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Federal CFOs in New Survey Report: Give Us a Vision for the Future

AGA, Grant Thornton release survey report detailing trends, accomplishments and challenges 25 years after the CFO Act

(ALEXANDRIA, VA – NOVEMBER 17, 2015) AGA and Grant Thornton LLP released a survey report Tuesday delving into the evolution of the role of the federal Chief Financial Officer (CFO) in the 25 years since the CFO Act of 1990 (CFO Act) was passed as well as a look ahead at two very different visions for the future of the position. The survey report, "[The CFO Act at 25: Perspectives from Two Decades of CFO Surveys & Prospects for the Future](#)," was compiled after analyzing 20 years of past surveys and holding roundtable discussions in recent months with federal CFOs.

The report examines six broad issue areas that continually present challenges to CFOs: 1) the CFO's role; 2) human capital; 3) financial management systems and data; 4) cost information and management; 5) shared services; and 6) performance and risk management. Key findings include:

- The CFO Act requires CFOs to oversee the recruitment, selection and training of financial management personnel. As data is increasingly available and programs require greater analytics, particularly with shared services migration removing many routine processing functions, CFOs find hiring and retaining qualified staff increasingly challenging.
- Creating dependable financial management systems was a goal of the CFO Act, but current systems remain unstandardized (nonstandard) and unintegrated.
- While allowing for the use of cost information to efficiently manage programs was part of the vision of the CFO Act, CFOs find themselves without the critical cost information because they increasingly must use their resources on compliance mandates instead.
- Finally, while the CFO Act outlines several duties for a federal CFO, it does not standardize responsibilities. The role of one federal CFO, therefore, can be very different from counterparts with the same title at another federal department.

It is the last point, said Grant Thornton Managing Director Jim Taylor, which leads to two potential visions for the future role of the federal CFO. In one vision, CFOs are seen as strategists who lead risk management, performance, financial analysis and similar initiatives within their organizations. In another, CFOs are repurposed as taxpayer advocates, promoting financial transparency within their organizations. Taylor, a former federal CFO, said the question of the future of the CFO role signifies that the position, and the CFO Act itself, are at a crossroads — one decision-makers at the Office of Management and Budget and on the Hill will need to address.

"After 25 years, the CFO Act has been and continues to be incredibly successful — getting clean audit opinions was the priority for a long time and many organizations have done that for 10-plus years; and providing accurate, timely financial information is the number-one success story — but now's the time for more direction," Taylor said. "The CFO function has accomplished so much in 25 years. No one's sitting still — they're meeting their challenges as best they can — but they could be even more effective with a clear vision of their future role."

AGA CEO Ann Ebberts said she is hopeful the survey report can lead to much-needed clarity for federal CFOs.

"This report highlights the reality that today, government financial professionals, as well as their CFOs, require skills and serve in roles that are very different from those of 20–25 years ago," said Ebberts "To continue to make progress in realizing the vision of the CFO Act, now is the time to focus attention to addressing the role of the CFO. This should be made a priority of this administration."

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