

BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES

Resource Summary

(\$ in thousands)

| Appropriations | FY 2012 Actual | FY 2013 CR ⁽¹⁾ | FY 2014 Request | Increase/Decrease From FY2012 |
|----------------------|-------------------|------------------------------|--------------------|----------------------------------|
| Positions - Enduring | 480 | 480 | 480 | 0 |
| Enduring Funds | 132,100 | 133,171 | 135,922 | 3,822 |

The FY 2014 Request continues the Department's Consular Realignment Initiative. Bureau specific consular costs have been shifted to the Border Security Program (BSP) and will be funded with consular fees.

(1) The FY 2013 CR is based on the annualized continuing resolution calculation for FY 2013 (P.L. 112-175).

Program Description

The Bureau of the Comptroller and Global Financial Services (CGFS), led by the Comptroller, performs all corporate financial management services, programs, and systems activities, including delegated financial management authorities from the Chief Financial Officer's Act. Core activities include: financial reporting; accounting; payroll; and financial services to missions overseas, including other U.S. Government agencies. The Department manages domestic and overseas financial operations for approximately 260 posts in 172 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. CGFS 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.

CGFS 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, CGFS is adopting new technologies to improve and reengineer business processes. CGFS 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.

CGFS's primary efforts for FY 2014 will include continuing to leverage its investments in the Bureau's corporate financial systems to provide the reporting, analysis capabilities, financial services that further and enhance the Department's diplomatic mission. Priorities for CGFS also include improved interagency coordination of resources, especially through International Cooperative Administrative Support Services (ICASS) and the Interagency Resources Planning Office. These efforts will be made possible by continuing to standardize and centralize financial operations, where proven effective; and by continuing to increase CGFS capacity as the central bureau for financial management activities across the Department. Further, CGFS will serve a lead role in continuing to improve the Department's ability to meet existing and new financial audit and external reporting requirements.

Performance

Tracking timely payment reflects the critical need to maintain cash flow in the ICASS Working Capital Fund (WCF). Tracking training satisfaction improves the ability of customers and service providers to understand and carry out their responsibilities under ICASS to successfully support the larger diplomatic

BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES

mission overseas. In FY 2012, the Management Officer/Council Chair (MO/CC) workshop was not held so a rating of this item is not possible. For FY 2014, the bureau removed the average customer satisfaction rating for the MO/CC workshop from the indicator below because the current budget climate has made it very difficult to conduct this workshop. For FY 2014, 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 | | | | | | | | |
|--|-----------------------------------|---|-------------------------------|------------------------------|-----------------------------|----------------------------------|------------------------|----------------|
| Strategic Priority | | Planning and Accountability through QDDR Implementation | | | | | | |
| 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 2012 | | Planned Targets | |
| FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | Target | Result and Rating | FY 2013 | FY 2014 |
| N/A | 95.6%; MO/CC 4.35; 4.22% | 95%; MO/CC 3.27; 88.5% | 99.96%; MO/CC 3.17; 87% | 99%; MO/CC N/A; 78% | 95%; MO/CC N/A 95% | 98.0%; N/A; 94% | 95%; 80% | 95%; 80% |
| | New Indicator, No Rating | ◀▶ Improved But Not Met | ▼ Below Target | ▲ Above Target | | ◀▶ Improved But Not Met | | |
| Steps to Improve | | Will continue to place emphasis on timely collections and the quality of the data. The timeliness exceeded standards and the scorecard results improved from 78% to 94%. We believe that the scorecard target was set too high considering the increased scrutiny and complexity of the budget. | | | | | | |
| Impact | | Timely collections ensures adequate cash flow for worldwide post ICASS operations in support of the diplomatic missions of all agencies overseas. A perfect score on the scorecard provides a high degree of confidence in the integrity of the data and the quality of the narratives supporting the ICASS post budgets, upon which agency invoices are based. | | | | | | |
| 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. | | | | | | |
| 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 SMEs. | | | | | | |

BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES

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 Bureau of the Comptroller and Global Financial Services' (CGFS) 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 | | | | | | | | |
|--|---|--|-------------------|-------------------|----------------|--------------------------|------------------------|----------------|
| Strategic Priority | | Planning and Accountability through QDDR Implementation | | | | | | |
| 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 2012 | | Planned Targets | |
| FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | Target | Result and Rating | FY 2013 | FY 2014 |
| 60% [Baseline] | 68% | 88% | 77% | 85.2% | 80% | 84.8% | 80% | 80% |
| N/A | ◀▶ On Target | ▲ Above Target | ▲ Above Target | ▲ Above Target | | ▲ Above Target | | |
| Reason for Exceeding Target | As a part of ISO-9001, there is a strong emphasis on meeting and exceeding performance targets, as well as continuous improvement. Measures are adjusted periodically to ensure they are meaningful and targets are aggressive. | | | | | | | |
| Impact | Impacts the quality, accuracy, effectiveness, timeliness, and overall customer satisfaction for the Department's corporate financial services, based on a ISO-9001 certified quality management system and 200 performance measures reviewed by CGFS management on a monthly basis. | | | | | | | |
| 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 CGFS core financial operations and customer satisfaction surveys. The Data Quality Assessment revealed no significant data limitations. | | | | | | | |

Justification of Request

The Department's FY 2014 resource request for the Bureau of the Comptroller and Global Financial Services is \$135.9 million, a net increase of \$3.8 million above the FY 2012 Actual, which includes funding for the Bureau's 480 positions. The request includes \$1.7 million to maintain current services and \$2 million for monitoring and oversight of the Alternative Retirement Program (ARP) in order to ensure that the more than 170 retirement plans worldwide are fully funded for all Locally-Employed Staff. The Department will use the ARP to replace in whole or in part the various components of end of

BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES

service benefit provisions in specific local compensation plans (LCPs) by authorizing changes to the LCP. This program will be managed in coordination with the Bureau of Budget and Planning and the Bureau of Human Resources. The request also includes a reduction of \$1 million for the realignment of consular activities which will be funded from Border Security Program fees.

The base funding level for CGFS 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 funding supports operations and maintenance of the financial systems for the Department of State and its financial services customers. These system platforms are vital for the financial well-being of the Department. The other half of the funding supports both domestic and overseas financial operations and policy. The CGFS operates fully integrated financial centers in Charleston and Bangkok that operate under ISO-9001:2008 standards. These operations measure over 100 key financial services on a monthly basis, reflecting the delivery of high quality financial services to the Department and other agency customers globally and focus on continuous improvement.

The vast majority of the system work and half of the work force that perform daily corporate global financial services at the Center are performed through contracts. Maintaining this current level of effort in FY 2014 requires the inflationary increases and continues to be a major performance objective.

Resource Summary

| | Positions | | | | | Funds (\$ in thousands) | | |
|--|-----------|--------|----------|-----|-------|-------------------------|----------|---------|
| | American | | | | Pos | Bureau | American | Funds |
| | CS | FS Dom | Overseas | FSN | Total | Managed | Salaries | Total |
| FY 2012 Actual | 451 | 8 | 21 | 0 | 480 | 76,443 | 55,657 | 132,100 |
| FY 2013 Estimate | 451 | 8 | 21 | 0 | 480 | 77,514 | 55,657 | 133,171 |
| FY 2014 Built-in Changes | | | | | | | | |
| American COLA | 0 | 0 | 0 | 0 | 0 | 387 | 533 | 920 |
| Domestic Inflation | 0 | 0 | 0 | 0 | 0 | 343 | 0 | 343 |
| Overseas Price Inflation | 0 | 0 | 0 | 0 | 0 | 488 | 0 | 488 |
| Total Built-in Changes | 0 | 0 | 0 | 0 | 0 | 1,218 | 533 | 1,751 |
| FY 2014 Current Services | 451 | 8 | 21 | 0 | 480 | 78,732 | 56,190 | 134,922 |
| FY 2014 Program Changes | | | | | | | | |
| ARP/Unfunded Retirement Liability | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | 2,000 |
| Consular Realignment - Shift to BSP Fees | 0 | 0 | 0 | 0 | 0 | (1,000) | 0 | (1,000) |
| Total Program Changes | 0 | 0 | 0 | 0 | 0 | 1,000 | 0 | 1,000 |
| FY 2014 Request | 451 | 8 | 21 | 0 | 480 | 79,732 | 56,190 | 135,922 |

BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES

Staff and Funds by Domestic Organization Units

(\$ in thousands)

| Bureau of the Comptroller and Global Financial Services (CGFS) | FY 2012 | | | FY 2013 | | | FY 2014 | | | Increase/Decrease | | |
|---|------------|----------|----------------|------------|----------|----------------|------------|----------|----------------|-------------------|----------|--------------|
| | Actual | | | CR | | | Request | | | From FY2012 | | |
| | Am | FSN | Funds | Am | FSN | Funds | Am | FSN | Funds | Am | FSN | Funds |
| Chief Financial Officer (Comptroller) | 1 | 0 | 631 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | (631) |
| Deputy Assistant Secretary for Financial Services | 314 | 0 | 65,567 | 314 | 0 | 65,780 | 314 | 0 | 66,892 | 0 | 0 | 1,325 |
| Deputy Assistant Secretary for Strategic and Program Planning | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Deputy Chief Financial Officer | 86 | 0 | 51,947 | 86 | 0 | 51,947 | 93 | 0 | 53,260 | 7 | 0 | 1,313 |
| Director of Budget and Planning | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Executive Office | 56 | 0 | 13,955 | 56 | 0 | 15,444 | 49 | 0 | 15,770 | (7) | 0 | 1,815 |
| FSC Bangkok | 11 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 0 |
| Total | 470 | 0 | 132,100 | 470 | 0 | 133,171 | 470 | 0 | 135,922 | 0 | 0 | 3,822 |

Staff and Funds by Post

(\$ in thousands)

| Bureau of the Comptroller and Global Financial Services (CGFS) | FY 2012 | | | FY 2013 | | | FY 2014 | | | Increase/Decrease | | |
|---|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-------------------|----------|----------|
| | Actual | | | CR | | | Request | | | From FY2012 | | |
| | Am | FSN | Funds | Am | FSN | Funds | Am | FSN | Funds | Am | FSN | Funds |
| FSC Bangkok | 11 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 0 |
| France, Paris | 10 | 0 | 0 | 10 | 0 | 0 | 10 | 0 | 0 | 0 | 0 | 0 |
| Total | 21 | 0 | 0 | 21 | 0 | 0 | 21 | 0 | 0 | 0 | 0 | 0 |

Funds by Object Class

(\$ in thousands)

| Bureau of the Comptroller and Global Financial Services (CGFS) | FY 2012 | FY 2013 | FY 2014 | Increase/Decrease |
|---|----------------|----------------|----------------|-------------------|
| | Actual | CR | Request | From FY2012 |
| 1100 Personnel Compensation | 39,789 | 39,789 | 40,186 | 397 |
| 1200 Personnel Benefits | 17,053 | 17,053 | 17,223 | 170 |
| 2100 Travel & Trans of Persons | 969 | 834 | 858 | (111) |
| 2200 Transportation of Things | 23 | 23 | 24 | 1 |
| 2300 Rents, Comm & Utilities | 7,539 | 7,539 | 7,755 | 216 |
| 2400 Printing & Reproduction | 345 | 345 | 355 | 10 |
| 2500 Other Services | 61,042 | 62,248 | 64,028 | 2,986 |
| 2600 Supplies and Materials | 288 | 288 | 296 | 8 |
| 3100 Personal Property | 5,052 | 5,052 | 5,197 | 145 |
| Total | 132,100 | 133,171 | 135,922 | 3,822 |

This page intentionally left blank