

**U.S. Department of Labor
Office of the Chief Financial
Officer**



November 2016

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TAB 1: AGENCY ORGANIZATIONAL OVERVIEW

Mission

To foster effective stewardship of public funds;
To safeguard fiscal integrity; and,
To deliver timely, accurate, and reliable financial information.

Vision

To provide exceptional financial management leadership and to advance financial management operations across the Department of Labor.

Authorizing Legislation

Chief Financial Officers (CFO) Act of 1990

Authorities and Responsibilities

The Office of the Chief Financial Officer (OCFO) ensures DOL compliance with the Chief Financial Officers (CFO) Act. The OCFO provides financial management leadership, direction, and guidance to the Office of the Secretary of Labor and all DOL program agencies on financial matters arising from the:

- Government Management Reform Act (GMRA);
- Federal Financial Management Improvement Act (FFMIA);
- Federal Manager's Financial Integrity Act (FMFIA);
- Debt Collection Act (as amended by the Debt Collection Improvement Act);
- Cash Management Improvement Act;
- Reports Consolidation Act, Improper Payments Eliminations and Recovery Act (IPERA);
- Accountability of Tax Dollars Act (ATDA);
- Digital Accountability and Transparency Act (DATA Act);
- Federal Information Technology Acquisition Reform Act (FITARA);
- Various Department of the Treasury (Treasury), Office of Management and Budget (OMB), General Services Administration (GSA) Travel Regulations, and Government Accountability Office (GAO) guidance regarding financial management in government

Authorities and Responsibilities In detail

The Chief Financial Officers Act of 1990 (CFOA)

The CFOA established Chief Financial Officers (CFO) for Executive Branch departments and major agencies. CFOA set the statutory authority and functions for each of these CFOS, including oversight of all financial management activities of the agency. CFOA also created a CFO Council to look at such

TAB 1: Agency Organizational Overview

matters as consolidation and modernization of financial systems and improving the quality of financial information. CFOA requires CFOs to report annually to the agency head and the Director of OMB on the financial management of the agency and include audited financial statements and reports on FMFIA compliance.

Government Management Reform Act (GMRA)

GMRA strengthened the CFOA, particularly OMB's role in the financial statement process. It requires the Secretary of the Treasury, along with the Director of OMB, to annually submit to the President and Congress an audited financial statement that reflects no less than the overall financial position, including assets and liabilities, and results of operations of the executive branch.

Government Performance Results Act of 1993 (GPRA)

GPRA seeks to improve Federal program effectiveness and public accountability by promoting a new focus on results, service, quality and customer satisfaction, and to help Federal managers improve service delivery by requiring they plan for meeting program objectives and by providing information about program results and service quality. The GPRA establishes the following requirements for Agencies: (1) a strategic plan at the Department level covering a period of no less than five years and updated/revised at least every three years; (2) an annual performance plan, linked to the strategic plan, for each program activity in the budget; (3) a report on program performance for the previous year at the Department level to Congress and the President.

The OCFO responsibilities regarding GPRA include: (1) monitoring financial performance across the Department; (2) reporting on the President Management Agenda (PMA) financial benchmarking metrics and FEDStat financial/budget metrics to OMB and GSA; (3) preparing the Agency Financial Report on behalf of the Department; and, (4) coordinating with the OASAM Performance Management Center on: cross-walking program activity in the budget; reviewing agency budgets and performance targets in agencies' annual operating plan and the Department's strategic plan; coordinating budget requests and the Annual Performance Report in the Departmental e-Business Suite (DEBS); outreach on key budget dates and issues to the Department's performance community; and, reviewing all agency quarterly performance discussion guides and reports to the Deputy Secretary.

Federal Financial Management Improvement Act of 1996 (FFMIA)

FFMIA requires Agencies to implement and maintain financial management systems that are in substantial compliance with OMB Circular A-127, JFMIP requirements, Federal accounting standards, and the United States Government Standard General Ledger (USSGL) at the transaction level. The circular prescribes generally for the system to process and record financial events effectively and efficiently and to provide complete, timely, reliable, and consistent information for decision makers and the public.

Federal Managers' Financial Integrity Act (FMFIA)

FMFIA requires Federal managers to assess the effectiveness of management controls applicable to their responsibilities. If material deficiencies are discovered, managers must report those deficiencies with scheduled milestones leading to the resolution of the deficiency.

