



## Embracing Data Analytics within the OCFO with Mr. Stephen Roncone, CFO at ICE

**INTRO:** Welcome to All Things Financial Management, an ASMC podcast sponsored by Guidehouse where we discuss all things under the auspices of the comptroller's office and address top-of-mind issues in the financial management community.

**TOM RHOADS:** Good morning. My name is Tom Rhoads. I'm a partner with Guidehouse, where I work with clients across the DoD and other government agencies to transform and optimize their financial management functions. I'll be your host for today's podcast. For those of you who may be new to this podcast series, let me take just a moment to provide some background on the American Society of Military Comptrollers. The American Society of Military Comptrollers, or ASMC, is a nonprofit educational and professional organization for individuals, military, civilian, corporate, or retired, involved or interested in the field of defense financial management. ASMC promotes the education and training of its members and supports the development and advancement of the profession of defense financial management. The society provides membership, education, and professional development and certification programs to keep members and the overall financial management community abreast of current issues and encourages the exchange of information, techniques, and approaches.

With that, I'd like to introduce our government guest for today. Today we have with us Mr. Steve Roncone, who is the Assistant Director and Chief Financial Officer of the US Immigration and Customs Enforcement Agency. He leads a team of 450 people and is responsible for all budgetary, financial, and asset management aspects, including 8.1 billion in appropriations. Since joining ICE in 2017, Mr. Roncone enhanced ICE's financial audit and interim controls through multiple clean audits. He's also significantly improved the condition and overall management of ICE's law enforcement vehicle fleet, valued at 400 million, as well as ICE's global portfolio of 700 field offices and mission facilities.

In addition, Mr. Roncone has grown the agency's budget 23%, or \$1.58 billion, and its workforce 13%, or by over 2,000 personnel. Prior to joining ICE, Mr. Roncone served 22 years active duty as a Coast Guard officer. Steve, thanks for being here with us today.

**STEPHEN RONCONE:** Hi, Tom. Thanks for having me and the opportunity.

**TOM RHOADS:** We know how busy everyone is. We particularly know how busy you are, so we're grateful for your time. To go ahead and get started for some of our readers or listeners, what we'd like to do is ask you about your background. In short, would you mind telling us your story, your background, and how it landed you in your current position?

STEPHEN RONCONE: Sure, Tom. Thanks for the question. Background. I have quite a diverse background. I was a Coast Guard officer for 22 years active duty, and within those of you who know Coast Guard, it's a small service and has a myriad of missions. I was a shipboard captain. I was operational and underway out at sea for the first four years, and then I had an opportunity mid-grade to pursue some of the things I studied at the Coast Guard Academy, and that was civil engineering, and I also post graduate school for that and at the same time pursued my MBA. For the following roughly 10 years, I did project management, construction management, and engineering for the Coast Guard because they have a variety of locations, bases, sectors, and facilities around the country that we maintain, own, and have to make asset management decisions against, as you can imagine.

But from there, middle to late in my career, I transitioned into Washington, DC, and got really right into budget and program management. That's where I cut my teeth, so to speak, serving in the budget shop, working under the CFO. I also did a tour in the Department of Transportation, in the CFO's office, where I was able to be hands-on with big, national programs.. This was around 2009, during the passing of American Recovery Act, where there was lots of transportation funding to help modernize and improve our infrastructure in the United States, so I was really thrilled to be part of that and working on the front lines on those efforts. I retired from active duty in 2017.

What an excellent opportunity at ICE, an agency within the Department of Homeland Security, with a really standup mission, dedicated people across the agency, roughly 22,000 people. Really, a monumental task to be able to lead the effort as the CFO for budget resources, financial management, financial statement audit, audit readiness, among other things. That's really my story. I also would say that I was the second person in my family who went through the Coast Guard Academy and became an officer. I have an older brother who also served 20 plus years, so I'm happy to report we have some service built into our family line, and I'm very proud of that.

