

# Department of the Interior Departmental Manual

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**Effective Date:** 8/2/04

**Series:** Financial Management

**Part 341:** Financial Management Systems

**Chapter 1:** Policies and Responsibilities

**Originating Office:** Office of Financial Management

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## 341 DM 1

**1.1 Purpose.** The objectives of this chapter are to provide Departmental policies and to assign responsibilities relating to financial management systems.

**1.2 Scope.** This chapter applies to all existing and proposed financial management systems within the bureaus and offices of the Department of the Interior (see paragraph 1.4, below, for the definition of financial management systems).

**1.3 Policy.** This chapter adopts the policies and standards set forth in Circular A-127 as the Department's policies and standards. Office of Management and Budget (OMB) Circular No. A-127 at <http://www.whitehouse.gov/omb/circulars/a127/a127.html> (Financial Management Systems) prescribes policies and standards to be followed in developing, operating, evaluating, and reporting on financial management systems.

**1.4 Definition.** Financial management systems are defined in Section 5 of Circular A-127.

### 1.5 Authorities.

A. The Chief Financial Officers Act of 1990 (P.L. 101-576)  
[http://www.gao.gov/policy/12\\_19\\_4.pdf](http://www.gao.gov/policy/12_19_4.pdf)

B. The Federal Financial Management Improvement Act of 1996 (P.L.104-208)  
<http://www.dfas.mil/technology/pal/regs/ffmia.doc>,

C. The Federal Managers' Financial Integrity Act of 1982 (PL 97-255)  
<http://www.ustreas.gov/offices/management/dcfo/management-controls/fmia-legislation.pdf>,

D. Budget and Accounting Procedures Act of 1950 (31 U.S.C. 3512 et seq.)  
[http://uscode.house.gov/title\\_31.htm](http://uscode.house.gov/title_31.htm),

E. The Information Technology Management Reform Act (PL104-106)  
<http://www.whitehouse.gov/omb/memoranda/m96-20.html>,

F. Federal Information Security Management Act (FISMA) of 2002, <http://www.fedcirc.gov/library/legislation/FISMA.html> to be updated to 44 U.S.C. 35, Subchapter III, Section 3541 <http://www.gpoaccess.gov/uscode/browse.html>,

G. 31 U.S.C. Chapter 11, [http://uscode.house.gov/title\\_31.htm](http://uscode.house.gov/title_31.htm), and

H. Circular A-127 and Transmittal Memorandum #2 <http://www.omb.gov> .

## 1.6 Responsibilities.

A. The Secretary is ultimately responsible for ensuring that the planning, development, operation, review, and reporting on financial management systems within the Department are, to the maximum extent practicable, in accordance with Circular A-127.

B. The Assistant Secretary - Policy, Management and Budget (PMB) and Chief Financial Officer (CFO) is responsible for developing and maintaining an integrated agency accounting and financial management system, including financial reporting and internal controls, that:

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

(2) complies with such policies and requirements as may be prescribed by OMB;

(3) complies with any other requirements applicable to such systems;

(4) 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 agency management;

(5) provides for the development and reporting of cost information;

(6) provides for the integration of accounting and budgeting information; and

(7) provides for the systematic measurement of performance as required under the Chief Financial Officers Act of 1990.

(8) As required by Circular A-127, The Assistant Secretary – PMB is also responsible for establishing, maintaining, and annually updating an inventory of all proposed and existing Departmental and bureau-specific financial management systems. The Office of Financial Management is assigned staff responsibility for functions relating to the financial management systems inventory.

C. The Departmental Chief Information Officer (CIO) is responsible for:

(1) providing advice and other assistance to the Secretary of the Interior and other senior management personnel to ensure that information technology is acquired and information resources are managed in a manner that implements the policies and procedures of the Information Technology Management Reform Act;

(2) developing, maintaining, and facilitating the implementation of a sound and integrated information technology architecture;

(3) promoting the effective and efficient design and operation of all major information resources management processes; and

(4) ensuring compliance with information technology security requirements as defined in OMB Circular A-130 , Appendix III <http://www.omb.gov>; National Institute of Standards and Technology (NIST) Special Publication 800-26 <http://csrc.nist.gov/publications/nistpubs/index.html>; Department of the Interior Departmental Manual 375, Chapter 19 <http://elips.doi.gov> ; and other such policies, laws, and standards. With specific regard to financial management systems, the Departmental CIO also provides appropriate assistance to the Secretary of the Interior and the CFO in establishing policies and procedures to ensure that the accounting, financial, and asset management systems and other information systems are designed, developed, maintained, and used effectively to provide financial or program performance data for the financial statements.

D. The Office of Financial Management is delegated the responsibility for monitoring compliance with financial management system requirements as defined in Circular A-127. Specifically, this office will coordinate efforts to establish and maintain a single, integrated financial management system that complies with:

(1) applicable principles, standards, and related requirements as defined by OMB and the Department of the Treasury;

(2) internal control standards as defined in Circular A-123, and in successor documents;

(3) information resource management policies and guidelines issued by OMB and the Office of the Chief Information Officer (OCIO);

(4) operating policies and related requirements prescribed by OMB, the Department of the Treasury, and the Department; and

(5) the system characteristics outlined in Section 7 of Circular A-127.

E. The Office of Financial Management is also assigned the staff functions relating to the financial management systems inventory responsibilities.

F. Designated System Owners/Managers are responsible for Departmental financial management systems. The responsibilities are identified in OCIO Directive 2004-010 which

establishes the Department of the Interior Enterprise Architecture Repository (DEAR). The IT Security Program can be found at <http://www.doi.gov/ocio/security/index.html>. Bureau-specific financial management systems are the responsibility of each bureau's Chief Financial Officer (CFO) or other senior bureau managers working in conjunction with both the bureau CFO and CIO. The Departmental system owners/managers and the bureau CFOs financial management system responsibilities include:

- (1) ensuring that each applicable system is established, maintained, reviewed, improved, and reported on in accordance with Circular A-127;
- (2) ensuring that information on each applicable system in the Department's inventory of financial management systems is maintained and updated on an annual basis;
- (3) preparing and maintaining financial management system plans, in coordination with the Department's financial management system plan, which is to be developed in accordance with OMB guidance issued annually (see Section 9a(2) of Circular A-127); and
- (4) complying with information resources management policies and guidelines issued by OMB and the OCIO, and any applicable bureau policies and guidelines.

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