



Message from the Chief Financial Officer

This Performance and Accountability Report (PAR) presents the performance and financial results that the Environmental Protection Agency achieved during FY 2008. The PAR provides information to the President, the Congress, and the public on the Agency's accomplishments and challenges in protecting human health and the environment, use of the financial resources entrusted to us, and progress in addressing key management challenges. EPA's FY 2008 Citizen's Report, which will be submitted to Congress on January 15, 2008, will provide a brief overview for the general public of key performance and financial results presented in the PAR.

EPA continues to rank among the highest performing federal agencies under the President's Management Agenda (PMA) scorecard. In FY 2008, for the second straight year, EPA achieved successful "green" progress and status ratings throughout the year for the five government-wide initiatives, Human Capital, Commercial Services Management, Expanded E-Government, Improved Financial Performance, and Performance Improvement, and for a sixth program initiative, Eliminating Improper Payments.

For the 9th year in a row, EPA received an unqualified opinion on its audited financial statements. The Agency identified no new material weaknesses in the design or operation of internal controls over programmatic operations or financial reporting. The Agency closed a number of internal control weaknesses and significant deficiencies that had been identified in previous years. We also undertook a number of steps to strengthen EPA's management integrity program, emphasizing the importance of reviewing rigorously, documenting fully and improving continually the Agency's financial and programmatic internal controls.

To strengthen EPA's financial stewardship and management capabilities, the Agency is moving to a new core financial and accounting system which will replace EPA's Integrated Financial Management System (IFMS) and is targeted for implementation in 2010. System development is underway, along with extensive testing and training, to ensure that the new system meets EPA's needs and that an orderly and effective transition occurs.

EPA's commitment to financial excellence and effective use of taxpayers' dollars in fulfilling our mission to protect human health and the environment is demonstrated in the work we do and our notable accomplishments. In FY 2008, EPA successfully completed migration to GovTrip. EPA also strengthened its financial data security by reducing access to personal information and realigning security rights. EPA maximized use of assets through judicious investment of Superfund Trust Fund monies. We have achieved these results in collaboration with our partners and stakeholders; this partnership is crucial to developing innovative and cross-cutting strategies to meet the challenges ahead.

I would like to extend my sincere gratitude and appreciation to EPA's dedicated staff across the country who work to protect human health and the environment on a daily basis and without whom our progress in FY 2008 would not have been possible.

A handwritten signature in black ink that reads "Lyons Gray". The signature is written in a cursive, flowing style.

Lyons Gray
Chief Financial Officer
November 17, 2008