TOM RHOADS: Thank you for your service, Mr. Roncone, and your family's service. That is wonderful. In your time at the Coast Guard Academy and your time as an active-duty officer, was that the foundation of leadership and skills that you rely on and fall back on today? Did that provide that foundation for you?

STEPHEN RONCONE: That's right. The Coast Guard shaped a lot of my adult development, growth, learning experiences. I'll tell you one quick example, when I was 22 years old, I became a captain of a small patrol boat in California. You can imagine being at that age, not having a whole lot of practical experiences, being responsible for a ship and the mission, as well as over a dozen shipmates for their safety, going out at sea, and rescuing folks and doing the various missions that we do with law enforcement on the high seas are challenging and dangerous. I feel that I really grew up in a short period in those few years I served as a captain because of those responsibilities of looking after the crew and meeting the mission. That was one early on experience that really shaped my view of the world

particularly, and view of how I managed organizations and the people that make it run.

There were several other experiences throughout my Coast Guard career. I wanted to challenge myself by trying to achieve higher responsibilities as I moved up the ladder. Each one of those experience brought new skill sets, perspectives, both from an operational side, from an asset management engineering side to a headquarters oversight program management perspective. I like to believe that all of those experiences together shaped my approach to people management, to resource management, and to really defining the value that the CFO can bring to an agency and an organization.

**TOM RHOADS:** It's amazing how those skills and experiences early on in terms of having leadership responsibilities and feeling the mantle of leadership settle on your shoulders as a 22-year-old captain and being responsible for the care and feeding of your crew, but also their lives, basically, in the type of mission that you were engaged in. All of these experiences would come full circle later, as you're now leveraging these to drive the CFO organization within the Immigration and Customs Enforcement. What a great background and setting for you to take over this responsibility.

**STEPHEN RONCONE:** Absolutely, Tom.

**TOM RHOADS:** Mr. Roncone, can you share with us your role as the CFO and how you support the ICE mission?

**STEPHEN RONCONE:** Great question. I've thought a lot about that over the time I've been here. I alluded to earlier about the value of a CFO position and the way this position and myself can help impact leaders of an agency or an organization to bring the best decision-making to bear on a wide variety of both operational and business functions on a daily and weekly basis. As CFO, I have overarching responsibility for the budget, as I mentioned, accounting, financial reporting, internal controls, among other things. A lot of those things are traditionally thought of as compliance and audit readiness. We're complying with a policy manual or a set of laws and regulations that have been stipulated for many years.

Those are core things to the CFO and every CFO's set of responsibilities. But I think today we're seeing a big change, and when I talk about the value proposition and our mission of providing stewardship through the dedicated professionalism of those individuals, the financial and budgetary workforce, there's really a lot of opportunities to bring to bear for senior management, the C-suite if you will, in the myriad of complexities, that are confronted in today's world.

Our vision is to try to be best in class in our financial organization, but it's really to serve the mission and all of our stakeholders. We can never forget that we're public servants. We should be diligent and prudent about our resources that are

provided, and we're accountable. We're really always balancing that act of making sure compliance and readiness from a financial standpoint, but we're also leveraging the data that we ingest every day from a whole host of areas that allow us to tell a story to the C-suite of what's happening or unfolding on a routine basis so we can pivot and react accordingly and really position the agency to be most effective in the mission sets that we're charged with.

TOM RHOADS:

It's interesting. I guess I'll date myself. There seems to be, maybe two decades ago, this view that CFOs were really around having control systems, making sure that systems had controls to process, and then highly transactional processed financial transactions. We were the people who sat in the back office, controlled our systems, and then those systems had transactions that flowed through. I think in the way you've described it as really forward-leaning and innovative. That role's now changed to where our systems aren't just control systems. They're actually mission systems, and we're less transaction-oriented because we've got the systems to process transactions. Now we're more into setting strategy, leading change, becoming real partners with the C-suite, and accessing data and packaging data in a way that it can be useful for decision-making. You can really see how the office of the CFO has changed over the last several decades. What strategic direction do you see for ICE in the OCFO, and what is your vision for the OCFO of the future?

