



FINANCIAL MANAGEMENT INITIATIVES

ADVANCING OUR MISSION

Our Chief Financial Officer (CFO) also serves as the Performance Improvement Officer (PIO). This dual role provides a unique position overseeing the full life cycle of agency initiatives and goals—from the development of the *Agency Strategic Plan*, which drives budget decisions and annual performance plans, to the financial management of resources and performance reporting. The mission of the Office of the Chief Financial Officer (OCFO) is financial management excellence. The following are key financial management initiatives that advance this mission and the agency’s mission, Strategic Goals, and Objectives:

PUBLIC SERVICE

- **Coronavirus Aid, Relief, and Economic Security Act Cost Tracking:** On March 27, 2020, Congress passed and the President signed the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act). The CARES Act provided us with \$38 million to assist the Department of the Treasury’s (Treasury) Internal Revenue Service with carrying out Economic Impact Payments (EIP), including working with Treasury to raise public awareness. The CARES Act also provided \$300 million to prevent, prepare for, and respond to the coronavirus (COVID-19) pandemic. OCFO developed and implemented cost tracking and reporting procedures to properly account for the administrative time and costs associated with our response to the COVID-19 pandemic.
- **Economic Impact Payments:** The CARES Act provided that eligible taxpayers would receive an EIP of up to \$1,200 for individuals or \$2,400 for married couples. Individuals would also receive \$500 for each qualifying dependent child. The Internal Revenue Service issued payments to many eligible individuals based on Federal tax return information for either 2019 or 2018. Based upon their income, some of our OASDI beneficiaries and SSI recipients are not required to file Federal tax returns. OCFO worked closely with Treasury’s Internal Revenue Service and Bureau of Fiscal Service to ensure that all eligible OASDI beneficiaries and SSI recipients received their EIPs automatically.
- **Keeping Employees and the Public Safe:** Our highest priority during this unprecedented time has been to provide mission-critical services while safeguarding the health of the public and our employees. We efficiently transitioned to telework to keep safe our employees and the public we serve. We are conducting most workloads through online and telephone service with limited in-office service for critical situations. OCFO procured supplies for the COVID-19 pandemic, including health and safety items for our offices nationwide, as well as permanent and temporary barriers.

EFFICIENCY

- **Compassionate And Responsive Service Plan:** In FY 2020, as a result of our Compassionate And Responsive Service (CARES) plan, the Administration’s and Congress’ support, and the hard work of our employees, we reduced the hearings backlog to the lowest level in 18 years. In FY 2020, we received \$100 million in dedicated funding to reduce the hearings backlog. Over the last 4 years, Congress has provided \$390 million in special funding dedicated to reduce the hearings backlog. From budget planning, execution, and reporting, to providing ongoing medical and vocational contractual support for hearings cases, OCFO remains engaged to improve the hearings process.



- **COVID-19 Emergency Preparedness Activities:** In response to the COVID-19 pandemic, in March 2020, OCFO instituted security and emergency preparedness processes to support the agency’s posture, including developing protocols to issue Homeland Security Presidential Directive 12 credentials in a primarily telework environment. The process safeguards the health and safety of our employees, complies with applicable guidance, and allows employees to continue to support the agency’s mission without interruptions. OCFO also continued to maintain 24/7 security coverage at the headquarters complex, as well as instituting additional access protocols.
- **Cross-Agency Priority Goals:** In the dual CFO-PIO role, our CFO also has enterprise-wide responsibility for coordinating strategic planning activities and tracking, monitoring, and reporting agency performance. This includes serving as the executive lead for several Cross-Agency Priority (CAP) Goals including Sharing Quality Services, Getting Payments Right, Shifting from Low- to High-Value Work, Frictionless Acquisition, and Improving Customer Experience with Federal Services. For the Improving Customer Experience with Federal Services CAP Goal, the Office of Management and Budget (OMB) listed us as a high-impact service provider.
- **Large Site Activities:** OCFO continues to identify opportunities to improve the use of space at our large site facilities, while simultaneously reducing costs. In FY 2020, we continued renovations at our headquarters facilities. We also collaborated with the General Services Administration (GSA) on a prospectus-level project for our space requirements in the Northern Virginia/Washington, DC area. These projects leverage our revised space allocation standards, and will enable us to reduce our real property footprint, reduce costs, and meet the objectives associated with OMB’s new real property capital planning requirements and the *Federal Assets Sale and Transfer Act*. We also collaborated with GSA on a prospectus-level project at the Frank Hagel Federal Building in Richmond, CA that will address needed infrastructure updates to the building.
- **Robotic Process Automation:** OCFO implemented Robotic Process Automation (RPA) that allows for the automated posting of returned SSI payments, made after death, to the Supplemental Security Income Record. Under the manual process, we processed an average of 20,000 returned payments annually, spending approximately 3 minutes per transaction. From the April 2020 implementation through the end of FY 2020, the RPA processed over 14,000 inputs, averaging about 3 seconds per transaction.

INTERNAL CONTROLS

- **COVID-19 Control Assessment:** In March 2020, we began deferring certain workloads and the resulting overpayment debt collections in response to the COVID-19 pandemic and OMB Memorandum M-20-16, *Federal Agency Operational Alignment to Slow the Spread of Coronavirus COVID-19*. Throughout the pandemic, we performed internal assessments regarding the impact on our internal control environment and compliance with laws and regulations.

As part of the agency’s assessment effort, OCFO utilized the *Federal Managers’ Financial Integrity Act* (FMFIA) Program to solicit an independent contractor to identify the risk created by the deferral of certain workloads and the resulting overpayment debt collections, and the corresponding mitigating alternative controls we developed to address the risk and ensure we are able to achieve the financial and operational objectives upon a return to normal business operations. Additionally, our contractor assessed the operating effectiveness of the identified alternative controls. Our findings will be critical to our “lessons learned” from the pandemic, and will strengthen our risk management and internal control programs. We believe the pandemic-related effects to our internal controls were minimal and immaterial to our financial statements.

- **Data Quality Plan:** In compliance with OMB Memorandum M-18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk*, OCFO developed a *Data Quality Plan* (DQP) to ensure we have effective internal controls over the input and validation of data submitted to USAspending.gov. We leverage our existing FMFIA program activities to identify critical risk points and corresponding mitigating controls, and assess the design and operating effectiveness of our data quality controls to ensure they support *Digital Accountability and Transparency Act of 2014* reporting objectives. We also consider the results of our



assessment in our FMFIA annual assurance statement process. During FY 2020, we updated our DQP to take into account new reporting requirements as a result of the CARES Act.

- **Enterprise Risk Management:** During FY 2020, OCFO continued to lead the maturity of our Enterprise Risk Management (ERM) program. We have implemented a multi-year strategy that will further integrate our existing internal control and risk management frameworks with our strategic planning and review processes. We finalized an Implementation Plan to mature the program and integrate ERM into our business processes. In addition, we further integrated ERM with our Strategic Objective Review process, and began aligning ERM with our Cybersecurity and Enterprise Fraud Risk Management programs, along with the executive assurance process. These efforts will continue into FY 2021.

In addition, the agency formed the Enterprise Risk Management Council (ERMC). The ERMC will advise the Commissioner on risk-related issues and ensure that we use ERM principles and practices consistently.



This page was intentionally left blank.