Debt Collection Act (as amended by the Debt Collection Improvement Act)

The Debt Collection Improvement Act of 1996 (DCIA) provides that any non-tax debt or claim owed to the U.S. Government that is 180 days delinquent, with certain exceptions, will be referred to the Department of the Treasury for collection. Debt that is in litigation or foreclosure, with a collection

TAB 1: Agency Organizational Overview

agency or designated federal debt collection center, or that will be disposed of under an asset sales program, is exempt from transfer to the Secretary. Separately, agencies are required to notify Treasury of all nontax debts that are 120 days delinquent for purposes of administrative offset. There are no exemptions.

Cash Management Improvement Act

CMIA provides the general rules and procedures for the efficient transfer of funds for federal financial assistance programs between the federal government and the states (including the District of Columbia, Puerto Rico, American Samoa, Commonwealth of the Northern Mariana Islands, Guam, and the Virgin Islands).

Reports Consolidation Act of 2000

Authorizes the head of an executive agency to: (1) adjust the frequency and due dates of, and consolidate into an annual report to the President, the Director of the Office of Management and Budget (OMB), and Congress, certain statutorily required reports (including financial and performance management reports); and (2) submit such a consolidated report not later than 150 days after the end of the fiscal year.

Improper Payments Elimination and Recovery Act (IPERA)

Require agency heads to annually review programs and activities, identify those that may be susceptible to significant improper payments, estimate annual improper payments in susceptible programs and activities, and report the results of their improper payment activities in the Agency Financial Report.

Accountability of Tax Dollars Act (ATDA)

All executive agencies, pursuant to the Chief Financial Officers Act of 1990 and the Accountability for Tax Dollars Act of 2002, are required to prepare and submit audited financial statements to OMB and the Congress. Recognizing that financial and performance information in one document presents a more comprehensive and integrated picture of agency performance, OMB expanded the authorization granted under the Reports Consolidation Act of 2000 to require that agencies prepare a combined Performance and Accountability Report (PAR) each year. The Department of the Treasury, in consultation with OMB, issues the Financial Report of the United States Government.

Digital Accountability and Transparency Act (DATA Act)

On May 9, 2014, the President signed into law the DATA Act requiring agencies to be more transparent in spending data. This new law underscores OCFO challenges in correctly handling the ever-growing diversity and volume of financial data.

The DATA Act of 2014 requires agencies to provide USASpending with more specific, granular information beyond obligations (the legal commitment of funds) to outlays and transactions (actual spending). The Act requires a more seamless connection between appropriations/budget execution data and obligations/outlays. In addition, the OMB and Treasury are required to develop common data definitions/standards.

Federal Information Technology Acquisition Reform Act (FITARA)

FITARA seeks to improve the acquisition and management of Federal information technology assets. FITARA outlines specific requirements related to: (1) Agency Chief Information Officer (CIO) Authority Enhancements; (2) Enhanced Transparency and Improved Risk Management in IT Investments; (3) Portfolio Review; (4) Federal Data Center Consolidation Initiative; (5) Expansion of

TAB 1: Agency Organizational Overview

Training and Use of IT Cadres; (6) Maximizing the Benefit of the Federal Strategic Sourcing Initiative; and, (7) Government wide Software Purchasing Program.

FITARA creates statutory authority with the OCIO on all IT related matters. The impact on OCFO will be determined in FITARA implementation discussion with the CIO. The OCFO is required to deliver budget formulation and execution for IT expenditures. This could include: improvements in the financial systems projects capabilities; accounting policy that supports IT expenditures (e.g. capitalization for work in process software); and, other financial support required for the CIO to comply with the legislation.

