

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Department of the Interior is pleased to issue its 1999 Annual Report on Accountability. This report, authorized by the Government Management Reform Act of 1994, consolidates the Department's responses to its financial management and management control responsibilities.

The Accountability Report integrates results-oriented performance data, audited financial statements, and the auditor's report to better meet the information needs of Congress and the public. The report is 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 Congress, and ends with the reporting of results from the use of resources entrusted to us. This report primarily covers activities from October 1, 1998, through September 30, 1999.

Over the past two years the Department has simplified and strengthened its goals in support of Interior's mission to protect and provide access to our Nation's natural and cultural resources and to honor our trust responsibilities to Native Americans and our commitments to island communities. Interior has established five strategic goals that succinctly describe the Department's overall mission, as well as the many and diverse programs administered by Interior's eight bureaus. This year's Accountability Report includes improved performance reporting and the identification of costs for major programs that support the Department's five strategic goals.

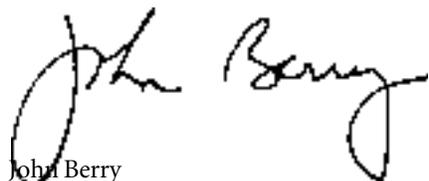
I am particularly proud of the Department's ability to direct resources toward several high priority initiatives that are of significant interest to Congress and the public. Over the past year, we have made substantial progress in securing resources to (1) improve systems that support our Indian trust responsibilities; (2) correct long-standing deferred maintenance needs in our parks, refuges, and public lands; (3) improve the quality of the workplace for employees; and (4) build a workforce that reflects the diversity of the Nation.

Interior continues to improve financial accountability through audited annual financial statements. In 1998, the Department's consolidated financial statements and all bureau-level financial statements that were prepared, except one, received unqualified (clean) audit opinions. In 1999, the Department's consolidated financial statements and all financial statements prepared by bureaus achieved unqualified audit opinions.

To improve management accountability, we have successfully implemented an effective management control program that holds program managers accountable for the correction of any weaknesses identified in audits or management reviews. The 1999 Accountability Report identifies 18 departmentwide material weaknesses, all of which are being corrected or eliminated.

Like many other federal agencies, the Department placed a very high priority in addressing the Year 2000 computer issue during 1999. We realize that information technology is an important tool in delivering timely and efficient services to the American people. Our investment in addressing Year 2000 issues resulted in the timely identification, correction, and testing of the Department's major information technology systems. We are proud of our success.

The preparation of this report required the teamwork and dedicated efforts of many Interior employees, especially our financial management and audit staff. We appreciate their dedication and professionalism in helping to report on what we have accomplished for the American people.



John Berry
Chief Financial Officer

