

U.S. Department of Energy

Secretary of Energy  
Washington, D.C.

NOTICE

SEN-34-91

DATE: 8-15-91

SUBJECT: IMPLEMENTATION OF THE CHIEF FINANCIAL OFFICERS ACT  
OF 1990 (P.L. 101-576)

The purpose of this Notice is to effect initial implementation of the Chief Financial Officers Act of 1990 (the Act) within the Department of Energy (DOE). This Notice applies to all Departmental elements except the Bonneville Power Administration and the Federal Energy Regulatory Commission pending resolution of issues on the applicability of the Act to these organizations. This Notice will remain in effect until these issues are resolved and the DOE implementation Order is issued.

The objective of the Act is to strengthen financial management in the Federal Government by establishing a Chief Financial Officer (CFO) in each cabinet level agency and assigning to this position responsibility for budget, accounting, pricing, internal controls, and other financial management functions.

The position of CFO will be filled by the President, and until this process is completed, the Controller is designated to carry out the responsibilities of Chief Financial Officer under this Notice. Consistent with the Act, the CFO will report directly to me.

The mission and functions of the Department of Energy Chief Financial Officer are detailed in the Attachment. All Departmental elements shall support the CFO in carrying out these assigned responsibilities.

All responsibilities assigned to the Controller and the financial management responsibilities assigned to the Assistant Secretary, Management and Administration, under DOE Orders are hereby reassigned to the CFO.

The Chief Financial Officer also shall approve the selection of the DOE Deputy Chief Financial Officer and shall have the following authority regarding heads of field element financial management activities:

1. Authority to approve job descriptions and qualification standards;
2. Authority to approve the selection of a candidate for a vacant position; and
3. Authority to provide input to the annual performance appraisal of an incumbent.

The Chief Financial Officer shall provide policy guidance and advise Heads of Departmental Elements on the qualifications, recruitment, performance standards, training, and retention of all financial management personnel to ensure a cadre of qualified financial management professionals throughout the Department.

The Chief Financial Officer shall work with Directors, Office of Administration and Human Resource Management and Office of Procurement, Assistance, and Program Management; Program Secretarial Officers; Heads of DOE Field Elements; and integrated contractors to develop a performance measurement system which will allow the evaluation of progress in achieving program objectives in comparison to resources expended. The CFO also shall ensure that data collected and reported in the Departmental Financial Information System is at a sufficient level of detail to support the performance measurement system.

The Chief Financial Officer shall work with the Inspector General and other auditors to improve Departmental financial statements and enhance their auditability and shall ensure that data included in financial reporting are auditable.

The Chief Financial Officer also shall review all major legislative and other programmatic proposals (including major procurements and changes in credit programs) and provide advice on Federal cost and program benefit estimates.

The Chief Financial Officer shall review and approve reports and correspondence which contain budget or financial data and are prepared by Departmental components for transmittal to the Secretary, the Office of Management and Budget, the President, the Congress, or external groups.

The Chief Financial Officer shall prepare annually for my approval a plan to implement the 5-year financial management plan prepared by the Director of the Office of Management and Budget. The CFO also shall amend existing DOE budget guidance to provide for development of agency financial management budgets, shall review such budgets to ensure that resources contained therein are adequate, and shall recommend for my approval proper resource levels for financial management activities.

The Chief Financial Officer shall advise and provide recommendations to the Director of Administration and Human Resource Management regarding the acquisition, development, or implementation of management information systems that interface with DOE financial management systems and shall clear the design for information systems that provide financial or program performance data used in financial statements solely to ensure that CFO needs are met.

The Chief Financial Officer also shall prepare annually for my approval and for submission to the Office of Management and Budget a report which shall include:

1. A description and analysis of the status of DOE financial management;
2. The Department's annual financial statements;
3. The audit report(s) on those financial statements which have been audited;
4. A summary of reports submitted to the President and the Congress under the Federal Managers' Financial Integrity Act; and

5. Other information necessary to fully inform the President and the Congress concerning DOE financial management.

In fulfilling assigned responsibilities, the CFO shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other materials which are DOE property or are available to the Department and which relate to programs and operations for which the CFO has responsibilities subject to the limitations for Inspector General materials, as set out in law. The CFO may request information or assistance from Federal, State, or local government entities in carrying out CFO duties and responsibilities and may arrange through the Director of Procurement, Assistance, and Program Management to contract for necessary services.

/s/

JAMES D. WATKINS

Admiral, U.S. Navy (Retired)

DEPARTMENT OF ENERGY

CHIEF FINANCIAL OFFICER

MISSION:

The mission of the Chief Financial Officer (CFO) for the Department of Energy is to ensure the financial integrity of the Department by developing and implementing appropriate policies and procedures to provide control and assistance for effective management of the Department's finances and related activities.

The CFO is the principal adviser to the Secretary and other Departmental officials on matters relating to the overall management and control of the Department's financial resources. Specifically, the CFO is responsible for oversight of all financial management activities relating to the Department's programs and operations; management of the Department's budget formulation, presentation and execution processes; and development and maintenance of the Department's integrated accounting and financial management system, including financial reporting and internal controls. Implementation of financial policies, procedures, and guidance is carried out through the Field Element CFO's.

FUNCTIONS:

The CFO shall:

Maintain and ensure financial integrity, formulation, execution, and analysis of the Department's budget.

Develop, interpret, and apply Departmental financial policies and procedures for the agency and its component parts including field offices, program offices, and integrated contractors.

Direct, manage, and provide policy guidance and oversight of financial management personnel, activities, and operations, including:

Preparation and annual revision of a 5-year financial management plan;

Development of financial management budgets;

Recruitment, selection, and training of personnel to carry out the Department's financial management functions.

Approval and management of financial management systems design or enhancements; and

Implementation of asset management systems, including systems for cash management, credit management, debt collection, and property and inventory management and control.

Develop and maintain an integrated agency accounting and financial management system with financial reporting and internal controls which:

complies with applicable accounting principles, standards, and requirements and internal control standards;

complies with such policies and requirements as may be prescribed by the Director of the Office of Management and Budget;

complies with any other requirements applicable to such systems; and provides for:

- complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of management;

- the development and reporting of cost information;

- the integration of accounting and budgeting information;

and

- the systematic measurement of performance.

Plan and perform Departmentwide reviews to determine compliance with the requirements of the Federal Managers' Financial Integrity Act and Departmental accounting and financial management policy.

Submit an annual report to the Secretary and OMB which shall include a description and analysis of the status of financial management in the Department, annual financial statements, audit reports, and a summary of the reports on internal accounting and administrative control systems.

Monitor financial execution of the budget and submit to the Secretary timely performance reports.

Develop, maintain, and provide technical assistance for the Department's program to reduce waste, fraud, and error.

Manage audit follow-up and liaison activities.

Oversee the Department's cost accounting, financial management of inventories, and pricing of Departmental products and services.

Review biennially the fees, royalties, rents, and other charges imposed by the Department for products and services it provides, and make recommendations on revising those charges to reflect costs incurred.

Provide Departmental payroll services and cross-servicing to other Federal agencies, as appropriate.

Provide Department wide accounting and reporting functions, including that for the Headquarters.

Prepare the Secretary's Annual Report to the Congress.