

D&CP – BUREAU OF RESOURCE MANAGEMENT

Resource Summary

(\$ in thousands)

Appropriations	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
American Positions	557	557	557	0
Funds	155,836	140,611	142,087	1,476

Program Description

The Bureau of Resource Management (RM), led by the Chief Financial Officer, administers and oversees the Department's strategic and performance planning, budgeting, global financial services, and financial management functions. Core activities include: strategic and performance planning; budget formulation and execution for the Department's programs and operations; financial reporting; accounting; payroll; and financial services to missions overseas, including other U.S. Government agencies. The Department now manages domestic and overseas financial operations for approximately 261 posts in 183 countries and transacts business in over 150 currencies from the Global Financial Service center in Charleston, South Carolina, with a supporting financial services center in Bangkok, Thailand. RM serves nearly 100,000 customers, including more than 40 U.S. Government agencies in every corner of the world, twenty-four hours a day and seven days a week.

The Bureau has four primary financial priorities:

- Link resource requirements to priorities and planning
- Request, allocate, and execute financial resources
- Report on, account for, and analyze use of resources
- Increase the strength and capability of the Department's financial management team

RM works closely with counterparts in OMB, Congress, DOD, USAID, Treasury, and other foreign affairs agencies to secure and manage the needed resources to advance U.S. foreign policy priorities. The Bureau formulates State Operations budgets that fund the Administration's foreign policy objectives, and coordinates with the Office of U.S. Foreign Assistance Resources to ensure the integration of State Operations resource requests with Foreign Operations requests, resulting in an integrated budget submission to OMB and the Congress. Integration of budget and performance provides the Department's leadership with the information needed to make informed performance-based resource decisions.

RM will continue to serve the Department and meet the needs of its domestic and international customers by leveraging best business practices and new technologies. While modernizing major corporate financial management systems and consolidating financial operations, RM is adopting new technologies to improve and reengineer business processes. RM is proactive in career development of the financial management staff and ensures that the staff's skills are utilized effectively to achieve corporate financial management objectives.

RM's primary efforts for FY 2013 will include working effectively with Congress to secure the requested resources, and identifying cost-effective solutions to emergent requirements, including crosscutting budget issues. RM will improve strategic planning processes throughout the Department, in collaboration with USAID, and at overseas missions, by enabling a more robust capability to evaluate program effectiveness and outcomes, and develop better and more measured performance. RM will also continue

D&CP – BUREAU OF RESOURCE MANAGEMENT

to develop superior financial systems, reporting, and analysis capabilities. Department priorities for RM also include improved interagency coordination of resources, especially through ICASS, the Interagency Resources Planning Office, and the Office of Strategic and Performance Planning. These efforts will be made possible by continuing to standardize and centralize financial operations, where proven effective; and by continuing to increase RM capacity as the central bureau for financial management activities and personnel across the Department. Further, RM will serve a lead role in continuing to improve the Department's ability to meet financial audit and external reporting requirements.

Performance

Transparency and accountability in financial reporting is a core competency of world-class finance organizations. This indicator demonstrates that Department financial information is used on a day-to-day basis to obtain the best performance and ensure accountability to the American public. The Independent Auditor (IA) issued an unqualified opinion on time for the Department's FY 2011 Statements of Budgetary Resources and Net Cost, and a qualified opinion for the Balance Sheet and Statement of Changes in Net Position due to a material weakness in the reporting of after-employment benefits for locally employed staff (LES). The Secretary issued a qualified statement of assurance for internal control over financial reporting for the aforementioned material weakness.

Strategic Goal 7: Build a 21st century workforce; and achieve U.S. government operational and consular efficiency and effectiveness, transparency and accountability; and a secure U.S. government presence internationally							
Active Performance Indicator		Agency Financial Report is issued on-time with an unqualified Statement of Assurance on Internal Controls Over Financial Reporting; financial statements achieve an unqualified audit opinion.					
Prior Year Results and Ratings				FY 2011		Planned Targets	
FY 2007	FY 2008	FY 2009	FY 2010	Target	Result and Rating	FY 2012	FY 2013
N/A	Yes	No	Yes	Yes	No	Yes	Yes
New Indicator, No Rating	◀▶ On Target	▼ Below Target	◀▶ On Target		▼ Below Target		
Steps to Improve		Accounting for the worldwide complex after-employment benefits for overseas LE staff present unique challenges and there was insufficient time for the IA to perform auditing procedures and satisfy themselves as to the accuracy of these amounts by the November 15, 2011 deadline. The Department has developed a corrective action plan and will collaborate with the OIG and IA on execution of the plan.					
Impact		No adverse impact on agency financial operations and the Department is committed to addressing these issues.					
Methodology		A review of annual financial statements by an independent auditor is based on standard federal auditing procedures required by the CFO Act. Determination of the fiscal year result is based on a review of the independent auditor's report on annual financial statements and the Annual Statement of Assurance recommended by the Management Control Steering Committee and signed by The Secretary.					

