

The Agency CFO's Guide to Modernizing Financial Management

Today's federal agency Chief Financial Officers are focusing on securely migrating their agencies to the cloud, embracing shared services, and exploring the possibilities of blockchain, artificial intelligence (AI), or robotic process administration (RPA). While many of those priorities will modernize IT systems for federal financial management, few, if any, address an agency's system of work for completing what needs to get done on a daily basis—effectively, efficiently, and accurately—to meet requirements under the CFO Act of 1990, the Government Management Reform Act of 1994 (GMRA), and Federal Financial Management Improvement Act of 1996 (FFMIA).

Managing work with traditional approaches and desktop-based programs has become unsustainable as resources remain limited and unforeseen constraints can leave day-to-day staffing levels uncertain. Indeed, agency CFOs face a critical need to reform and modernize their systems of work—today.

This white paper will dig into:

- The factors driving the urgency for agency CFOs to re-examine how their teams approach an ever-increasing workload
- A path for CFOs to attain steady, incremental improvements
- Capabilities CFOs can bring in house to successfully confront this critical challenge

Federal financial leaders' top priorities

1. Human capital
2. Available resources/budget uncertainty
3. IT—financial or legacy systems
4. Data management/analytics
5. Expanding compliance requirements and unfunded mandates
6. Other

Traditional approaches to managing agency finance work are unsustainable

A few key developments threaten to make existing ways of working untenable:

Lawmakers want more transparency and more data

This is an era of accessible government, not just open government. Whether it's via the DATA Act, OPEN Government Data Act, or [GREAT Act](#), Congress has developed a keen appetite for directing agencies to report more financial data to elected officials and the public in a prescribed format to make the data easier to read and compare.

Of course, the primary responsibility for compiling and reporting that data on time, while removing or redacting protected information, falls on agencies.

Agency databases are expanding exponentially

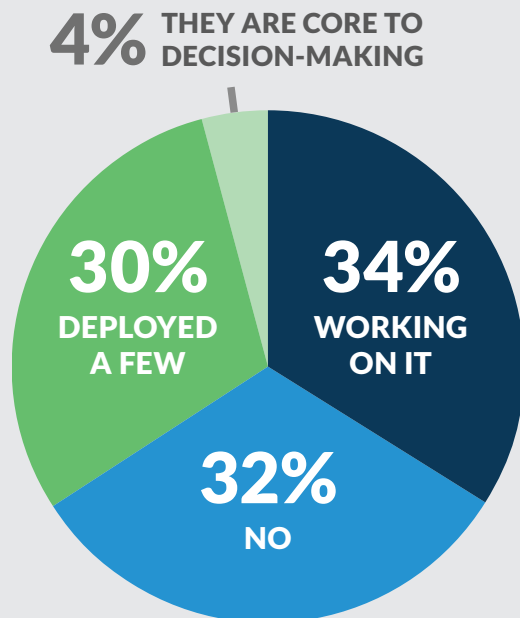
More than 59 zettabytes of data (1 zettabyte is a trillion gigabytes) will be created, captured, copied, and consumed in the world this year, [according to International Data Corporation \(IDC\)](#), with the amount of data created over the next three years surpassing the data created over the past 30 years. To meet the growing list of data-production mandates, CFOs and their teams must devote more of the work day to simply wrangling their agency's universe of data.

Readers increasingly want to know "why," not just "what"

For an information-hungry audience, raw data files are not enough. Agency directors, elected officials, watchdog groups, and the general public want information delivered under aggressive timetables, in context. They want to know what conclusions to draw from the numbers and how the data affect one another.

Analytical snapshots remain just a goal for agencies

Can CFOs and other leaders access real-time dashboards and data visualizations?



Source: Association of Government Accountants, "Executive Report 2018: The CFO Office of the Future"

There is a gap between collecting data and putting it to good use

By now, agencies have implemented the structures and ERP systems needed to consistently get clean audit opinions. But staff using desktop-based word processing, spreadsheet, and database programs may not have the processing power needed to perform high-level analysis of financial data and then report insights to leaders quickly and effectively.

