

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE CHIEF FINANCIAL OFFICE
BUDGET ACTIVITY 9: CHIEF FINANCIAL OFFICER

PROGRAM PERFORMANCE

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal EM: Embrace high standards of ethics, management, and accountability.			
FTE			
Headquarters	149	204	204
Field	57	58	58
Subtotal	206	262	262
S&E Cost (Dollars in Thousands)			
Personal Services	\$29,471	\$39,375	\$40,439
Travel	241	291	248
Transportation of Things	464	451	468
Rent, Communications & Utilities	0	7	8
Printing	98	94	96
Other Services	86,603	13,891	4,501
Supplies	79	107	108
Furniture & Equipment	0	0	0
Claims & Indemnities	0	0	0
Subtotal	116,956	54,216	45,868
Strategic Objective EM.2: Improve HUD's management, internal controls and systems and resolve audit issues.			
Indicator: HUD financial statements receive unqualified audit opinions.	Yes	Yes	Yes
Indicator: Ensure timely management decisions and final actions on audit recommendations by the HUD Office of Inspector General	Yes	Yes	Yes

Performance/Means and Strategies

EXPLANATION OF PERFORMANCE

The Office of the Chief Financial Officer proposes \$45.868 million in S&E funding to support Strategic Goal EM: Embrace high standards of ethics, management, and accountability.

The mission of the Office of the Chief Financial Officer (CFO) is to lead the Department's Headquarters and Field Office officials in the practice of sound financial management in program development and operations, and in the stewardship of public resources. The CFO advises the Secretary on all aspects of financial management. The CFO ensures that the Department establishes and meets financial management goals and objectives and that the Department is in compliance with financial management legislation and directives. The scope of activity cross-cuts the entire Department. The CFO is responsible for the preparation, justification, and

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monitoring of the Department's annual budget. In addition, the CFO establishes policies and standards for development, maintenance, operation, and evaluation of the Department's financial management systems, including: budget and accountings, internal control, financial reporting, asset and credit management, and systems to audit compliance with financial management and related requirements. The CFO also provides accounting services for administrative and operating activities of the Department. The CFO also has responsibility for overseeing the Departmental implementation of the Government Performance and Results Act (GPRA), including the annual strategic plan and the annual performance and accountability report.

Indicator: HUD financial statements receive unqualified audit opinions. HUD received an unqualified audit opinion on its FY 2001 financial statements. This was the first time HUD received an unqualified audit opinion for two consecutive fiscal years, which reflects the success of HUD's efforts to stabilize its financial management systems and operating environment. HUD expects an unqualified opinion for FY 2002 and no new material weaknesses or reportable conditions. A study has been initiated to assess the feasibility, risks and costs of various options for the next generation core financial management system for the Department. At the same time, HUD continues to enhance current financial systems to maintain technical currency and to comply with changing program and regulatory requirements.

Indicator: Ensure timely management decisions and final actions on audit recommendations by the HUD Office of Inspector General. HUD achieved its goal of "no overdue" management decisions for the last three semi-annual reporting cycles ending on September 30, 2001, March 31, 2002 and September 30, 2002. This is only the second, third and fourth times that this goal has been achieved since audit resolution tracking began under the Inspector General Act of 1978. During these three cycles, timely management decisions were reached on 1,151 audit recommendations. In addition, final actions were completed on 1,302 audit recommendations. HUD began the March 31, 2003, reporting cycle with 279 new audit recommendations requiring management decisions, and 783 audit recommendations pending final action.

Resource Management Information

The FTE number remains the same for fiscal years 2003 and 2004.