

Boyer, Rachel

From: Corley, Cherrie
Sent: Friday, November 18, 2011 1:40 PM
To: Corley, Cherrie
Subject: FW: OMB Bi-Weekly Update

Cherrie M. Corley
Executive Technical Assistant
Office of the Executive Director for Operations
301-415-6078 (phone)
Cherrie.Corley@nrc.gov



From: Dyer, Jim
Sent: Friday, November 18, 2011 12:20 PM
To: Ash, Darren; Borchardt, Bill; Mamish, Nader; Greene, Kathryn
Subject: FW: OMB Bi-Weekly Update

FYI. This is the biweekly newsletter to agency CFO's from the OMB Controller. I didn't see much new info on 'efficient spending' and didn't know if you knew about the Disbarment and Management Support Services initiatives. OMB has been generating a lot of guidance lately as they gear up for the elections.

jim

From: CFO COUNCIL [<mailto:CFO-COUNCIL@LISTSERV.GSA.GOV>] **On Behalf Of** Werfel, Danny
Sent: Friday, November 18, 2011 10:39 AM
To: CFO-COUNCIL@LISTSERV.GSA.GOV
Subject: [CFO-COUNCIL] OMB Bi-Weekly Update

Below is the latest installment of OMB's bi-weekly report to the CFOC and CIGIE communities, which provides ongoing updates on our relevant priorities and activities in the area of Financial Management. It has been a busy and eventful few weeks. This report provides updates on recently released improper payments and financial audit results for Fiscal Year 2011, the President's new EO on curbing waste, and the Administration's efforts to improve use of existing suspension and debarment provisions and to reduce management support service contracts.

Congratulations to all financial managers and auditors for another successful year-end reporting cycle!

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Friday, November 18, 2011

Improper Payments and Financial Audit Results

This week, executive agencies released improper payment and financial audit results to OMB, Congress, and the public through their audited financial reports. For the first time since the passage of the Chief Financial Officers (CFO) Act over twenty years ago, 23 of the 24 CFO Act agencies obtained an opinion from the independent auditors on their financial

statements. As always, agencies demonstrated their dedication to improving the timeliness and reliability of Federal financial reporting. Most notable was the progress made at the National Aeronautics and Space Administration (NASA) and the Department of Homeland Security (DHS).

See OMB blog on the topic here -- <http://www.whitehouse.gov/blog/2011/11/18/audits-records-broken>

In addition, on November 15th OMB announced that the government-wide improper payment error rate decreased to 4.7 percent in FY 2011 (a sharp decrease from the FY 2010 error rate of 5.3 percent), and the Federal government avoided nearly \$18 billion in improper payments and recaptured \$1.2 billion in overpayments to contractors. Combined with the results from last year, we have avoided over \$20 billion in error and recaptured over \$1.9 billion. These results put us on track to meet or exceed the President's goal to avoid \$50 billion and recapture \$2 billion by the end of next year. This announcement was made in conjunction with the announcement of additional pilot projects from the Department of Health and Human Services designed to further reduce improper payments in Medicare and Medicaid.

See OMB blog on the topic here -- <http://www.whitehouse.gov/blog/2011/11/15/cutting-20-billion-improper-payments-two-years>

Campaign to Cut Waste

Last week, the President signed an Executive Order on "Promoting Efficient Spending." The Executive Order calls on agencies to reduce spending in certain administrative categories, such as travel, conferences, executive fleet, IT devices, publications and printing, and extraneous promotional items. Each agency will be responsible for reducing overall costs across these and other areas by 20 percent below Fiscal Year 2010 levels by Fiscal Year 2013. The Executive Order reinforces the Administration's Campaign to Cut Waste (CCW), which calls on agencies to root out waste, cut costs, and improve efficiencies. The Executive Order is posted on the web located at <http://www.whitehouse.gov/the-press-office/2011/11/09/executive-order-promoting-efficient-spending>.

See OMB blog on the topic here -- <http://www.whitehouse.gov/blog/2011/11/09/save-final-four-and-new-eo-cut-waste>

Suspension and Debarment

On November 15th, OMB issued memorandum M-12-02, "Suspension and Debarment of Federal Contractors and Grantees" to improve the use of existing suspension and debarment provisions that prevent the risk of waste, fraud, and abuse in Federal contracts and grants. The memorandum requires agencies to designate a senior accountable official responsible to ensure that programs appropriately consider suspension and debarment authorities to guide award determinations. Further, agencies are required to regularly participate on the Interagency Suspension and Debarment Committee (ISDC) to support the continued development of agency suspension and debarment programs. OMB will work with the ISDC and agencies to develop guidance to help ensure all agencies have suitable suspension and debarment programs, taking into consideration the agency's mission, organizational structure, and level of procurement and grant-making activities. The memorandum is posted on the web located at <http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-02.pdf>.

See OMB blog on the topic here -- <http://www.whitehouse.gov/blog/2011/11/15/holding-contractors-accountable>

Reducing Management Support Services Contracts

On November 7th, OMB issued a memorandum on "Reduced Contract Spending for Management Support Services." The Memorandum provides guidance for achieving a previously established target for reducing management support services contracts by 15 percent by the end of FY 2012. Agency spending for management support functions have quadrupled over the past decade, and in FY 2010 agencies spent more than \$44 billion for these services. This memorandum outlines specific steps that agencies may take in order to achieve the reduction target set forth. The memorandum is posted on the web located at

<http://www.whitehouse.gov/sites/default/files/omb/procurement/memo/reduced-contract-spending-for-management-support-services.pdf>