

## A Message From the Chief Financial Officer

November 9, 2010

The Department of Justice made measurable progress during the past year in continuing to improve our financial management practices. We recognize our important financial stewardship responsibilities, and prudent financial management and accountability are at the core of our programs and operations.

I am pleased to report that the Department has earned an unqualified audit opinion on its FY 2010 consolidated financial statements. More importantly, for the fourth straight year, the auditor's report on internal controls identified no material weaknesses at the consolidated level, and no Department-level material weaknesses in financial reporting. Overall, we were able to substantially reduce significant deficiencies across our components, yet another positive accomplishment. Where we have remaining deficiencies, we will continue our work to improve our operations, reporting, and information systems controls.

There is no question that difficult financial times bring with them an even greater responsibility for agencies to demonstrate their commitment to financial accountability. In July of 2010, the Attorney General inaugurated the Department's SAVE Council, a cross-component group of senior managers dedicated to identifying savings and efficiencies in our operations and programs. From conference expenditures to information technology projects, we have taken a critical eye to ensuring our efforts provide good value for their cost, and we've taken action to curtail costs where projects do not meet our standards. Importantly, while we look for opportunities to save, we also look for opportunities to improve our systems and internal controls. The Drug Enforcement Administration (DEA) completed its second year on the Department's Unified Financial Management System (UFMS) and again had no major findings associated with their financial audit. The Bureau of Alcohol, Tobacco, Firearms and Explosives prepared this year to go live on UFMS at the start of Fiscal Year 2011, joining DEA, the Federal Bureau of Investigation, the Bureau of Prisons, and United States Marshals Service as UFMS customers in whole or part on this important systems improvement effort.

I believe the talent and dedication of the Department's financial managers nationwide can be seen in the positive audit results earned this year. We look forward in FY 2011 to building upon these achievements for our nation and our taxpayers.



Lee Lofthus  
Chief Financial Officer

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