D&CP – BUREAU OF RESOURCE MANAGEMENT

Data Source and Quality	Annual Agency Financial Report, Independent Auditor's Report, Office of Inspector General Reports, minutes from Senior Assessment Team and Management Control Steering Committee meetings. The Data Quality Assessment revealed no significant data limitations.
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A timely payment indicator was chosen to reflect the critical need to maintain cash flow in the ICASS Working Capital Fund (WCF). A training satisfaction indicator was chosen because the ability of customers and service providers to understand and carry out their responsibilities under ICASS is critical to its success in support of the larger diplomatic mission overseas. For FY 2013, the bureau removed the average customer satisfaction rating for the Management Officer/Council Chair workshop as an indicator because the current budget climate has made it very difficult to conduct this workshop. For FY 2013, the target for percentage of posts that received an "A" on their ICASS Budget Scorecard was reduced from 95 percent to 80 percent to reflect the more intense scrutiny given to the budget and the complexity of some of the elements.

Strategic Goal 7: Build a 21st century workforce; and achieve U.S. government operational and consular efficiency and effectiveness, transparency and accountability; and a secure U.S. government presence internationally							
Active Performance Indicator		Quality of ICASS system measured by: percentage of invoiced amounts received in first 90 days of fiscal year; average customer satisfaction rating for the Management Officer/Council Chair (MO/CC) workshops (out of 5); percentage of posts that receive an "A" on their ICASS Budget Scorecard.					
Prior Year Results and Ratings				FY 2011		Planned Targets	
FY 2007	FY 2008	FY 2009	FY 2010	Target	Result and Rating	FY 2012	FY 2013
N/A	95.6%; MO/CC 4.35; 4.22%	95%; MO/CC 3.27; 88.5%	99.96%; MO/CC 3.17; 87%	95%; MO/CC N/A; 95%	99%; MO/CC N/A; 78%	95%; MO/CC N/A 95%	95%; 80%
	New Indicator, No Rating	▼ Below Target	▼ Below Target		▲ Above Target		
Reason for Exceeding Target	Exceeded target In FY 2011 due to ICASS assertively communicating and streamlining invoice payment process and accountability. Shortfall due to ICASS replacing several scorecard elements with more complex financial management verifications. MO/CC will not be conducted in FY 2011 and FY 2012						
Impact	Exceeded: Results yield an improved cash flow in the ICASS Working Capital Fund as well as derived savings from eliminating duplication. Shortfall: ISC will need to more aggressively train, communicate and collaborate with field.						
Methodology	Indicator was chosen to reflect the critical need to maintain cash flow in ICASS WCF. The training satisfaction indicator was chosen because the ability of customers and service providers to understand and carry out their responsibilities under ICASS is critical to its success in support of larger diplomatic mission overseas.						

D&CP – BUREAU OF RESOURCE MANAGEMENT

Data Source and Quality	Data on receipts is from Accounts Receivable staff at GFS Charleston and is reliable. Data on training is from surveys conducted by RM/ICASS staff at the time training is delivered. Training data sources are surveys completed at the time training is delivered. Assessments are based on objective criteria conducted by at least two subject matter experts (SMEs).
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The measure is the cumulative result of more than 100 performance metrics reviewed on a monthly basis, across all corporate financial services and locations. The metrics are a key and integrated part of the Office of Global Financial Services' (GFS) ISO-9001:2008 certified Quality Management System (QMS).

Strategic Goal 7: Build a 21st century workforce; and achieve U.S. government operational and consular efficiency and effectiveness, transparency and accountability; and a secure U.S. government presence internationally							
Active Performance Indicator	Quality of the Department's financial services as measured by the percentage of aggressive monthly ISO 9001 performance metric goals met or exceeded for the Department's core financial operations.						
Prior Year Results and Ratings				FY 2011		Planned Targets	
FY 2007	FY 2008	FY 2009	FY 2010	Target	Result and Rating	FY 2012	FY 2013
60% [Baseline]	68% ◀▶ On Target	88% ▲ Above Target	77% ▲ Above Target	80%	85.2% ▲ Above Target	80%	80%
Reason for Exceeding Target	Strong focus on operational performance measures across the RM Global Financial Services organization by both staff and management, as part of their ISO 9001 certified Quality Management System and commitment to continuous improvement.						
Impact	Measures the performance on more than 100 key financial operational measures on a monthly basis, reflecting the delivery of high quality financial services to the Department and other agency customers, globally.						
Methodology	ISO 9001 standards are set by the International Organization for Standardization and available at http://www.iso.org/ .						
Data Source and Quality	Monthly ISO 9001 certified Quality Management System key metrics for all GFS financial operations and customer satisfaction surveys. The Data Quality Assessment revealed no significant data limitations.						

