



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

This Performance and Accountability Report summarizes the Department's financial and performance management achievements during FY 2005, and permits our stakeholders to assess our performance relative to our mission and the financial resources with which we are entrusted. The report fulfills the requirements of the Reports Consolidation Act of 2000, the Chief Financial Officers Act, the Government Performance and Results Act, the Federal Managers' Financial Integrity Act, and the Government Management Reform Act.

In FY 2005 the Department of Commerce achieved a green status rating on the Financial Management Scorecard under the President's Management Agenda. The Department remains strongly committed to the President's mandate to improve financial management and integrate budget and performance. By ensuring both the integrity of our financial operations and the accuracy of our financial data, we can be confident that we are managing our resources well. This is critical to ensuring the American taxpayers know that their dollars are well spent.

We are proud of having achieved an unqualified audit opinion on our consolidated financial statements for the seventh consecutive year. During FY 2005 we also completed a business case that identified opportunities within the existing financial systems environment to consolidate hardware and software, and to reduce redundant responsibilities. We have worked hard to ensure that our program managers have ready access to financial information to help them make well-informed operational, policy, and budget decisions. Our success is due largely to our focus on our critical missions and our emphasis on solid financial performance and accountability.

We were able to resolve the non-compliance with laws and regulations related to capital leases contained in our prior year audit report. We will work to resolve two reportable conditions cited in FY 2005—one concerning identified deficiencies in general information technology (IT) controls remaining from the prior year's audit report, and the other concerning one bureau's controls over reporting construction-in-progress.

During FY 2006 we will also continue to enhance our financial management systems and refine our financial products to address the needs of our stakeholders. We remain committed to maximizing the effectiveness of our programs and their benefit to the American taxpayers.

Otto J. Wolff
Chief Financial Officer and
Assistant Secretary for Administration