

## A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

November 12, 2008

In a year of challenges and increasing resource demands, the Department remains committed to making measurable progress in improving our financial management practices. Our financial managers recognize that their successes in financial stewardship directly support critical mission programs.

In this light, I am pleased to report that the Department of Justice has earned an unqualified audit opinion on its FY 2008 consolidated financial statements. More importantly, for the second straight year, the auditor's report on internal control identified no material weaknesses at the consolidated level. For the third straight year, we had no Department-level material weaknesses in financial reporting. We also reduced component-level material weaknesses from four last year to one this year, another positive accomplishment.

Everyday commitment from managers and employees, coupled with a strong foundation of internal control, has created this success. I also want to recognize each of the Department's nine financial reporting entities, all of which earned unqualified audit opinions this year on their financial statements. Our current and past emphasis on OMB Circular A-123 financial reporting assurance, and on information systems security and controls, continues to provide positive benefits. New financial system enhancements and reporting tools have improved the integrity of our systems, have helped identify cost savings, and have increased accountability.

Achieving a record of sustained success is not something to take for granted. While we continue as a Department to make progress, our work is unfinished. We will aggressively continue to correct the underlying causes of potential deficiencies in financial reporting and information systems controls.

Our next step is clear: to embed in our daily processes the improved practices that supported the successful FY 2008 audit. Our commitment to the Department's Unified Financial Management System will ensure that we reap the benefits of uniform financial management practices across our organization. This year, a successful pilot within the Asset Forfeiture Fund tested 28 standardized financial management processes. This was an important milestone that positions us for a successful conversion by the Drug Enforcement Administration, the first large component implementing the system. Further implementation, in FY 2010 and beyond, will empower staff to manage our finances at new levels of accountability, responsibility, and rigorous stewardship.

We take our financial accountability seriously and, as demonstrated, we take our commitment to sound agency performance results and providing taxpayer value seriously. We look forward in FY 2009 to building on our past achievements as we continue to support the important work of the Department of Justice.



Lee Lofthus  
Chief Financial Officer