STEPHEN RONCONE:

Tom, great question. I talked about our vision and mission, and we really have four pillars that guide us through our week to week. Number one is, we've got to invest in our workforce. We've got to make sure they bring diverse skills to the table and technical capabilities, and then we've got to make sure we foster and care for those folks. That's training, that's professional development, talent, engaging supervisors and leaders. That's different when I was younger, growing up in my early career, than it is today with all the technology we have and social media and such. But the core skills, training, and development still remain the same. I think we're really trying to develop an analytical workforce, and I'll talk more about that. But secondly, another pillar is about innovating and automating through data.

I think you're hearing a lot more about that over the last few years. You alluded to earlier, getting away from less transactional activities to more of what is the data telling us? I always tell my folks, "Tell me the story of the data." Don't just provide a report with tables and graphs, where you may not fully understand what's behind it. I think that's where the value lies, and uncovering that value is really a key aspect of being analytical. We're trying to promote a culture of analytics throughout our OCFO organization and really throughout the agency because the better people can understand the data that's in front of us, it really uncovers enormous amounts of untapped potential for the agency to achieve its goals. We're expanding automation tools, robotics, those sorts of things. We're engaged in, as I alluded too, financial systems modernization, where this is a key element we could talk more about.

We also stood up an office of data analytics within OCFO, and that's really the core office that's made up of technical professionals who can help the rest of our CFO organization understand how to extract, interpret, and interrogate the data that comes in through our financial systems. Again, I think you put it very well. At the end of the day, we have to boil it down into plain English for senior leaders to be able to understand quickly, whether it's graphically or in some kind of a table, but it's got to be understandable, and that's where I see a lot of troubles and challenges in making that transition. There's lots of skill sets to be able to do that, and we've got to be able to train our folks and expose our folks to meet that need.

The last two pillars, aligning our budget to achieve the strategy, that's given, but I think sometimes we take for granted that a big part of our business line is ensuring that we have a budget process and budgetary resources that are flexible to respond to the mission. That's challenging year to year, particularly in immigration, in the diverse sets of missions that ICE delivers for DHS and the nation. We're working to make sure we can draw direct lines to our resources and we could cost out and model our programs and how those achieved the objectives that are sought. Lastly, just optimizing our own business management processes. I think you have to do the care and feeding activities within OCFO and make sure we focus on our own. . We're being as lean as possible. We're being responsive to customers because we have lots of those stakeholders and customers here at ICE. One of which, by the way, Tom, is, we're a financial service provider for four other DHS components. Not only do we serve ICE as a large organization, but we're serving others. That's been around for about 10 plus years, from legacy Customs the precursor to ICE.

But that's no small feat, managing multiple actions and activities that an agency financial management office wouldn't normally be doing. We actually have two financial service centers, one in Burlington, Vermont, and one in Dallas, as well as our headquarters here in DC footprint to do a lot of that, so we have a pretty robust financial management and service activity here. Really, those are the core areas that we focus on in our strategic plan. They're really simple to understand. I think that's key to what we try to promote, as well as our goals and objectives that I highlighted there, but really, data analytics and embracing data, those insights, as I mentioned, are really core to being able to really extract all the value that we can bring to bear for the C-suite and all of our stakeholders for that matter.

TOM RHOADS:

Mr. Roncone, talking about data and your stakeholders, do you find it challenging to capitalize on your stakeholder relationships to pull out the type of information they're looking for so that when your team is doing your data analytics and you're processing and dashboarding, that you can provide them the information they need packaged in a way that can be useful for them? Or do you feel like you're working that from the back end?

STEPHEN RONCONE:

That's a good question. I think there's inherent challenges throughout. We have multiple systems through multiple programs. Part of the financial system

modernization program here at ICE and in our servicing components is trying to condense three core systems. One is the core accounting system. Another is the procurement system, which is a large system that does all the procurements through the agency, and there's thousands of transactions and billions of dollars that transact every year. Then there's our asset management activities. Right now, these are all disparate systems. We're trying to condense those into one core financial, or ERP system, if you will. At the same time, we're standardizing our business processes. I think inherently the agency and organizations need to refresh or look every so often, say every five or 10 years, their processes to be able to really understand if they match our programs, objectives, for what lies ahead in the future, what we can anticipate and expect through our strategies.

