

**DEPARTMENT OF LABOR****Office of the Secretary****[Secretary's Order 01-97]****Authority and Responsibilities for Implementation of the Chief Financial Officers Act of 1990 and Related Legislation**

January 10, 1997.

1. *Purpose.* To delegate authority and assign responsibilities for implementation of the Chief Financial Officers Act of 1990 and related legislation,<sup>1</sup> and to establish within the Department of Labor an Office of the Chief Financial Officer.

2. *Organization.* There is established in the Department of Labor (DOL) an Office of the Chief Financial Officer, headed by a Chief Financial Officer (CFO), who is appointed by the President and confirmed by the Senate, and a Deputy Chief Financial Officer, who is in the Senior Executive Service. The CFO shall report to the Secretary, but may receive day-to-day guidance and direction from the Deputy Secretary. The Office of the Chief Financial Officer shall have such component organization units, staffing a funding as may subsequently be authorized.

3. *Delegation of Authority.* The CFO is hereby delegated authority to act for and speak on behalf of the Secretary of Deputy Secretary on all matters relating to departmental financial management.

4. *Assignment of Responsibilities.*

a. Pursuant to the statute, the DOL CFO shall:

- Report directly to the Secretary and the Deputy Secretary regarding financial management matters;
- Oversee all financial management activities relating to the DOL's programs and operations.
- Develop and maintain an integrated departmental accounting and financial management system, including financial reporting and internal controls;
- Make recommendations to the Secretary regarding selection of the DOL Deputy CFO;
- Establish minimum, core standards for the recruitment, selection, development, training and performance review of financial management staff throughout DOL. Financial management staffs outside the immediate office of the CFO will

operate in accordance with policies and procedures prescribed by the CFO;

- Prepare and transmit an annual report to the Secretary and the Director of OMB;
- Approve the allotment of obligational authority, related disbursements and guidelines on the application and uses of funds. The Office of the Assistant Secretary for Administration and Management will conduct initial reviews of request allotments under policies established by the CFO;
- Monitor the financial execution of the budget of the DOL and its component agencies in relation to actual expenditures, and prepare and submit to the Secretary timely performance reports in cooperation with the Office of the Assistant Secretary for Administration and Management; and
- Review, on a biennial basis, the fees, royalties, rents, and other charges imposed by the Department for services and things of value it provides, and make recommendations on revising those charges to reflect costs incurred by DOL in providing those services and things of value.

b. In furtherance of these statutory responsibilities and to assure conformance to applicable Office of Management and Budget, Department of the Treasury, Office of Personnel Management, General Services Administration and other central Federal agency standards and requirements, and, to the extent determined to be applicable, Federal Accounting Standards Advisory Board, Joint Financial Management Improvement Program, the Executive Branch Councils and other central Federal agency guidelines, the DOL CFO is also assigned the following responsibilities.

(1) *Financial Policy*

(a) Establish financial management policies for the DOL and its component agencies.

(b) Ensure compliance throughout the DOL, and its component parts, with applicable accounting standards and principles, and financial information and systems function standards including the standards promulgated by the Federal Accounting Systems Advisory Board, the Federal Government's Standard General Ledger, the core requirements for Financial Systems, and the financial statement form and content guidance issued by OMB.

(c) Establish, review and enforce throughout the DOL internal control policies, standards and compliance guidelines involving financial

management including authority to require and ensure timely corrective actions regarding material weaknesses disclosed through audit findings and reports under the Federal Managers' Financial Integrity Act (FMFIA); establish, in coordination with program managers, agency-wide internal control processes; advise the Secretary on the accuracy and completeness of the annual FMFIA report; and participate in monitoring and prescribing corrective actions on reported material weaknesses.

(d) Provide oversight of and issue core requirements and standards related to component agency financial management personnel, financial systems, activities, and operations, including preparation and revision of agency financial management plans and performance reports. Financial management staffs outside the immediate office of the CFO will operate in accordance with policies and procedures prescribed by the CFO.

