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## Message from the Chief Financial Officer



The *FY 2007 Performance and Accountability Report* is the Department's principal publication and report to the President and the American people on our stewardship and management of the public funds with which we have been entrusted. I am pleased to report that for the eleventh year in a row, the Department of Labor received an unqualified or "clean" opinion from our Inspector General on our consolidated financial statements.

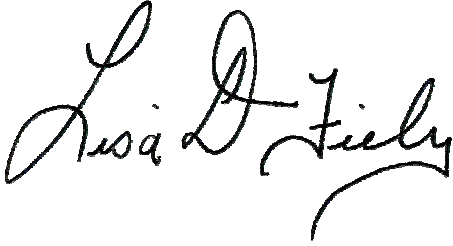
This past spring the Department received a seventh consecutive Certificate of Excellence in Accountability Reporting from the Association of Government Accountants and once again the Mercatus Center ranked our Performance and Accountability Report as one of the best in the Federal government in terms of accuracy, transparency, and public benefit. This year's report continues this trend of transparency in reporting. With these accomplishments, the American people can have confidence that the financial and performance information presented in this report is timely, accurate and reliable.

Financial management highlights at the Department over the past year include the following:

- In keeping with the Department's commitment to create an environment where managers routinely use cost information to make well-informed decisions, we continue to refine our Department wide Managerial Cost Accounting (MCA) system. With our primary focus on meeting end-user needs, we are enhancing the value of the MCA system to managers. Our efforts to transform MCA usage from a compliance initiative to a "must have" management tool is leading to better information for making decisions and enhancing accountability across the Department.
- We also moved forward into the second year of a refined program to comply with requirements for internal controls over financial reporting under the direction of the Department's Internal Control Board. We will aggressively continue our efforts to create an environment in which managers throughout the Department integrate internal controls into their financial systems as a routine practice.
- Due to funding uncertainties and constraints, the development of a new financial management system to supersede the Department's existing core accounting system was reassessed through a new cost-benefit analysis. In an effort not to falter in meeting the future needs of the Department and provide up-to-date financial tools to both the Department's financial and management communities, we are pursuing the use of a shared service provider in line with the government-wide Financial Management Line of Business initiative.
- With respect to the President's Management Agenda (PMA), the Department has maintained a "green" status score on the Improving Financial Performance and Eliminating Improper Payments scorecards while continuing to look beyond scorecard achievement toward shaping a lasting environment in which timely and accurate financial information is routinely a part of all critical decision making.
- We made service improvements to the Department's e-Gov Travel system to improve end-user satisfaction.

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We are pleased with our accomplishments in FY 2007, and we will strive to improve all aspects of performance and to maintain higher financial management standards in FY 2008.

A handwritten signature in black ink that reads "Lisa D. Fiely". The signature is written in a cursive, flowing style.

Lisa D. Fiely  
Acting Chief Financial Officer  
November 15, 2007