

Secretary's Message

November 15, 2005



The Fiscal Year 2005 Performance and Accountability Report is the fifth report I have had the pleasure of submitting to the Congress and the American people on behalf of the hardworking and dedicated employees of the Department of Labor. This report is one way we can critically assess our progress in order to set new directions for the future of the programs we implement on behalf of America's workers. Our four strategic goals – *A Prepared Workforce*, *A Secure Workforce*, *Quality Workplaces*, and *A Competitive Workforce* – have provided a clear focus for the program results we have been called upon to deliver to the Nation.

President's Management Agenda

We are proud of the management improvements made in Fiscal Year 2005 under the *President's Management Agenda*, which have helped us to support our program activities in more effective and efficient ways. The Department of Labor has been working diligently and creatively to meet the *President's Management Agenda* commitments in the government-wide initiatives of *Strategic Management of Human Capital*, *Competitive Sourcing*, *Improved Financial Performance*, *Expanded Electronic Government*, and *Budget and Performance Integration*; and in the agency-specific areas of *Faith-Based and Community Initiatives*, *Real Property*, and *Eliminating Improper Payments*. Not only have our achievements placed us among the best in government – the first Agency to achieve “green” scores in all government-wide initiatives – but the Department has also been awarded the *President's Quality Award* in both *Strategic Management of Human Capital* and *Budget and Performance Integration*.

Skills Competency for a Competitive Workforce – Moving Forward in Job Training Programs

The best way to create jobs is to encourage the conditions that foster growth, encourage innovation, and help workers invest in new job skills. Maintaining our competitive advantage is achieved by increasing the skill level of America's workforce. To prepare for a lifetime of successful employment, workers must have the ability to continually upgrade their skills and access job training opportunities. The Department is continuing to reform the current job training system in order to arm workers with relevant skills so they can get good jobs. The Department is seeking ways to give States and local communities maximum flexibility while requiring them to set rigorous performance milestones; spend more of their allocated funds on actual worker training; enhance individual choice in creating customized training programs; and strengthen the One-Stop Career Center System.

Strategies for Workforce Protections

Over the past few years, the Department has more effectively targeted our enforcement resources. One of the keys to strengthening worker protection is compliance assistance – so that workers and employers understand their rights and responsibilities. In the safety and health area, our partnerships and alliances with industry, trade associations, unions, and educational institutions are growing and getting stronger.

Last year, when the new Overtime Security Rules went into effect, the Department launched the FairPay Web site (<http://www.dol.gov/fairpay>). The site provides comprehensive information, including on-line training seminars so that all interested parties can understand the new rules.

The Department is also strengthening the protections afforded to members of labor organizations, empowering union members through greater financial transparency and accountability.

Retirement Security – Meeting the Challenge

A key priority of the Department is the security of workers' pensions. The promises that companies have made to their workers and retirees must be kept, and tackling the problem of under-funded pension plans is critical. Working with Congress, the Department is pursuing legislation to ensure the financial health of the single-employer, defined benefit plan system. The Department will continue to provide a wide range of educational and outreach activities to plan sponsors, participants and beneficiaries to help them understand their legal obligations and rights, identify and correct problems early on, and redress inadvertent and intentional violations.

Supporting Our Military Service Members Is More Important Than Ever

The importance of the Department's role in helping veterans and returning service members secure post-service employment opportunities cannot be overstated. The Department of Labor is committed to protecting the employment rights of returning service members, and will assist veterans, reservists, and transitioning service members in finding the jobs or job training opportunities that tap their unique skills and potential.

Hurricane Response and Recovery

The Department, along with many other Federal agencies, is playing a key role in cleanup and recovery efforts in the wake of Hurricanes Katrina and Rita. Even prior to the hurricanes making landfall, the Department was assessing response options and pre-positioning key personnel and resources for the disaster. The Department continues to work with state and local governments, faith-based and community organizations, relief agencies, and directly with impacted individuals to provide emergency jobs, income support, short-term skills development and other vital economic aid to rejuvenate the hurricane-impacted regions and their populations. In addition, the Department is continuing to ensure proper compliance with all applicable wage laws in the contracted cleanup and recovery work, and has funded health and safety training programs – as well as providing on-the-ground health and safety compliance professionals – to minimize injuries and fatalities attributable to this potentially hazardous work.

Program Data and Financial Performance

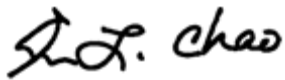
DOL managers routinely use the performance and financial data summarized in this report to improve the quality and cost effectiveness of services to the public. Given its importance for purposes of accountability, it is crucial to have confidence in the validity of this information. Several procedures are used routinely to verify data quality; findings for the current fiscal year are described below.

Performance information presented in this report is complete and reliable as defined by the Office of Management and Budget (OMB) in Circular A-11. The Federal Financial Management Improvement Act of 1996 (FFMIA) requires agencies to implement and maintain financial management systems that are in substantial compliance with OMB Circular A-127, Joint Financial Management Improvement Program (JFMIP) requirements, Federal accounting standards, and the United States Government Standard General Ledger (SGL) at the transaction level. All Department of Labor financial management systems substantially comply with FFMIA.

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) requires the Secretary to report to the President and the Congress on the adequacy of management controls in safeguarding resources. Based on the unqualified opinion, audit results and quarterly and year-end assurances given by the agency officials and other pertinent information, the Department of Labor's accounting systems and internal controls comply with the provisions of the FMFIA.

Conclusion

This Performance and Accountability Report will provide a useful overview of this Department's core missions and a clear assessment of our program and financial results. The employees of the Department are dedicated to keeping the American workforce strong and competitive. We will continue to provide programs and services that keep America's workers safe and healthy on the job, protect workers' retirement security, ensure fair compensation, and maintain the competitiveness of our Nation's workforce in the 21st century.



Elaine L. Chao
Secretary of Labor