Our systems must be updated, secure, and nimble enough to be able to extract data in a repeatable and credible way, so data's accurate and can be relied on. That's really critical. That's very hard to do with the amount of information that's flowing through these systems. We spend a lot of time doing testing and internal control checks to ensure these systems are reliable. Of course, our auditors are on board every year to ensure they're sampling, and the things we are asserting to are indeed, accurate. That's a challenging space. This is one we focus on quite a bit, and I think we're moving in the right direction in that space.

**TOM RHOADS:** Thank you for that. Speaking of nimble systems, how would ICE leverage innovation and emerging technology to support its efforts to move towards the OCFO of the future?

**STEPHEN RONCONE:** I think that really speaks predominantly to what I mentioned earlier, the financial systems modernization, what we're doing on that front. Inside of that, we're obviously leveraging all the most recent tools, like business intelligence and analytics, and also robotic process automation, for example, we've undertaken quite a significant effort in putting together 20 bots inside our financial management processes with payments and receivables and elsewhere to be able to automate some of those mundane transactional things we talked about. That has paid dividends to free up hours and time for those individuals and personnel to really focus their attention on quality control and understanding the data, like we talked about before. We're in a really great partnership with the department.

Our other components, we're leading through the financial system modernization program here and talking through some of these tough challenges to be prepared through the process, and that's discovery, and then finally through deployment over the next few years. We're looking forward to that. I think there's a lot of bright spots on the horizon. There's a lot of initiatives underway as well inside of the federal government like e-payment processing and G-invoicing, and things where we have intergovernmental relationships and trading partners with the federal government, among others. I think there's a lot of exciting areas. There's a lot of technology to bring to bear, and we have some good plans that are already underway and we've got some laid out for the future, so there's an exciting time.

TOM RHOADS: It sounds like it would be an exciting time to be a member of the team and to be engaged in these innovations and the modernization efforts that you're going through. Mr. Roncone, we usually like to wrap up each one of our episodes with some advice for early careerists that are listening. Knowing what now, what advice would you share for those who are just starting their careers?

STEPHEN RONCONE: The one I talk about with a lot of the junior folks who are coming on board maybe for the first time in the government or their first employment experience, but I think it's really important that folks get mentors and seek out those relationships to hear those experiences and ingest those so they can add it to their toolkit throughout their career. Some of the things that are memorable for me are that when opportunities arise, particularly the ones where nobody else wants, those are opportunities to really highlight your skills, and don't be afraid to take those. No job is really too small. I think that's also indicative of a person's drive and determination to be able to make some impacts outside their core areas. Always trust your instincts. I think that matters and can help you guide through some difficult situations.

Opinions, I think, really matter, and especially if you have strong convictions, voice those in a way that could be heard because your opinions really do matter. I think finally, really learning, we can learn every day, every week, no matter how much experience we have. There's always new things to learn. I think some of us get complacent from time to time and comfortable with our position. I've been here for six years. I feel like, in many regards, it's a rinse and repeat cycle. I've seen a lot of things recur. Whether it's the budget cycle, the financial audit, the control program, or any of our financial policies, a lot of our business decisions, there's still many, many areas to learn and grow. I think if we approach it in that manner, it unlocks a lot of untapped potential. I think it keeps you sharp. So I would say, don't stop learning.

TOM RHOADS: Great advice for our listeners. Thank you so much for your time today. I know you're very busy. Mr. Roncone, I just want to thank you for being here with us today.

STEPHEN RONCONE: My pleasure, Tom. Thank you. Appreciate it.

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*Please note: At the time of recording, Mr. Roncone was the CFO of ICE. Mr. Roncone is now serving as the CFO of the U.S. Secret Service.*

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