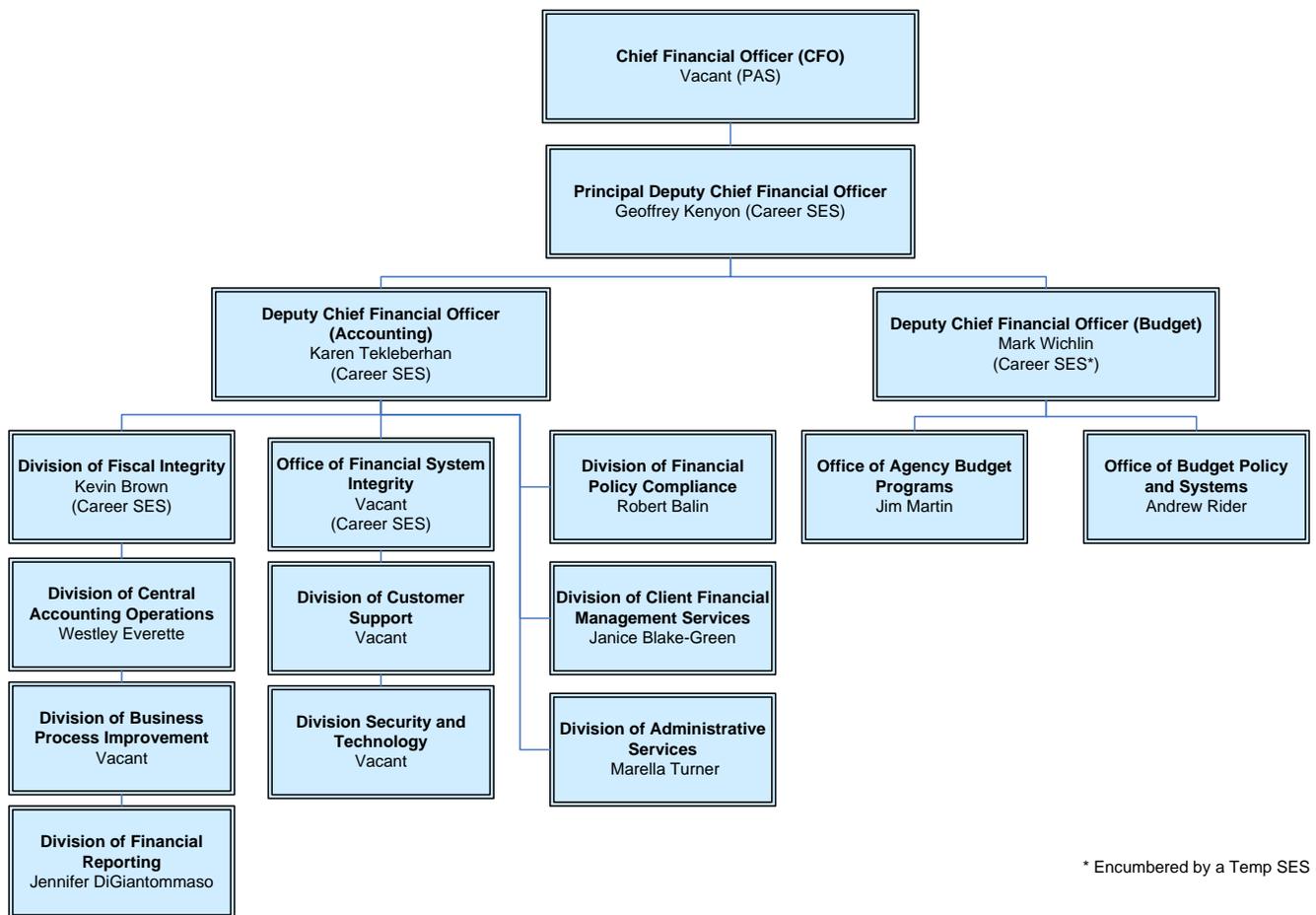
Organizational Structure

The OCFO is comprised of a CFO, two deputies and two associate deputies, overseeing a total of five functionally related areas:

- 1) Office of Fiscal Integrity
- 2) Office of Financial Systems
- 3) Departmental Budget Center
- 4) Division of Client Financial Management Systems
- 5) Division of Financial Policy and Compliance

Please see [Budget](#) for details on OCFO FTE.

Organizational Chart



* Encumbered by a Temp SES

Key Vacancies

- Chief Financial Officer position has been vacant since Fall 2013. Career OCFO Deputies have been fulfilling these duties.

TAB 1: Agency Organizational Overview

Workforce At-A-Glance

DEPARTMENT OF LABOR EMPLOYMENT *										
AS OF 11/1/2016 - OCFO										
AGENCY				BARGAINING UNIT		GRADE DISTRIBUTION		METRO D.C. AREA EMPLOYEES BY BUILDING		
Subagency	National Office	Regional Office	Total	Local 12	63	00	3	FRANCES PERKINS BLDG	91	
OCFO	91	1	92	Non-BU	29	02	1	Total	91	
Total	91	1	92	SUPERVISORY**		04	5	Includes regional employees working in the D.C. area		
RACE & GENDER				Non Supervisor	76	05	8			
Ethnicity	F	M	Total	Supervisor	16	07	5	GRADE 13 & ABOVE		
American Indian	0	1	1	WORK SCHEDULE		08	1	Ethnicity	F	M
Asian	7	9	16	F-Full Time	89	09	4	Asian	6	5
Black	29	15	44	P-Part Time	3	11	7	Black	14	8
Hispanic	7	3	10	REGIONS		12	11	Hispanic	2	2
Two or more Races	0	1	1	4 Atlanta	1	13	13	White	6	7
White	8	12	20	Natl Ofc	91	14	17			
Total	51	41	92	Total	92	15	17			
						DISABLED STATUS				
						No Disability	81			
						Non-targeted	8			
						Targeted	3			
						APPOINTMENT TENURE				
						Permanent	92			
						RETIREMENT ELIGIBILITY				
						Early Out	15			
						Eligible	13			
						Not Eligible	64			