Many small steps for agencies, one giant leap for modernization

Moving quickly to modernize the way agency teams work requires breaking old habits

Rethinking an agency's whole way of working does not have to involve a study committee, outside consultants, new IT investments, and a three-year implementation that might or might not succeed. A finance leader's simple commitment to incremental change can begin producing immediate results that ripple throughout the agency.

In working with more than 3,500 organizations across both the private and public sectors, Workiva has seen the most transformative results from finance teams who strategically adopt technology to achieve breakthrough results in the way their teams work. We also have identified steps finance leaders can take now to deliver measurable benefits in the short term while also setting up their teams for future long-term success.

Five tactics for government finance leaders

Agency CFOs can position themselves for success in keeping an expanding workload on track with these five strategies.

1. Connect people, processes, and data

Typically, an agency finance office is organized into groups that manage risk and internal controls, budget, and accounting and reporting. Each operates largely

independently except at the most senior levels. For success in this government environment, work needs to become less siloed and more connected.

Productive, candid relationships between the CFO and agency directors are essential. So are the abilities to forge inter- and intra-agency partnerships swiftly and at scale.

Data connections should increasingly become automated. For instance, dashboards can provide leaders with information at their fingertips, so they no longer need to wait for senior leadership meetings to learn the status of critical information. FedRAMP-authorized cloud technology that enables real-time updates and secure data sharing can not only improve transparency but also reinforce a culture of collaboration and accountability.

Action item: Adopt cloud technology that enables real-time collaboration and controlled data sharing.

2. Focus on streamlining IT systems and shedding low-value work

Achieving a greater understanding of how the agency's data work together and which are most critical can help an agency control IT spending by focusing on systems that support connectivity.

When systems and applications can talk to each other through APIs and connectors, it becomes easier to directly connect data from systems of record to systems of work used for analysis and reporting. That reduces the risk of human error that comes from manually copying and pasting information from one system to another, provides for greater visibility into data sources, and helps preserve data integrity without requiring hours of staff time to track down numbers.

Action item: Build a technology portfolio or ecosystem of compatible applications that enable teams to automate low-value, manual tasks such as data aggregation to free skilled employees for more high-value work.

3. Enable analysts to pull the data they need without waiting for IT

Transparency laws demand speed from agencies. CFOs much less often today enjoy the luxury of pushing questions down to program offices and waiting for an answer. They often must draw connections between the data themselves.

Action item: Use APIs to connect data from multiple systems to a single, centralized platform where everyone can go to pull the most updated data.

4. Get familiar with agency data and how the information is used

It's vital that a CFO develop intimacy with how certain data work together to support the broader agency mission—and why other data don't.

Action item: Consider mapping or documenting data sources and users within your agency, so that institutional knowledge is not limited to one or a few key employees.

5. Get creative with intelligent technology and automation

CFOs want to develop a grounded idea of which manual processes are good candidates for automation or even RPA solutions and which ones simply don't offer enough cost savings, operational efficiencies, and error reductions.

Action item: Map out the future capabilities the agency will need to meet future demands. Don't know where to start? Consider a phased approach. Workiva developed a [maturity model for advancing financial reporting and financial close processes](#) that you can use as a starting point.

Conclusion

Advances in technology give CFOs unprecedented access to data to make timely decisions and operate an efficient, effective, and transparent agency. Heightened monitoring capabilities

through data-visualization dashboards lets leaders accurately track and measure activities that affect the agency's mission. Yet, technology is advancing faster than most agencies can adapt. The steps in this guide offer a map for making steady improvements in an agency's system of work to deliver measurable results right away while also setting up your agency for long-term success in managing key challenges.

About Workiva

Workiva is the provider of the world's leading connected reporting and compliance platform. Workiva is used by thousands of enterprises across 180 countries, including 75 percent of the 500 largest U.S. companies by total revenue, and by government agencies. Our customers have linked over five billion data elements to build trust in their data, reduce risk, and save time. For more information about how Workiva (NYSE:WK) is serving federal, state, and local agencies, please visit workiva.com/government.

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