

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The fiscal year 2001 Accountability Report represents the culmination of Interior's financial management process, which begins with mission/program planning, continues through the formulation and justification of Interior's budgets to the President and the Congress, and ends with this Report of the use of the resources entrusted to us. The Report was prepared pursuant to the requirements of the Chief Financial Officers Act, as amended by the Reports Consolidation Act of 2000, and covers activities from October 1, 2000 to September 30, 2001.

We are proud to report that for a fifth year in a row, the financial statements included in this Report received an unqualified (clean) audit opinion. Further, as part of Interior's accountability process, all bureaus were required to prepare audited financial statements for 2001. Of the nine entities preparing financial statements, eight received unqualified audit opinions. This year is the first year that the entire Department was audited by an independent Certified Public Accounting firm under contract to the Office of Inspector General.



The Department is firmly committed to implementing the "President's Management Agenda" through its "Plan for Citizen-Centered Governance." Our management reform strategy is based on four key principles:

- *Customer Value* - Ensuring that all of our activities add value and ensure the effective use of resources.
- *Accountability* - Establishing clear performance measures and holding our managers and employees accountable for results.
- *Modernization* - Using technology to work smarter and provide single points of access to our services.
- *Integration* - Identifying opportunities to avoid duplication and achieve economies to enhance customer service and efficiency.

As part of a continuing effort to improve management accountability, we are reinvigorating a departmentwide management control program to correct weaknesses identified in audits or management reviews. This 2001 Accountability Report identifies 17 departmentwide material weaknesses. We have commenced a systematic process to develop specific timelines and actions that will resolve these weaknesses.

The Department has also established a performance measure for completing corrective actions for material weaknesses and implementing Inspector General recommendations in a timely manner and for resolving any longstanding audit findings in a more expeditious manner. I am pleased to report that we have made some progress on both fronts, but more remains to be done.

The Department is committed to providing the best management of the resources under its stewardship. Through the teamwork and dedicated efforts of many Interior employees, including program, financial management, and audit staff, we continue to be successful in achieving desired objectives and reporting on the results. The dedication and professionalism of individuals throughout the Department is outstanding. We will call upon that talent in the coming year to implement the Secretary's "Four C's" approach to environmental protection, guided by our "Plan for Citizen-Centered Governance."

A handwritten signature in black ink that reads "P. Lynn Scarlett".

P. Lynn Scarlett
Chief Financial Officer