* Permanent and Temporary Employees
 ** Supervisor count includes manager levels 2 and 4

Organizational Changes During the Past Eight Years

Over the past six years the Department has undergone a restructuring to centralize financial, including budget, services. This restructure more closely aligns with the organizational structure of financial services and authorities across the government.

The following offices were merged from the Office of the Assistant Secretary for Administrative Management (OASAM):

- FY 2010 Division of Business Process Improvement, responsible for accounts payable and receivables
- FY 2012 Division of Client Financial Management Services, responsible for budget execution
- FY 2017 Departmental Budget Center, responsible for budget formulation

In FY 2014, the Division of Payroll Services was realigned from OCFO to OASAM's Human Resources Center.

Key Leaders

Title	Name
<i>Principal Deputy CFO</i>	Geoffrey Kenyon
<i>Deputy CFO</i>	Karen Tekleberhan
<i>Budget Officer</i>	Mark Wichlin
<i>Associate Deputy CFO for Fiscal Integrity</i>	Kevin Brown

TAB 2: 30/60/90 DAYS – STATE OF PLAY

Key Meetings, Decisions and Announcements

By end of February 2017

- **FY 2018 Current Services Budget (2/6/17):** The President is required by statute to submit a budget request to Congress no later than the first Monday in February. The Departmental Budget Center will coordinate formulation of a “current services” level budget based on guidance from the Office of Management and Budget (OMB) to meet this requirement. The current services budget will reflect FY 2017 resources plus inflationary adjustments necessary to maintain the Department’s operations.
- **FY 2018 President’s Request budget formulation:** An FY 2018 President’s Request will be formulated to reflect the new Administration’s goals and objectives. The Department will begin formulation of an FY 2018 budget in February. The date of transmission of that budget to Congress and all interim steps will be determined by OMB; however the last policy President’s Budget following a transition for FY 2010 was delivered in May 2009. Because of the compressed scheduled and gaps in the Department’s political leadership during budget development, involvement of an ad hoc group of DOL policy officials will be necessary. Interim steps may include:
 - Solicitation of funding needs from agencies,
 - Formulation of the “OMB Submission” to reflect funding needs for the Secretary’s goals and objectives which will be transmitted to OMB,
 - Receipt of “Passback” from OMB, which will detail their decisions on the requests in the OMB submission,
 - Appeals of those Passback decisions and subsequent negotiations with OMB, and
 - Formulation and transmission of the FY 2018 President’s Request based on the results of the final decisions of OMB.
- **Final Congressional Action on FY 2017 appropriations:** Depending on the timing and funding level of the Department’s full year appropriations bill, there may be required action or decisions by the Department. The Department is generally required to submit an operating plan within 45 days of the enactment of the appropriations detailing changes at the budget activity level. These decisions may also need the review of an ad hoc group of DOL policy officials given the likely gaps in DOL political leadership at the time of enactment.

By end of March 2017

- **FY 2018 President’s Request budget formulation:** Budget development, as described above, will continue through March.

By end of April 2017

- **FY 2018 President’s Request budget formulation:** Depending on OMB guidance and deadlines, budget formulation may continue through April.
- **Enterprise Risk Management, OMB Circular A-123** Meet to discuss A-123 Enterprise Risk Management and upcoming due dates to OMB:
 - ERM Implementation Approach, Due: As soon as practicable, prior to June initial

Risk Profile deliverable

- Initial Risk Profile, Due June 2, 2017
- Integration with Management Evaluation of Internal Control, Due September 15, 2017

Key Agency Stakeholders

- *Director, Office of Management and Budget*
 - The Office of Management and Budget (OMB) is responsible for coordinating formulation of the President's Request. The Secretary will submit the Department's annual budget requests to the director of OMB and may appeal the initial OMB decisions on those requests. OMB Circular A-11 Preparation, Submission and Execution of the Budget
 - The management side of OMB oversees and coordinates the Federal procurement policy, performance and personnel management, information technology (e-Government) and financial management. In this capacity, OMB oversees agency management of programs and resources to achieve legislative goals and Administration policy. OMB Circular A-123 Management's Responsibility for Enterprise Risk Management and Internal Control

TAB 3: INITIATIVES

Policy and Regulatory Issues

Enterprise Risk Management

Governance structure and resources to implement updates and produce deliverables to *OMB Circular A-123 Management's Responsibility for Enterprise Risk Management and Internal Control*

Major Grants and Contracts

Please refer to Managing Information Technology Investments: Shared Service Provider for Financial System (co-lead with OASAM).

