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## Message from the Chief Financial Officer

I am pleased to report that the Department received an unqualified opinion from the independent auditors on its consolidated financial statements for the thirteenth consecutive year. The Department complied with the Federal Financial Management Improvement Act, and no material weaknesses have been reported. These are tremendous accomplishments in light of the many challenges, new mandates, and transitions we experienced in FY 2009.



The American Recovery and Reinvestment Act of 2009 provided billions of dollars for programs to foster American workers' efforts to find jobs, develop new skills in the workforce, and support an economic recovery. These funds continue to be tracked and reported to the public every week to promote transparency and accountability.

Monitoring the appropriate use of these funds, and ensuring their clear delineation from regular operating funds, has been a core focus of the Department's financial management operations this fiscal year.

We also continued to prepare for the launch of our new core financial management system, which will occur in FY 2010. We are training the entire Department's financial management staff on how to use the new system and significantly reengineering our business processes to ensure greater efficiencies, more useful and current data for program managers and decision makers, stronger internal controls, and better reporting to our stakeholders.

We continue to improve our capabilities through employee training to enhance skill sets, hiring new staff to meet core needs, and developing greater institutional knowledge to ensure our culture of strong financial management remains firmly entrenched well into the future. To that end, we held a very successful training conference for all Departmental financial personnel during FY 2009. At the same time, we continue to provide financial management support for the new Departmental goals promoted by Secretary Solis and her team.

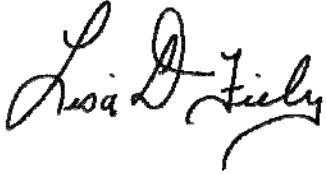
We received the Certificate of Excellence in Accountability Reporting from the Association of Government Accountants for the ninth year in a row. This certificate recognizes the Department's excellence in linking budget and performance information in its FY 2008 Performance and Accountability Report.

We made progress to resolve three outstanding significant deficiencies reported in the FY 2008 Performance and Accountability Report.

- Management continues to address recommendations related to controls over access to key financial and support systems; however, specific and compensating controls already in place are sufficiently designed and effective to prevent unauthorized access to the financial systems. Nonetheless, we will continue to monitor and evaluate the risks associated with access control weaknesses and take appropriate corrective actions during FY 2010.
- We will conduct periodic tests of reconciliation reports to examine timeliness and level of reviews, data integrity, and resolution of discrepancies to address weaknesses noted over payroll accounting regarding the reconciliation of DOL's data submission to the U.S. Department of Agriculture's National Finance Center. OCFO began successfully testing reconciliation reports in the fourth quarter of FY 2009, and we expect to close this finding in FY 2010.

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- We issued manual procedures for posting journal entries into the Department's legacy accounting system to improve internal controls regarding segregation of duties. With the implementation of the new core financial management system, the posting and approval of journal entries will be electronically segregated and will not take effect until electronically approved by the designated supervisory personnel.

I would like to take this opportunity to thank the financial management professionals throughout the Department for their dedication and hard work throughout the past year. Their efforts ensure that we deliver the most accurate, transparent, and useful financial information possible.

A handwritten signature in black ink, reading "Lisa D. Fiely". The signature is written in a cursive style with a large, stylized initial "L".

Lisa D. Fiely  
Acting Chief Financial Officer  
November 16, 2009