

Treasury's FIT Office Leading the March to Financial Management Shared Services

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OMB has tasked Treasury's Office of Financial Innovation and Transformation (FIT) to assist in design, implementation, and improvement of federal financial management services shared service provider offerings. Enhancements to the Federal Shared Services Provider's (FSSP) framework are meant to stimulate larger agencies to move to a shared services environment for future modernization of core accounting systems.

OMB released a memo in March directing agencies to move their financial systems to a shared services environment. OMB is encouraging agencies to look to federal providers first, as opposed to commercial vendors.

Using a shared services provider for financial management will provide the following benefits:

- Reduce risk of failed systems implementations (cost avoidance)
- Free up agency resources to focus on mission-based programs
- Ensure greater standardization of data which allows for more transparency
- Enable better decision-making by focusing resources on improved data analytics
- Make adoption of new government-wide requirements easier
- Deliver greater efficiencies and cost savings

OMB has been trying to incite agencies to adopt shared services for financial systems since 2004 with the advent of the Line of Business initiative. The administration at the time named four federal agency shared services providers – DFAS, GSA, Interior's Business Center, and Treasury's Bureau of Public Debt. Agencies were to move financial processes to one of these four SSPs when it came time to upgrade their current systems. However, only small agencies made the leap. Few large agencies made the change, and those that did, found it difficult.

OMB's controller Danny Werfel stated in a March interview, that the past initiative was slated for agencies to move their entire financial systems to a provider, which became too complex. The new effort is focused specifically on general ledger systems.

FIT is playing a critical role in the migration effort by aiding OMB in assessing the current landscape of FSSPs and identify capability gaps, evaluating agency needs, identifying the need for additional FSSPs, and developing a strategy to address gaps. FIT will also provide oversight for the effort by evaluating any new agency systems modernization plans, establishing a framework for agency migration efforts, maintaining core government-wide requirements, and facilitating the implementation of government-wide operational capabilities.

FIT recently launched a series of teleconferences to introduce the financial management shared services initiative to industry and explain how industry will be engaged throughout the process. FIT is taking the lead in developing the marketplace where agencies can choose from financial service offerings, service delivery options, and purchase through SSP storefronts. The ultimate goal is to launch a financial management product and services catalog by spring or early summer of 2014. FIT will act as a liaison for agency customers, but they will buy directly from the provider. FIT will work with agencies to develop a modernization timetable which will include the selection and migration to a SSP.

Werfel expects it will take several years for SSPs to be able to meet all agencies' financial system needs. Enhancements to SSP service offerings will be added to the initial catalog and storefronts over time.