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Summary Report Of Activities  
Under The Joint Financial  
Management Improvement  
Program B-84260

1971

*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

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MAY 9, 1972



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-84260

Dear Mr. Chairman:

This is the third summary report of the activities of the Steering Committee of the Joint Financial Management Improvement Program. *p 1767*

This program was initiated in 1948 as a cooperative venture of the Secretary of the Treasury, the Director of the Bureau of the Budget, and the Comptroller General, to improve accounting in the Federal Government. The program was given official status by the Budget and Accounting Procedures Act of 1950, which provided for a cooperative effort by these three officials to improve financial practices in the Federal Government. This action was taken in recognition of the fact that all three agencies had existing statutory responsibilities in this area.

In recognition of the importance of an adequate number of highly trained personnel, the Chairman of the Civil Service Commission was added to the program by agreement in 1966. This action has proved to be extremely valuable, as shown, for example, in the efforts of the Commission to augment interagency training programs.

Because of the increased activities carried on under the program and because of the wider interest in its work among congressional committees and members, we have concluded that it would be desirable to provide for more systematic reporting to the Congress. It has been agreed that the General Accounting Office, as a part of the legislative branch, should be responsible for this reporting.

Copies of this report are also being sent today to the Secretary of the Treasury; the Director, Office of Management and Budget; and the Chairman, Civil Service Commission.

B-84260

A more comprehensive report of individual agency accomplishments in improving financial management is published under the program each year. The report for fiscal year 1971 has just been issued, and a copy is enclosed herewith.

Sincerely yours,



Comptroller General  
of the United States

Enclosure

C1 The Honorable Chet Holifield, Chairman  
Committee on Government Operations H 1500  
House of Representatives

Report also sent to:

C2 Committee on Appropriations, House of Representatives H 300  
C3 Committee on Appropriations, United States Senate S 300  
C4 Committee on Government Operations, United States Senate S 1500

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THE JOINT FINANCIAL MANAGEMENT IMPROVEMENT PROGRAM

Summary of Steering Committee Projects and  
Activities for 1971 and Future Plans

PROJECTS COMPLETED OR IN PROGRESS

Study on recommendation for a  
single computerized payroll system  
for Federal civilian personnel

The principals of the Joint Financial Management Improvement Program (JFMIP) agreed that the JFMIP Steering Committee should consider the merits of a recommendation, resulting from a prior payroll study, that payroll work for all Federal civilian employees be centralized in one agency under a computerized system.

The Steering Committee has completed its review. Its report concludes that

- it would not be practical at this time to develop a centralized system to handle the payroll function for all Federal civilian employees;
- centralization within each agency is practical and feasible and should be encouraged;
- central guidance is needed to provide a uniform approach to payroll systems development in the various agencies and to bring about standardization, particularly in the area of forms, data elements and codes, and computer program specifications and languages; and
- a full-time staff should be established in the Office of Management and Budget (OMB) to coordinate all activities pertaining to payroll work in order to promote effectiveness and economy of operations through agency centralization, standardization, and uniformity.

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/ The OMB staff currently is reviewing the results of this study with regard to implementation of the recommendation.

## Proposed legislation

A bill, based on JFMIP draft legislation, was introduced in the Congress in May 1971 to provide for self-insurance by the Federal Government of military and civilian personnel who are charged with accountability for public funds or public property. The proposed legislation, still under congressional consideration, would repeal 6 U.S.C. 14, which requires pertinent agency heads to purchase fidelity bonds for the affected accountable personnel. It is estimated that the proposed legislation would result in material savings to the Federal Government.

The Steering Committee also is considering proposed legislation to account for annual appropriations under a single account symbol. This recommended procedure would simplify agency appropriation accounting.

## LIAISON WITH FEDERAL AGENCIES

### Agency meetings

The Steering Committee continued its meetings with the top financial management personnel of major departments and independent agencies to review the progress of financial management systems development. These meetings emphasized the need for managing programs in terms of performance and costs and for designing accounting systems to meet management needs. During the year meetings were held with the following agencies.

- Peace Corps (now part of ACTION)
- Federal Bureau of Investigation
- Department of Agriculture
- Agency for International Development
- Civil Service Commission
- National Aeronautics and Space Administration
- National Science Foundation
- Office of Economic Opportunity
- Department of the Treasury
- United States Information Agency

In fiscal year 1972 the Committee plans to continue these informal meetings with representatives at the bureau rather than departmental levels.

## News bulletin

The Steering Committee began publishing a periodic JFMIP News Bulletin as a means of keeping agencies informed, on a current basis, of Government-wide financial management improvement activities.

## RELATIONS WITH PROFESSIONAL ORGANIZATIONS

### Joint State-Federal financial management conference

As a result of the enthusiasm generated at the State-Federal financial management conference held in October 1971, a second conference has been planned for February 10 and 11, 1972, in Washington, D.C. This meeting of State financial executives and of the top financial management staffs of Federal agencies which are active in grant-in-aid programs will be centered around the theme "Simplification and Coordination of Federally Assisted Programs."

The conference is sponsored by the Council of State Governments; the National Association of State Auditors, Comptrollers, and Treasurers; the Fiscal Review and Post-Audit Workshops of the National Legislative Conference; and the JFMIP Steering Committee.

This conference begins where last year's conference left off--focusing on the need for better communications between financial officials of the States and financial officials of the Federal Government. This year greater emphasis will be given to better understanding our mutual problems. The result of these efforts will be directed toward methods whereby the States and the Federal Government can better work together to improve State-Federal relationships in financial management.

### Brookings Institution-- Accountants' Round Table Forum

The Steering Committee served as a panel at the February 1971 monthly meeting of the Brookings Institution--Accountants' Round Table Forum. The topic of discussion, "The Financial Management Environment as Viewed from the Central Agencies," was highlighted by brief presentations

THE JOINT FINANCIAL  
MANAGEMENT IMPROVEMENT PROGRAM STEERING COMMITTEE  
CURRENTLY RESPONSIBLE FOR THE  
ACTIVITIES DISCUSSED IN THIS REPORT

Office of Management and Budget

William J. Armstrong

Department of the Treasury

Steve L. Comings

General Accounting Office

D. L. Scantlebury

Civil Service Commission

Chester Wright

Executive Secretary

Bertram H. Rosen