Audits and Reports

The OCFO does not have any audits that will require Secretarial or Departmental action in the first 90 days of the incoming administration.

Ongoing OIG Audits

Review of Department's Digital Accountability and Transparency Act Readiness: OIG's focus is to gain an understanding of the processes, systems, and controls that the Department has implemented, or plans to implement, to report financial and payment data in accordance with DATA Act requirements.

Independent Auditors' Report on the U.S. Department of Labor's FY 2016 Consolidated Financial Statements: An audit of the financial statements of DOL as of and for the years ended September 30, 2016 and 2015.

OCFO Audits completed in FY 2014, 2015, 2016:

1. **DOL Could Do More to Reduce Improper Payments and Improve Reporting**

Report No. 03-16-002-13-001 (May 13, 2016)

This report provides recommendations on what the Department can do to further reduce improper payments.

[[Summary](#) ] | [[Full Report](#) ] { 1.01 MB } | [[Response](#) ]

2. **Management Advisory Comments Identified in an Audit of the Consolidated Financial Statements for the Year Ended September 30, 2015**

Report No. 22-16-004-13-001 (March 25, 2016)

This report provides further recommendations for the Department, in addition to the 'Independent Auditor's Report' accompanying the Agency Financial Report.

No Summary | [[Full Report](#) ] { 949 KB }

3. Independent Auditors' Report on the U.S. Department of Labor's FY 2015 Consolidated Financial Statements

Report No. 22-16-002-13-001 (November 19, 2015)

This report accompanies the U.S. Department of Labor's FY 2015 Consolidated Financial Statements contained in the Agency Financial Report

No Summary | [[Full Report](#) ] {496 KB} | [[DOL Report](#) ]

4. DOL Could Do More to Reduce Improper Payments and Improve Reporting

Report No. 03-15-001-13-001 (May 15, 2015)

This report provides recommendations on what the Department can do to further reduce improper payments.

[[Summary](#) ] | [[Full Report](#) ] {3.29 MB} | [[Response](#) ]

5. Review of Department of Labor Conference Costs, Approvals, and Reporting

Report No. 17-15-002-13-001 (March 31, 2015)

This report provides recommendations around OMB Memorandum M-12-12: Promoting Efficient Spending to Support Agency Operations.

[[Summary](#) ] | [[Full Report](#) ] {485 KB} | [[Response](#) ]

6. Fiscal Year 2014 Financial Statement Audit: General and Application Controls Testing Results for the New Core Financial Management System

Report No. 22-15-009-13-001 (March 30, 2015)

This report contains Sensitive Information and will not be posted.

7. Management Advisory Comments Identified in an Audit of the Consolidated Financial Statements, For the Year Ended September 30, 2014

Report No. 22-15-006-13-001 (March 26, 2015)

This report presents for DOL's consideration certain matters that KPMG noted, as of November 17, 2014, involving internal control and other operational matters not related to information technology (IT) security.

No Summary | [[Full Report](#) ] {290 KB}

8. Independent Auditors' Report on the U.S. Department of Labor's FY 2014 Consolidated Financial Statements

Report No. 22-15-002-13-001 (November 17, 2014)

This report accompanies the U.S. Department of Labor's FY 2014 Consolidated Financial Statements contained in the Agency Financial Report

[[DOL Report](#) ] No Summary | [[Full Report](#) ] {403 KB}

9. The Department of Labor's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in the FY 2013 Agency Financial Report

Report No. 03-14-004-13-001 (April 15, 2014)

[[Summary](#) ] | [[Full Report](#) ] {757 KB} | [[Response](#) ]

10. Management Advisory Comments Identified in an Audit of the Consolidated Financial Statements for the Year Ended September 30, 2013

Report No. 22-14-006-13-001 (March 31, 2014)

This report summarizes actions DOL has taken to comply with IPERA.