Justification of Request

The Department's FY 2013 resource request for the Bureau of Resource Management is \$142.1 million, an increase of \$1.5 million above the FY 2012 Estimate, which includes funding for the Bureau's 557 positions. The request includes an increase of \$2.0 million of which \$1.4 million is for inflation and

D&CP – BUREAU OF RESOURCE MANAGEMENT

salary adjustments, and \$600,000 to enhance the Department’s program evaluation capability. The request also reflects a reduction of \$503,000 for administrative efficiency savings.

The base funding level for RM ensures that the Bureau can meet all its performance targets in support of the Department’s financial requirements and responsibilities. Approximately half of the total Bureau Managed Funds go toward Operations and Maintenance of the numerous planning, budgeting, and financial systems the Bureau operates. These system platforms are vital for the financial well-being of the Department. The other half of the Bureau Managed Funds goes to both domestic and overseas operations and policy. The Global Financial Service Center in Charleston is a fully integrated team of FTE and contractors that operate under the stringent performance metrics of ISO-9001. They measure over 100 key financial operations on a monthly basis, reflecting the delivery of high quality financial services to the Department and other agency customers globally.

The vast majority of the system work and half of the work force at the Global Financial Service Center is performed through contracts. Maintaining this current level of effort in FY 2013 will again be a performance objective.

The Bureau’s request will also allow approximately 12 program evaluations to be conducted in other Department Bureaus. Under the aegis of the Quadrennial Diplomacy and Development Review (QDDR) implementation effort, the Department and USAID revised State’s evaluation policy to make it more proactive and integrated with other budget and performance processes. This revised evaluation policy includes specific objectives and criteria for performance. These evaluations are required to strengthen the Department’s program evaluation effort.

Resource Summary

	Positions					Funds (\$ in thousands)		
	American				Pos Total	Bureau Managed	American Salaries	Funds Total
	CS	FS Dom	Overseas	FSN				
FY 2011 Actual	524	23	10	0	557	94,437	61,399	155,836
FY 2012 Estimate	524	23	10	0	557	79,212	61,399	140,611
FY 2013 Built-in Changes								
Administrative Savings	0	0	0	0	0	(503)	0	(503)
American COLA	0	0	0	0	0	257	283	540
Domestic Inflation	0	0	0	0	0	331	0	331
Overseas Price Inflation	0	0	0	0	0	508	0	508
Total Built-in Changes	0	0	0	0	0	593	283	876
FY 2013 Current Services	524	23	10	0	557	79,805	61,682	141,487
FY 2013 Program Changes								
Program Evaluations	0	0	0	0	0	600	0	600
Total Program Changes	0	0	0	0	0	600	0	600
FY 2013 Request	524	23	10	0	557	80,405	61,682	142,087

D&CP – BUREAU OF RESOURCE MANAGEMENT

Staff by Program Activity (positions)

Bureau of Resource Management	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Conduct of Diplomatic Relations	10	10	10	0
Overseas Financial Services	10	10	10	0
Domestic Administrative Support	442	442	442	0
Domestic Administrative Management	11	11	11	0
Domestic Financial Services	426	426	426	0
Domestic Personnel Services	5	5	5	0
Domestic Work Space	23	23	23	0
Domestic Financial Services	23	23	23	0
Information Resource Management	42	42	42	0
Corporate Information Systems and Services	40	40	40	0
Infrastructure Systems	2	2	2	0
Overseas Program Support	30	30	30	0
Overseas Financial Services	30	30	30	0
Policy Formulation	10	10	10	0
Bureau Direction	10	10	10	0
Total	557	557	557	0

D&CP – BUREAU OF RESOURCE MANAGEMENT

Funds by Program Activity

(\$ in thousands)

