

# Letter of Transmittal

January 31, 2003

*To the President of the United States, President of the Senate,  
President Pro Tempore of the Senate, and Speaker of the House  
of Representatives:*



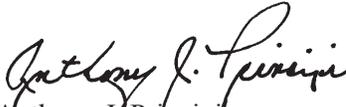
I am pleased to submit the *Department of Veterans Affairs' FY 2002 Annual Performance and Accountability Report*. The performance and financial data in the report are reliable and complete. Our progress in addressing identified material weaknesses is discussed throughout the document. Evaluation of senior administrative and program managers' annual assessments provides reasonable assurance that the management controls and financial systems of the Department of Veterans Affairs (VA) generally adhere to the requirements of the Federal Managers' Financial Integrity Act. Full compliance of VA's financial systems with governmentwide standards will depend on implementation of our new Core Financial and Logistics System.

In fiscal year 2002, VA employees significantly improved service to America's veterans and their families. Among our most noteworthy accomplishments are:

- Reducing our disability benefit claims decision backlog by more than 15 percent, while improving the quality of our decisionmaking;
- Providing world-class quality health care at more than 1,300 sites, while managing a 10 percent increase in the number of veterans turning to us for care;
- Maintaining high levels of customer satisfaction in veterans' burial services while absorbing a record level of demand; and
- Obtaining an unqualified audit opinion on our consolidated financial statements for the fourth consecutive year.

In fiscal year 2003, we intend to further improve the timeliness of our claims decision process; continue our leadership in health care, especially in the areas of patient safety and disease prevention; and maintain the 120 national cemeteries we operate as national shrines to honor the service and sacrifices of those who have defended our Nation's freedom.

America's veterans and their families deserve exceptional service in return for the sacrifices they have made for our country. The 223,000 employees of the Department of Veterans Affairs are proud to be chosen to fulfill President Abraham Lincoln's sacred pledge "to care for him who shall have borne the battle, and for his widow, and his orphan." It is my privilege, and that of all VA employees, to ensure Lincoln's promise is kept.

  
Anthony J. Principi  
Secretary of Veterans Affairs