No Summary | [[Full Report](#) ] {472 KB}

11. FY 2013 Audit of Consolidated Financial Statements Information Technology Control Deficiencies Related to the Office of the Chief Financial Officer New Core Financial Management System and PeoplePower

Report No. 22-14-013-13-001 (March 31, 2014)

This report contains Sensitive Information and will not be posted.

12. Independent Auditors' Report on the U.S. Department of Labor's FY 2013 Consolidated Financial Statements

Report No. 22-14-002-13-001 (December 16, 2013)

This report accompanies the U.S. Department of Labor's FY 2013 Consolidated Financial Statements contained in the Agency Financial Report.

No Summary | [[Full Report](#) ] {640 KB} | [[DOL Report](#) ]

Management

Managing Information Technology Investments: Shared Service Provider for Financial System (co-lead with OASAM)

New Core Financial Management System (NCFMS) is the financial system of record for the Department of Labor. On an annual basis, NCFMS processes an estimated 454,000 invoices; 266,000 payments; 188,000 travel documents; 47,000 obligation documents; and 7,000 requisition documents and is used to manage and account for nearly \$60 billion of taxpayer funds.

Background: Due to the imminent bankruptcy of our private sector financial system service provider in 2014, the Department was abruptly confronted with the potential loss of automated capability to manage and account for \$60 billion in annual transactions. OASAM and OCFO envisioned and orchestrated an unprecedented innovative solution, collaborating with five other federal departments to purchase data rights, software and intellectual property, and hardware, in addition to securing operational support to run the system (New Core Financial Management System or “NCFMS”).

For nearly two years – from September 2014 through June 2016 – DOL and the Department of Transportation’s Enterprise Service Center (DOT/ESC) worked to stabilize and run the highly-customized system through a series of Interagency Agreements. During that time period, DOL and DOT also began collaborating on planning efforts for the Department to migrate to DOT/ESC’s federal shared service financial management system. That work continues.

In July 2016, the Department awarded a three-year contract (one base year, two option years) to Booz Allen Hamilton to operate the system. DOT/ESC chose Booz Allen Hamilton to be the

contractor on the NCFMS project for the past two years; by contracting directly with the experienced support contractor, DOL gains project management oversight and efficiency in service and cost.

Auditor Findings: The OIG has issued a series of reports on the Department's management of NCFMS, the most recent released in June 2015. The OIG recommended the Department develop and implement a process to review and approve the services and costs requested (by DOT/ESC) for reimbursement, and for the Department to negotiate a firm-fixed price agreement with DOT for a baseline of operation and maintenance services for NCFMS. At this point, both recommendations remain open, pending OIG's review of management's actions to date, including direct contracting with Booz Allen Hamilton for NCFMS operations.

Going forward: DOL is currently working with OMB, Unified Shared Services Management (USSM) and ESC to identify alternatives to ensure DOL can migrate to a Shared Service Provider (SSP).



WCF Restructure

Background: The Working Capital Fund (WCF) provides centralized administrative services throughout the Department in support of agency operations. The purpose of the fund is to decrease the overall cost of these services by combining the purchasing power of the Department instead of individual agencies procuring services individually. The WCF receives no direct appropriation and is funded through collections from appropriations for agency activities based on agency usage of WCF services. The OCFO is responsible for WCF operations.

The WCF funding model creates a built-in conflict between agencies that provide centralized services and program agencies. With the relatively flat appropriations for the Department over the past several years, there has been an increased push for additional transparency into WCF activities and costs. To instill multiple viewpoints in WCF decision-making, Secretary Perez met with agency heads on July 22, 2015, to announce two reviews of the Working Capital Fund (WCF). The first was conducted by Assistant Secretaries, Directors and other agency heads (politicals) who were tasked with providing short-term recommendations for the FY2016 WCF Budget. This group issued its recommendations on November 30, 2015. The second, comprised of career Deputy

Assistant Secretaries and other Deputy Agency Heads, provided further reaching recommendations on: governance, budget cycle, and performance management on April 6, 2016.

Results:

As a consequence of these reviews, and to bring greater transparency, efficiency, and agency involvement in the WCF, a WCF Board of Directors (WCF Board) was established. The Deputy Secretary of Labor serves as the chairperson. Other members include the Chief Financial Officer, the Assistant Secretary for Administration and Management (ASAM), and career Deputy Assistant Secretaries or Deputy Directors across the Department. The purpose of the Board is to take an enterprise-wide view of the centralized administrative services provided through the WCF. The Board serves in an advisory capacity to the Deputy Secretary and Secretary as they make strategic decisions regarding the services provided through the WCF and the impact of those decisions given the WCF is funded through collections from appropriations for agency activities.

