

A Letter From the Chief Financial Officer

As the second Clinton Administration begins, I am pleased to present the Department of the Interior's 1996 Accountability Report, the first such report under a pilot program authorized by the Government Management Reform Act of 1994 and administered by the Office of Management and Budget.

As provided by the Act, this report consolidates a variety of financial management and performance reports required by various statutes and previously submitted separately. These reports are now condensed into one report to provide users with a single source of reference for obtaining relevant and useful information.

By any estimation, 1996 was an unusual and challenging year and unprecedented in the area of financial management. The appropriations process was one of the most trying and turbulent in the annals of the Department and the entire Government, with two Government shutdowns and 13 continuing resolutions. Final appropriations for the Department, which were funded well below fiscal year 1995, were not enacted until well into fiscal year 1996. Despite an uncertain fiscal situation for a large part of the fiscal year, we improved customer service, secured additional funds for parks through a demonstration fee program and improved concessions management, continued to streamline the Department, increased accountability and used technology to improve the delivery of information.



PILOT FEES AND CONCESSIONS

Prior to 1996, park entrance fees were deposited into the General Fund of the Treasury. As a result, park managers had little incentive to collect fees and parks derived no benefit from the fees they did collect. However, that situation has improved dramatically. In 1996, the Department worked with the Congress on a demonstration fee program that allows the Park Service and other Interior land managing agencies to test various new fees and keep all new revenues over a predetermined baseline. This program will enhance our ability to maintain our historic structures and implement improvements for visitors, such as alternative transportation systems in parks. In addition, the Department continues to work administratively, as well as with the Congress, to improve concessions management and increase financial returns to the government by private concessionaires.

CUSTOMER SERVICE

Until recently, many Interior Bureaus did not think of the public as potential customers. Only the National Park Service regularly surveyed its clientele. Today, every Interior Bureau understands the demographics and expectations of its various customer groups, and each bureau has designed a customer research program to measure how well service is being provided. The National Park Service's Visitor Service Project, which was already in place, has been improved and now serves as the gold standard for customer service programs government wide. This realization that each Interior Bureau provides a specific product to a specific audience will raise both the quality of service to the public and the expectations of the public. We look forward to the challenges that lie ahead.

STREAMLINING

The Department of the Interior has led the overall government streamlining effort without doing fundamental damage to our essential responsibilities. Most of the Bureaus have undergone major restructuring and have followed the President's instructions to reduce senior positions, downsize headquarters staff and consolidate administrative services.

By eliminating 2,800 headquarters positions, we put more staff in the field and reduced overhead by \$127 million. During the past few years, we have flattened office structures, streamlined Department wide administration policies, and closed and consolidated operations. These decisions have produced significant savings and put more of our resources to work for our customers.

ACCOUNTABILITY

I have often said that “what gets measured gets done,” and the Department has continued with this philosophy during implementation of the Government Performance and Review Act. It has been my policy that once impediments to performance have been identified and addressed, increased performance is not only possible but expected. We have made dramatic progress in obtaining “clean” audit opinions, with only one bureau receiving a qualified audit opinion for 1996. We continue to integrate strategic planning and budgeting as we look at the results of activities, not just their costs. Financial performance data shows annual improvement in every category measured, including over \$10 million in cash and unemployment compensation management savings. By providing managers with the resources they need, impediments are eliminated and performance is increased.

TECHNOLOGY

The Department of the Interior now has an effective presence on the World Wide Web that provides the public with free access to Fish and Wildlife Service maps, National Park Service reservations information and public land uses, among other things. The web site is helpful to the public and inexpensive for the Department considering that an average of 1,100 people access the site per day. We have moved from a limited, unconnected e-mail system to one that now links 57,000 Interior users and allows them to communicate quickly and efficiently around the world. By eliminating redundant telecommunication circuits, the Department saves \$1.5 million annually. We have used e-mail, telecommunications, and video conferencing to communicate and coordinate budget information throughout the Department. Using these tools, we have improved our internal communication as well as the way we communicate with the public.

The 1996 Accountability Report is a good first step in providing complete and concise financial and performance information. While I am very proud of the progress and successes presented in this report, I am equally aware of the need to enhance and improve our operations and program performance in the future. The Department will continue to improve its conservation of resources, its responsiveness to the public, and its overall performance by identifying problems, allocating resources to solve those problems and demanding results.



BONNIE R. COHEN
Chief Financial Officer