

CHAPTER I. OVERVIEW OF THE DEPARTMENT

The American people have had a long-term investment in the resources managed by the Department of the Interior. From its establishment in 1849, the Department has managed many and varied programs including Indian affairs, administering land grants, improving historic western emigrant routes, maintaining boundaries, administering pension laws, issuing patents, conducting the census, and conducting research on the geological resources of the land. Following the conservation movement at the beginning of the 20th century, however, the Department focused its attention on the preservation, management, understanding, and use of natural and cultural resources with an increasing sense of the fragile nature of those resources and the interdependence of ecosystems.

Department Mission

Today, the Department's mission is fourfold:

- To encourage and provide for the appropriate management, preservation, and operation of the Nation's public lands and natural resources for the benefit and enjoyment by all Americans both now and in the future;
- To develop and use resources in an environmentally sound manner and provide an equitable return on these resources to the American taxpayer;
- To carry out related scientific research and investigations in support of these objectives; and
- To carry out trust responsibilities of the U.S. Government with respect to American tribes and Alaska Natives.

Charged with this mission, the Department ensures that the Nation's investment in its natural and cultural resources is cultivated to guarantee the optimum environmental, recreational, cultural and economic benefits for the American people.

One of the Department's principal goals has been to ensure that the funding the American people provide is used as efficiently and productively as possible. To achieve this goal, the Department has focused on three areas -- streamlining, re-engineering, and customer service. As a result, the Department has been a leader in the Administration's initiative to reinvent Government and implement the recommendations of the National Performance Review (NPR). The reduction of our workforce responds to the President's Executive Order, the Federal Workforce Restructuring Act of 1994, and the Secretary's direction to reinforce employees in the field who are in direct contact with the public. Other driving forces promoting improved efficiency and effectiveness include the Chief Financial Officers (CFO) Act of 1990, the Government Performance and Results Act (GPRA) of 1993, the Government Management Reform Act (GMRA) of 1994, the Federal Acquisition

Streamlining Act of 1994, and the Federal Financial Management Improvement Act of 1996.

Chief Financial Officer Organization

The Department has developed and implemented a sound Chief Financial Officer Organization that is capable of successfully meeting the current and future challenges in Federal financial management. The CFO organization is headed by the Assistant Secretary for Policy, Management and Budget (**See Appendix A**) who was appointed as the Department CFO. The Department CFO provides detailed and objective advice on program planning, budget, and policy matters; oversees compliance with environmental statutes and standards; develops and maintains internal administrative policy, standards, objectives, and procedures for use throughout the Department; oversees the administrative appeals process; and, undertakes special analytical and administrative support services for the Office of the Secretary. In addition, the Department CFO leads Interior's CFO Council in addressing emerging financial management issues and fulfilling its financial management vision.

Financial Management Vision and Goals

The Department has adopted the following updated financial management vision established by the Office of Management and Budget (OMB) and the Government-wide CFO Council in 1997.

“Shaping an environment in which government officials use high quality financial and performance information to make and implement effective policy, management, stewardship, and program decisions.”

The Department worked with OMB and the Government-wide CFO Council to develop goals and initiatives for the Government-wide Financial Management Strategic Plan that are consistent with the Federal Financial Management Vision. The Department's Financial Management Plan is consistent with these goals.

The Department's goals are to improve financial management by:

- Providing leadership to promote the efficient management of Departmental resources and assets.
- Providing quality financial services to internal and external customers based on their needs.
- Providing high quality financial information on Departmental operations which fully supports financial and performance reporting.

- Enhancing the framework that provides sound financial policies and services, and facilitates effective communication.
- Further enhancing financial management use of modern technology and business practices.

The Department, like other Federal agencies, has expended considerable resources in rethinking the way it conducts its business; provides the necessary leadership to efficiently manage its resources; provides timely and accurate financial information for stakeholders and program managers; and, contributes to restoring public confidence in government. All of the initiatives in these areas have been, and will continue to be, supportive of the CFO Act, GPRA, GMRA, and the Federal Acquisition Streamlining Act..

Financial Management Strategy for the Future

The Department's focus and priorities to improve financial management over the next 5 years are described in the following chapters. They include:

- Enhancing the CFO organization.
- Improving and upgrading financial systems and making effective use of emerging technology.
- Improving financial management reporting and implementing the GPRA.
- Ensuring management accountability and control.
- Modernizing business practices and payments.
- Providing financial data stewardship.
- Developing financial management human resources.
- Seeking franchising opportunities.

The Department is committed to integrating its program management functions with financial management functions (budget, financial reporting, performance measurement and analysis, and financial statement audits). The Department is also committed to playing a leadership role and making considerable contributions to the development and implementation of government-wide financial policies and programs in the areas of accounting and reporting standards, financial systems, streamlining financial management processes, franchising, and meeting the objectives of the NPR and GPRA.

The Department recognizes that capital and human resource constraints, organizational streamlining, re-engineering, rightsizing, and accelerating technological advances all pose major challenges for the timely achievement of our financial management improvement goals. Many of the planned actions for 1998 and beyond are contingent on obtaining necessary resources. However, we believe that the plan established for the Department focuses on improving the areas necessary to ensure integrity in our operations and provides financial management leadership in support of the Department's mission.