Bureau of Resource Management	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Domestic Administrative Support	50,944	41,782	43,258	1,476
Domestic Administrative Management	16,338	7,626	8,819	1,193
Domestic Financial Services	34,244	33,794	34,077	283
Domestic Personnel Services	362	362	362	0
Information Resource Management	52,256	53,201	53,201	0
Corporate Information Systems and Services	52,026	52,971	52,971	0
Infrastructure Systems	230	230	230	0
Overseas Program Support	36,228	29,944	29,944	0
International Cooperative Administrative Support Services (ICASS)	13,901	9,758	9,758	0
Overseas Administrative Management	3,442	1,301	1,301	0
Overseas Financial Services	18,885	18,885	18,885	0
Policy Formulation	16,408	15,321	15,321	0
Bureau Direction	16,408	15,321	15,321	0
Public Diplomacy	0	363	363	0
Total	155,836	140,611	142,087	1,476

D&CP – BUREAU OF RESOURCE MANAGEMENT

Program Activities

Department Of State	Positions			Funds (\$ in thousands)			
	American		FSN	Pos Total	Bureau Managed	American Salaries	Funds Total
	Domestic	Overseas					
Conduct of Diplomatic Relations	0	10	0	10	0	0	0
Overseas Financial Services	0	10	0	10	0	0	0
Domestic Administrative Support	442	0	0	442	16,933	26,325	43,258
Domestic Administrative Management	11	0	0	11	6,466	2,353	8,819
Domestic Financial Services	426	0	0	426	10,467	23,610	34,077
Domestic Personnel Services	5	0	0	5	0	362	362
Domestic Work Space	23	0	0	23	0	0	0
Domestic Financial Services	23	0	0	23	0	0	0
Information Resource Management	42	0	0	42	36,376	16,825	53,201
Corporate Information Systems and Services	40	0	0	40	36,376	16,595	52,971
Infrastructure Systems	2	0	0	2	0	230	230
Overseas Program Support	30	0	0	30	12,659	17,285	29,944
International Cooperative Administrative Support Services (ICASS)	0	0	0	0	408	9,350	9,758
Overseas Administrative Management	0	0	0	0	1,301	0	1,301
Overseas Financial Services	30	0	0	30	10,950	7,935	18,885
Policy Formulation	10	0	0	10	14,074	1,247	15,321
Bureau Direction	10	0	0	10	14,074	1,247	15,321
Public Diplomacy	0	0	0	0	363	0	363
Total	547	10	0	557	80,405	61,682	142,087

D&CP – BUREAU OF RESOURCE MANAGEMENT

Staff by Domestic Organization Unit (positions)

Bureau of Resource Management	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Chief Financial Officer (Comptroller)	14	14	14	0
Deputy Assistant Secretary for Budget & Planning	62	62	62	0
Deputy Assistant Secretary for Financial Services	328	328	328	0
Deputy Assistant Secretary for Strategic and Program Planning	17	17	17	0
Deputy Chief Financial Officer	92	92	92	0
Executive Office	34	34	34	0
Total	547	547	547	0

Funds by Domestic Organization Unit (\$ in thousands)

Bureau of Resource Management	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
Chief Financial Officer (Comptroller)	5,018	4,878	4,878	0
Deputy Assistant Secretary for Budget & Planning	14,971	16,522	16,805	283
Deputy Assistant Secretary for Financial Services	50,985	50,535	50,535	0
Deputy Assistant Secretary for Strategic and Program Planning	3,384	1,833	1,833	0
Deputy Chief Financial Officer	59,192	57,051	57,051	0
Executive Office	22,286	9,429	10,622	1,193
Public Diplomacy	0	363	363	0
Total	155,836	140,611	142,087	1,476

Staff by Post (positions)

Bureau of Resource Management (RM)	FY 2011 Actual			FY 2012 Estimate			FY 2013 Request			Increase/ Decrease		
	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total	Amer	FSN	Total
FSC Bangkok	9	0	9	9	0	9	9	0	9	0	0	0
France, Paris	1	0	1	1	0	1	1	0	1	0	0	0
Total	10	0	10	10	0	10	10	0	10	0	0	0

D&CP – BUREAU OF RESOURCE MANAGEMENT

Funds by Object Class

(\$ in thousands)

Bureau of Resource Management	FY 2011 Actual	FY 2012 Estimate	FY 2013 Request	Increase / Decrease
1100 Personnel Compensation	41,676	41,688	41,901	213
1200 Personnel Benefits	29,397	21,056	21,141	85
2100 Travel & Trans of Persons	1,383	1,423	1,446	23
2200 Transportation of Things	10	11	11	0
2300 Rents, Comm & Utilities	7,559	7,559	7,680	121
2400 Printing & Reproduction	912	912	927	15
2500 Other Services	71,065	63,948	63,445	(503)
2600 Supplies and Materials	407	457	464	7
3100 Personal Property	3,427	3,557	5,072	1,515
Total	155,836	140,611	142,087	1,476