The WCF Board works closely with the WCF Committee and is authorized to establish multiple subcommittees. Among other responsibilities, these groups are tasked with identifying ways, whenever feasible, to avoid unexpected assessments on customer agencies, avoid unexpected demands on service provider agencies, and to ensure sensitivity to competing agency priorities. The subcommittees can look at, for example, cost recovery methodologies (e.g. FTE, usage, rental space, direct charges) to evaluate chargeback methodologies for logic, efficiency, and equity. They can also review alignment of WCF activities and services with the business needs of the customer agencies. An important outcome will be enhanced transparency and improved communications between service provider agencies and customer agencies.

Calendar

Item	Action Required from Secretary	Date
<u>Agency Financial Report</u>	Message from the Secretary, including signature. Initial message draft by the OCFO; second message draft by OPA.	Published annually on November 15.
WCF Board of Directors	Chair of Board, generally delegates authority to the Deputy Secretary.	Quarterly.
FY 2017 Current Services Budget	The current services budget will reflect FY 2017 resources plus inflationary adjustments necessary to maintain the Department’s operations.	February 6, 2017.
FY 2018 President’s Request budget formulation	Set funding needs to reflect Administration’s goals and objectives for the Department.	February- March (possibly April) The date of transmission of budget to Congress and all interim steps will be determined by OMB.

Item	Action Required from Secretary	Date
Departmental Submission	Agencies will submit budget requests for inclusion in the OMB Budget Submission to the Secretary, guidance and submissions coordinated by the OCFO.	Generally due in early summer.
OMB Budget Submission	The Secretary reviews and makes finale decisions regarding proposals from the Department for next year’s budget. The Secretary signs a letter, drafted by the OCFO, to the OMB director providing an overview of the Department’s request.	Determined by OMB, but historically occurs in shortly after Labor Day.
OMB Budget Passback	The Secretary reviews OMB’s decisions on the Department’s budget submission and recommendations from the Deputy Secretary and determines any appeals. Appeals are due to OMB within a few days.	Determined by OMB, but historically occurs shortly after Thanksgiving of each fiscal year. Due within a few days after Passback.
President’s Request	The Congressional Budget Justification is transmitted and reflects funding levels agreed upon in the OMB Budget Passback and appeals process. The Secretary may choose to review.	Due by the first Monday in February annually, though OMB will determine the actual date of transmittal.
Budget Hearings	Testify on the Hill	Usually in the spring after the President’s Budget goes to the Hill, the Secretary is invited to testify in front of the appropriations subcommittees.

TAB 4: BUDGET

BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

	FY 2013 Enacted	FY 2014 Enacted	FY 2015 Enacted	FY 2016 Enacted	FY 2017 Request
Budget Authority	\$5.1	\$5.1	\$5.1	\$5.1	\$5.2
FTE	18	18	17	14	17

At-A-Glance

- The OCFO receives funding as an activity in the Departmental Management (DM) appropriation and through the WCF.
- DM funding supports staff and related expenses for the policy-making offices of the CFO. The WCF supports staff and all expenses for operational offices. In FY 2016, the OCFO had \$5.1 million in appropriated funding and \$50.4 million through the WCF.

WCF Budgetary Resources, FY 2016		
Funding	Source	Amount
Direct funding	DM appropriation (direct)	\$5.1
DOL shared services	Working Capital Fund	\$50.4
Total		\$55.5

Budget and FTE Trends

- The OCFO’s appropriated funding levels have been stable between FY 2009 and FY 2016. Their appropriated funding makes up a small percentage of their overall resources. The Department has not made any significant budget requests for the OCFO’s DM appropriation and, in most years, there has been little to no interest from the appropriations committees in this activity within DM.
- The OCFO did receive funding through the American Recovery and Reinvestment Act (ARRA) supplemental in FY 2009. CFO received \$0.6 million to provide resources necessary to support the Department’s ARRA implementation.
- The OCFO’s WCF budget authority has grown from \$36.6 million in FY 2010 to \$50.4 million in FY 2016.
- The Department has had to make significant investments in NCFMS through the WCF. NCFMS is the financial system of record for the Department. In 2014, the contractor responsible for migrating the Department’s financial systems into the cloud, as well as maintaining and hosting this system, went bankrupt. The Department worked with the Department of Transportation (DOT) and a contractor to acquire the system and to support the operations. After stabilizing operations, the Department again took control of NCFMS and is working to transition the system to a SSP. The FY 2017 Budget included \$10.0 million for this purpose.