(e) Ensure adequate controls over asset management including cash management operations; credit management and debt collection operations; and real property, equipment and inventories.

(f) Ensure that component agencies gather timely and accurate financial information to manage and oversee major procurements, e.g. monitoring contract disbursements in relation to projected costs, actual commitments, deliverables and cost estimates.

(g) Participate with program Assistant Secretaries and other staff in the policy review of proposed legislative and program initiatives.

(h) Participate with program Assistant Secretaries and other staff at a policy and decision-making level in the departmental budget review process.

(i) Participate in the review and approval process of information systems that provide, at least in part, financial and/or program performance data.

(j) Serve on the CIO Capital Planning and Investment Board and participate in activities intended to assure conformance of proposed major systems to established standards for financial data integrity. Appeal to the Secretary IRM and budget decisions affecting financial management processes, systems and operations.

(k) Serve on the Procurement Review Board and participate in activities intended to assure conformance of proposed major acquisitions to established standards for financial and acquisition integrity.

(l) Provide policy advice and assistance to DOL executives including component agency heads on all

<sup>1</sup> Including The Chief Financial Officer's Act of 1990, Government Performance Results Act of 1993, Government Management Reform Act of 1994, Information Technology Management Reform Act of 1996, and the Federal Financial Management Improvement Act of 1996.

personnel matters (e.g., qualifications, recruitment, performance, training and retention) affecting financial management personnel throughout DOL and its component agencies, and on budget and staffing levels for component agency financial functions.

(m) Review and approve component agency financial policies, procedures and structures for consistency with the policies of the DOL and the central Federal agencies.

## *(2) External Reporting*

(a) Prepare accurate and timely departmental accounting reports and financial statements (including where appropriate pertinent performance measures).

(b) Prepare the annual report required by the Federal Managers' Financial Integrity Act.

(c) Prepare the annual financial management report required by the Chief Financial Officers Act.

(d) Prepare the semi-annual audit resolution reports required by the Amendments to the Inspector General Act.

(e) Coordinate and manage financial management reporting requirements as may be imposed by Office of Management and Budget, the Department of the Treasury, other central Federal agencies, and the Congress.

(f) Provide assistance to agency heads in design and review the development of reporting mechanisms that integrate program performance and financial data; facilitate the display of such data in budget documents, financial statements, and other pertinent issuances.

## *(3) Financial Programs*

(a) Manage DOL programs on internal controls, audit resolution, travel management, cash management, debt collection, asset management and other financial management activities.

(b) Manage centralized departmental accounting and payroll functions for fund and cost accounting; capitalized assets accounting; grant accounting; DOL employee compensation and benefits; and voucher, commercial bill and other payments.

(c) Exercise departmental approval authority over interagency transactions, involving component agency program funds e.g. for investment, transfer, etc., in cooperation with the Office of the Assistant Secretary for Administration and Management.

(d) Distribute equitable Working Capital fund charges to DOL components, provide WCF accounting

statements to component agencies and oversee WCF operations.

(e) Provide technical review of finance offices in the DOL and its component agencies, and oversee component agency financial systems as defined in the Federal Financial Management Improvement Act of 1996.

(f) Appraise centralized and decentralized operations and organizations to determine more effective and cost-efficient methods of performing required financial functions.

(g) Compile and review timely and accurate information on major contract disbursements in relation to projected costs, commitments, obligations, expenditures, and deliveries of products and services; and evaluate component agency Annual Acquisition Plans in relation to official budget plans and levels.

(h) Chair the Department's Management Control Policy Board, which has broad management responsibility for planning and monitoring the component agencies' efforts to address internal control weaknesses and financial system non-conformance to the standards prescribed in the Federal Financial Management Improvement Act of 1996.

## *(4) Financial Systems*

(a) Develop and maintain departmental central financial, accounting and asset systems.

