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of the Secretary of the Treasury
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FOR THE FISCAL YEAR ENDED JUNE 30, 1970

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mental training in anticipation of future needs, training to develop unavailable skills, and training to develop under-utilized and disadvantaged employees.

Internal audit

In the interest of maintaining efficient and economic operations, the Bureau continued to conduct intensive, announced and unannounced audits, providing for both fiscal auditing and auditing of operations. During fiscal 1970, 22 reports of audit, containing 86 recommendations for improvements, were released for management consideration and action.

Savings from cost reduction and management improvement efforts

The Bureau's objective is to maximize effectiveness of the timely and economical production of its products through optimum utilization of manpower, equipment, and other resources.

Estimated savings totaling approximately \$998,000 on a recurring annual basis and \$107,000 on a one-time basis were identified for fiscal 1970 as a result of the Bureau's overall cost reduction and management improvement efforts. All savings realized are passed on to customer agencies through reduced billing rates. Noteworthy savings in fiscal 1970 were \$117,500 from the purchase, installation, and use of a 12-station, sheet-fed, collating machine in the production of food coupon sheets and book covers; \$136,000 from the award of an exclusive 4-year contract to furnish the requirements of distinctive currency paper at a reduced unit cost per pound; and \$390,000 representing a pro rata share of the recurring annual savings anticipated to be realized from reduced spoilage and changes made in the manual finishing operations in processing currency.

Finances

Bureau operations are financed by reimbursements to the Bureau of Engraving and Printing fund, as authorized by law. Comparative financial statements for fiscal years 1969 and 1970 appear in the Statistical Appendix.

Deliveries of finished work

A comparative statement of deliveries of finished work for fiscal years 1969 and 1970 appears in the Statistical Appendix.

Fiscal Service

BUREAU OF ACCOUNTS

The functions of the Bureau are Government-wide in scope. They include central accounting and financial reporting relating to the Government as a whole; disbursing for virtually all civilian agencies; supervising the Government's depository system; determining qualifications of insurance companies to do surety business with Government agencies; a variety of fiscal activities, such as investment of trust funds, agency borrowings from the Treasury, international claims and indebtedness, and liquidation of the Postal Savings System; and Treasury staff representation in the joint financial management improvement program.

Management improvement

Under the cost reduction and management improvement program, savings of \$620,000 were realized during fiscal 1970, attributable to further improvements in technology and systems, realignment of organization and staffing, and the fruits of continuing programs for the development of people in management and operating skills at all levels.

Personnel

A reorganization of the Bureau, effective July 1, 1969, among other things, merged the central accounting and reporting functions of the former Division of Central Accounts and Reports with the related systems development activities and the investment of Government funds operations into a new Division of Government Financial Operations. The reorganization has achieved its purpose—better utilization of manpower and enhancement of potential of career personnel.

A great deal of emphasis was placed during the year on evaluation of personnel programs, in terms of goals established for the Bureau as a whole and the effectiveness of those programs in achieving those goals. Another program given special emphasis was youth involvement in Government; a Bureau-wide youth committee was chartered to come up with recommendations for the more active participation of young careerists in management. Staffing efforts of the Bureau were particularly fruitful, culminating in bringing on board over 20 career development trainees.

Systems improvement

Bureau staff continued to represent the Treasury on the steering committee and study teams of the joint financial management improvement program. Primary attention was given to implementing the recommendations of the President's Commission on Budget Concepts as described under "Government-wide Financial Management."¹

During the year, other systems work included a number of studies to improve internal procedures and further codification of Government-wide regulations within the Treasury Fiscal Requirements Manual. Procedural requirements were prescribed for Government agencies concerning the following matters: (1) Central accounting and financial reporting for receipts, disbursements, and related cash operations of the Federal Government; (2) the withdrawal of cash from the Treasury for advances under Federal grants and other programs consistent with the restatement of policy in Treasury Department revised Circular No. 1075; (3) tax withholdings applicable to reimbursements of allowances for moving expenses; (4) special notice concerning new interest rates on series E bonds and discontinuance of Freedom Share Notes applicable to payroll savings plans of Government agencies; (5) the withholding of State income tax by Federal agencies from employees' wages; and (6) unclaimed moneys.

The Federal Tax Deposit System established in fiscal 1967 was extended during fiscal 1970 to include the collection of Federal unemployment taxes.

¹In the "Review of Treasury Operations" section of this report, pages 8-9.