Upcoming Issues

- 
- At the beginning of FY 2017, the DBC is scheduled to be transferred from the OASAM to the OCFO. . The tables above do not reflect the transferred funding, which has not been finalized.

Staff Contacts

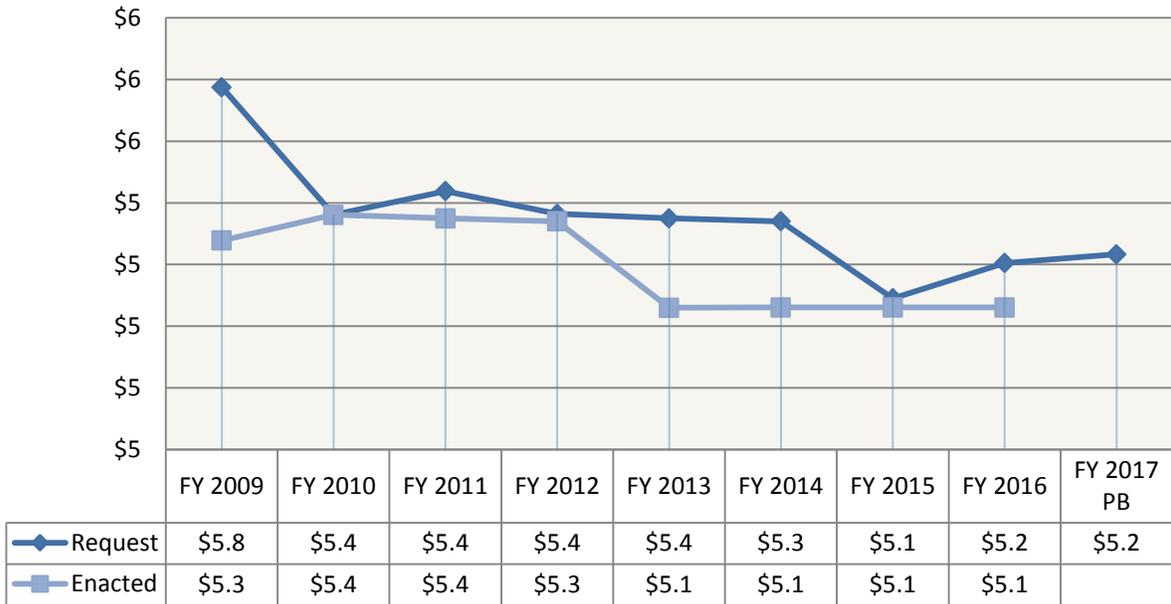
Janice Blake-Green, agency (OCFO) Budget Officer

Blake.Green.Janice@dol.gov

202-693-4452

CFO

Request vs. Enacted, FY 2009-FY 2016
(Dollars in millions)



CFO

FY 2009 Inflation Adjusted BA vs. FY 2009-FY 2016 Enacted BA
(Dollars in millions)



CFO

Authorized FTE vs. Actuals, FY 2009-2017



	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 PB
Authorized	25	29	19	19	19	18	18	17	17
Actuals	24	21	19	18	18	18	17	14	

TAB 5: AGENCY PERFORMANCE

Each year, the Department of Labor undergoes a third-party audit of its financial statements. The auditors identify significant control deficiencies and material weaknesses during the audit. Eliminating these deficiencies and weaknesses are among the most important goals for the OCFO.

A **significant control deficiency** exists when the design or operation of an internal control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

- **Audit Findings:** DOL currently does not have any significant control deficiencies. One of the OCFO's key accomplishments in FY 2016 is the elimination of its 2 previous significant control deficiencies.

A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

- **Audit Findings:** The Department currently has one material weakness: *lack of sufficient information technology general controls over key financial and support systems*. The auditor identified deficiencies in account management, system access settings, system audit log review, configuration management, and vulnerability management. This item was a significant control deficiency for the past several fiscal years before becoming a material weakness in FY 2016. One of the OCFO's key goals in FY 2017 is to eliminate this material weakness, with the cooperation of the Chief Information Officer.

Each quarter, the OCFO measures eight accounting and financial measures, for each Department of Labor component, on the Financial and Administrative Scorecard. The OCFO has used measures to improve prompt payment of invoices, debt management and to encourage the submission of invoices other than the US postal service.