(b) Review and approve the design and operation of component agency financial, accounting and asset systems, specifically including the financial aspects of grant management systems, debt collection systems and similar systems as defined by the Federal Financial Management Improvement Act of 1996.

(c) Establish policies, procedures, and other guidelines to prescribe the form, content and frequency of accounting and program performance information to be reported from component agency systems to meet DOL and central Federal agency information requirements.

## *(5) Budget*

(1) Provide leadership, direction, coordination and related services concerning budget execution for the DOL and its component agencies.

(b) Manage and oversee the Department's administrative control of funds, and user fees in cooperation with the Office of the Assistant Secretary for Administration and Management.

(c) Ensure the development and reporting of cost information in accordance with Federal Accounting Standards Advisory Board

requirements, and the systematic measurement of performance in appropriate budget documents in cooperation with the Office of the Assistant Secretary for Administration and Management.

## *(6) Administration Programs for Financial Management*

(a) Review all proposed personnel selections, skill requirements, performance standards, performance appraisals, performance awards and position descriptions for financial management personnel at senior levels throughout the DOL and its component agencies; discuss any problems with the component agency head and, if any issues remain resolved, appeal any problem to the Secretary and Deputy Secretary.

(b) Manage a comprehensive training and development program for budget analysts, accountants, financial managers and financial technicians; assure that staff skills are commensurate with requirements; and following consultation with the component agencies' financial managers, implement a Continuing Professional Education (or similar) program, as recommended by the Joint Financial Management Improvement Program (JFMIP).

(c) Review the budget requests for all departmental and component agency financial management functions; recommend to the Secretary their modification as necessary to assure that sufficient resources are requested to effectively and efficiently perform necessary financial and related functions.

(d) Establish a CFO Advisory Council within the DOL to provide a forum for component organizations to advise and support the CFO in matters affecting the financial community. The Advisory Council will also facilitate the dissemination of financial policies established by the CFO to component agencies.

c. Unless modified by this Order the heads of component agencies retain previously delegated responsibilities and authorities. In the context of the Department's financial management program, they are specifically charged with the responsibility to:

(1) Perform transaction- and operational-level financial functions in accordance with policies, requirements and procedures established by the CFO.

(2) Direct financial staffs and functions in their respective component agencies consistent with those procedures.

(2) Facilitate the CFO's oversight responsibilities with respect to financial operations and component agency

program financial systems by providing and maintaining system documentation, audit trails, summary or detailed transaction data and such other information as the CFO may require.

(4) Fully solicit and consider the CFO's views in the component agency head's review of proposed appointment, promotion, appraisal and other personnel actions affecting financial management staff at senior levels,

(5) Manage grants, procurement, property, debt management/accounts receivable, and other management systems for their respective component agencies, in a manner consistent with the CFO's responsibilities prescribed herein.

d. In the Department's financial management program, the Office of the Assistant Secretary for Administration and Management is delegated the following authorities:

(1) Issue requests to the Office of Management and Budget for apportionments.

(2) Working under policies established by the CFO, administer allotments and interagency transactions, including reprogramming and transfer requests.

e. In addition to the above, the Assistant Secretary for Administration and Management will work to assure a mutually supportive relationship between the administrative management programs under his or her direction and the Department's financial management program including consultation with the Chief Financial Officer on the organization and functions of financial management staff prior to implementation of changes.

f. The Solicitor of Labor is responsible for providing legal advice and assistance to all officials of the Department who are responsible for activities under the Chief Financial Officers Act of 1990 and under this Order, except as provided in Secretary's Order 2-90 (January 31, 1990) with respect to the Office of the Inspector General.

g. The Inspector General:

(1) Retains full responsibility for previously delegated budget and financial management activities pertaining to its own office, but will participate with the CFO in integrating such delegated assignments with the overall financial management program of the Department.

