



Highlights of a forum, [GAO-08-447SP](#)

## Why GAO Convened This Forum

Since the enactment of key financial management reforms, such as the Chief Financial Officers (CFO) Act of 1990 and the Federal Financial Management Improvement Act of 1996 (FFMIA), the federal government has devoted significant resources to improving financial management activities and practices. At the same time, continuing attention is needed to address persistent, long-standing accountability problems and to redefine success for federal financial management. Successfully implementing financial management systems has been a particular challenge to the federal government. Many agency financial management systems do not routinely produce the accurate, timely, and meaningful information needed for management decision making.

This forum brought together knowledgeable and recognized financial management leaders from the federal government, including the CFO, Chief Information Officer, and Inspector General communities, and selected other officials with extensive experience in financial management from both the public and private sectors. The forum addressed (1) the future of federal financial management, (2) applying lessons learned from federal financial management system implementations, and (3) strategies for transforming federal financial management culture. These highlights do not necessarily represent the views of the organizations that the participants represent, including GAO.

To view the full product, click on [GAO-08-447SP](#). For more information, contact Kay Daly at (202) 512-9095 or [dalykl@gao.gov](mailto:dalykl@gao.gov).

## HIGHLIGHTS OF A FORUM

### Improving the Federal Government's Financial Management Systems

#### What Participants Said

Forum participants expressed a wide range of views on key topics related to improving the federal government's financial management capabilities and better integrating the role of financial managers to achieve 21st-century goals. An overarching theme from the forum was that financial management systems are a critical factor in agencies' ability to achieve the systematic measurement of performance; the development of cost information; and the integration of program, budget, and financial information for management reporting.

#### Shaping the Future of Federal Financial Management

Many participants emphasized the need for financial management organizations to play a broader role as a strategic partner in meeting overall agency and program objectives. One of the themes emerging from the forum was that federal financial leaders should focus more of their efforts on comprehending and meeting program managers' financial information requirements and not simply on financial reporting compliance. According to participants, current obstacles to future success include limited resources, competing initiatives, and varying levels of commitment among some federal officials to address long-standing financial management issues.

#### Lessons Learned from Financial Management System Implementations

The forum participants generally agreed that there has been a growing body of knowledge based on lessons learned from past federal financial management system implementation efforts. Consequently, managers possess a greater knowledge of the system design and implementation challenges they face, as well as possible solutions to these challenges. Experience related to financial management, human capital management, systems ownership, customization of commercial off-the-shelf software, and the purchase of shared services has provided useful insights that should help financial managers avoid some of the obstacles that impeded past projects. Financial managers also reported identifying various useful system implementation practices, including conducting independent verification and validation, and periodically reevaluating system implementation projects.

#### Strategies for Transforming Federal Financial Management Culture

Participants stated that in order to remain relevant, the financial management community must be willing to proactively embrace change and focus on ways of proving value to the entire organization. Forum participants discussed the need to continually reexamine the roles of the CFO and other federal financial organizations. Participants suggested working toward a better integration of people, processes, and data. According to some participants, the key for CFOs in creating value for their organization is delivering information that makes a difference, including developing appropriate business metrics. To facilitate such a transformation, federal financial management human capital strategies could be better focused on attracting and retaining a new technology-savvy generation of financial professionals with 21st-century skill sets.