

Message from the Chief Financial Officer

Hello. My name is Rhea Suh and I am the Chief Financial Officer for the Department of the Interior.

I am proud to present the 2011 Annual Financial Report. This report provides timely and accurate information that can help the American public better understand the Department's programs.

I am also proud of Interior's sustained achievement in financial reporting because it highlights our commitment to sound financial management and our high standards of accountability, transparency, and ethics.

As stewards of vast lands and resources, Interior's managers understand the need to be accountable and that sound financial management is a cornerstone of our responsibilities to the American public.

Interior's mission is vast both in terms of our economic impact and our physical presence, as well as in terms of our direct impact on the American public. We manage almost one-fifth of our nation's land mass. We produce nearly 30 percent of the Nation's energy. We supply water to 17 western states. We have responsibilities for some of the rarest species. And we have responsibility for the largest land trust in the world as part of the Indian trust.

Effective execution of programs in support of these responsibilities requires a sound underpinning of financial management and a strong set of internal controls. We have been very successful in our efforts and yet we recognize that room exists for improvement. We have had many positive results over the past year.

First, we continued the migration of our bureaus and offices to the Financial and Business Management System with the deployment of the U.S. Geological Survey in November 2010. We are also on schedule to successfully meet the rest of our planned deployments with Departmental Offices and the Fish and Wildlife Service "going-live" in November.

The Department is also leading the way in the federal government with our commitment to restructure our information technology infrastructure to better realize services for our employees while capturing significant savings. We launched our IT Transformation Strategic Plan in July of this year.

This plan is a major efficiency initiative that will leverage modern technology to save up to \$500 million in taxpayer dollars by 2020. Key initiatives within the plan are a reduction in the number of data centers the Department currently maintains, a migration to a single email system that will cut costs and improve effectiveness, and a move to cloud-based technology for forms, documents, records, and content management.

In January 2011, we published our 2011-to-2016 Strategic Plan in accordance with the Government Performance and Results Act of 1993. The plan provides a simpler and more strategic set of goals and strategies with more finite and focused performance measures. It presents a new vision for the Department and incorporates input from citizens, Congress, Federal employees, Indian tribes, and other organizations.

The Department also has been successful in realizing benefits from our “Service First” initiative. The Bureau of Land Management and the Forest Service have demonstrated effective program delivery sharing space, equipment, personnel and programs. These entities have achieved improved delivery to the public while reducing costs. The Department’s broadened Service First initiative now includes the National Park Service and the Fish and Wildlife Service.

The Department continues to execute the requirements of the American Recovery and Reinvestment Act. At the close of FY 2011, 83% of the Department’s 3,942 Recovery Act projects were substantially complete. The Department has expended \$2.5 billion, or 90% of available funds. The hallmarks of our oversight of the Recovery Act program include rigorous control to balance the requirements of speed, quality, and accountability to ensure that funds are executed quickly and correctly.

In 2011 we completed corrective actions for 88 percent of the OIG and Government Accountability Office audit recommendations from prior years, exceeding our goal of 85 percent.

We are proud of this Report and our achievements. In 2011 we received the Association of Government Accountants’ Certificate of Excellence in Accountability Reporting, as well as a “best in class” award for our Summary of Performance and Financial Information for the 9th consecutive year.

We hope you will find this information useful. And I hope that you will continue to follow our progress in advancing the Department’s strategic and high-priority performance goals.