communities; allowing face-to-face discussion of issues that cross discipline and bureau lines.

### **FY 2009 Planned Actions**

- ◆ Conduct a Financial Management needs assessment and
- ◆ Begin to design the Financial Management Career Paths curriculum.

## **Financial Data Stewardship**

PFM provides overall coordination of data stewardship functions for financial data in Interior. The data stewardship function involves two levels of activities: (1) participating in setting Government-wide financial data standards, and (2) setting financial data standards in coordination with the bureaus' finance operations.

To coordinate the establishment and implementation of financial data standards within Interior, the bureaus and PFM have chartered the Standard Accounting Classification Advisory Team (SACAT) to establish and maintain a common approach among



the bureaus for addressing USSGL issues that relate to accounting policy and procedures, reporting requirements, internal controls, and USSGL maintenance.

In addition to the SACAT, Interior utilizes a Financial Statement Guidance Team (FSGT), comprised of the various bureaus of the Department, to deal with issues and concerns related to the preparation of the PAR and implementation of OMB Circular A-136, *Financial Reporting Requirements*.

### FY 2008 Accomplishments

- ◆ Published issue papers to facilitate the issuance of improved financial management and accounting policies;
- ◆ Analyzed and enhanced the reporting process to support performance reporting under GPRA and the timely preparation of the PAR;
- ◆ Provided support to BLM and NBC in reviews of their internal processes to identify areas for strengthened financial management;
- ◆ Worked closely with the FBMS Executive Steering Committee to monitor implementation progress; address and resolve accounting and reporting issues; and ensure appropriate internal controls are planned, implemented, and functioning as intended;
- ◆ Participated in Governmentwide teams to facilitate changes/modifications to OMB Circular A-136;
- ◆ Created a Citizen Centric Report to convey pertinent financial and performance data to the average citizen in a condensed and easy to interpret format;

- ◆ Worked with the Office of Budget and Office of Planning and Performance to standardize the future implementation of Activity Based Costing;
- ◆ Developed policies and procedures for bureau participation in the Consolidated PAR in lieu of preparation of individual bureau reports for four bureaus: MMS, OSM, FWS, and BLM; and
- ◆ Developed policies and procedures for reporting Stewardship Land and Heritage Assets in the Basic Footnotes section of the PAR.

### FY 2009 Planned Activities

- ◆ Continue to coordinate and prepare Department responses to draft FASAB, OMB, and Treasury financial reporting guidance;
- ◆ Continue to coordinate the reconciliation of intra-Interior financial balances and the reconciliation of Interior transaction balances with other Federal agencies;
- ◆ Continue to work closely with the FBMS Executive Steering Committee to monitor implementation progress; address and resolve accounting and reporting issues; and ensure appropriate internal controls are planned, implemented, and functioning as intended; and
- ◆ Continue to work with bureaus to fully implement ABC/M throughout Interior.