(2) Will participate, where appropriate, in joint reviews with the CFO of selected financial management functions, operations and systems.

(3) Consistent with its statutory responsibilities for managing an audit program, will participate with the CFO in the resolution of audit issues, findings and recommendations,

including those involved in the annual financial statements.

5. *Communications.* In consonance with the assignments of responsibility above, the Office of the Chief Financial Officer shall assure that the Agency Administrative Officers are apprised of communications to component agency financial staff. Similarly, component agencies shall keep the Chief Financial Officer apprised of directives and other communications affecting their financial staff.

6. *Directives Affected.* All references to the Office of the Comptroller, OASAM in Secretary's Orders, DLMS Chapters and other departmental issuances shall be considered to refer to the Office of the Chief Financial Officer. Directives inconsistent with this Order are rescinded to the extent of the inconsistency.

7. *Effective Date.* This Order is effective immediately.

Robert B. Reich,

Secretary of Labor.

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## Employment and Training Administration

### Notice of Determinations Regarding Eligibility To Apply for Worker Adjustment Assistance and NAFTA Transitional Adjustment Assistance

In accordance with Section 223 of the Trade Act of 1974, as amended, the Department of Labor herein presents summaries of determinations regarding eligibility to apply for trade adjustment assistance for workers (TA-W) issued during the period of December, 1996 and January, 1997.

In order for an affirmative determination to be made and a certification of eligibility to apply for worker adjustment assistance to be issued, each of the group eligibility requirements of Section 222 of the Act must be met.

(1) That a significant number or proportion of the workers in the workers' firm, or an appropriate subdivision thereof, have become totally or partially separated,

(2) That sales or production, or both, of the firm or subdivision have decreased absolutely, and

(3) That increases of imports of articles like or directly competitive with articles produced by the firm or appropriate subdivision have contributed importantly to the separations, or threat thereof, and to the absolute decline in sales or production.

### Negative Determinations for Worker Adjustment Assistance

In each of the following cases the investigation revealed that criterion (3) has not been met. A survey of customers indicated that increased imports did not contribute importantly to worker separations at the firm.

TA-W-32,750; Ozark Quilt Supply, Winona, MO

TA-W-32,72771; Hollingsworth & Vose Co., Floyd, VA

TA-W-32,962; Rayonier, Inc., Port Angeles Mill, Port Angeles, WA

TA-W-32,824; Mueller Co., Decatur, IL

TA-W-32,867; OPT Industries, Inc., Phillipsburg, NJ

TA-W-32,72771; Lansdale Semiconductor, Inc., Tempe, AZ

In the following cases, the investigation revealed that the criteria for eligibility have not been met for the reasons specified.

TA-W-32,956; Cypress Chemical, El Paso, TX

The workers firm does not produce an article as required for certification under Section 222 of the Trade Act of 1974.

TA-W-32,757; Lockheed Martin, Ocean, Radar & Sensor System, Syracuse, NY

The investigation revealed that criteria (1) and criteria (3) have not been met. A significant number or proportion of the workers did not become totally or partially separated as required for certification. Increases of imports of articles like or directly competitive with articles produced by the firm or appropriate subdivision have not contributed importantly to the separations or threat thereof, and the absolute decline in sales or production.

TA-W-32,846; Litco Wood Products Co., Parkersburg, WV

TA-W-32,888; Magnetek, Huntington, IN

Increased imports did not contribute importantly to worker separations at the firm.

TA-W-32,875; Truth Hardware, Owatonna, MN

The investigation revealed that criteria (2) and criteria (3) have not been met. Sales or production did not decline during the relevant period as required for certification. Increases of imports of articles like or directly competitive with articles produced by the firm or appropriate subdivision have not contributed importantly to the separations or threat thereof, and the absolute decline in sales or production.

TA-W-32,928; Chicago Steel and Wire, a Division of MCM Enterprises, Inc., Chicago, IL