

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



Reflecting our high standards in financial management at SSA, we have just received our 15th consecutive unqualified financial statement audit opinion for FY 2008. The unqualified opinion attests to the fair presentation of our financial statements, and demonstrates the discipline and accountability essential to our responsibilities as stewards of Social Security funds.

Additionally, our *FY 2007 Performance and Accountability Report* received the Certificate of Excellence in Accountability Reporting from the Association of Government Accountants for the 10th time. We are proud that SSA has received this award every year since its inception.

We also received an unqualified opinion from our auditors on our assertion that SSA's internal control over financial reporting was operating effectively during FY 2008. Not only did our auditors agree with our assertion that SSA's

internal controls are sound, but they determined that SSA had no material weaknesses or significant deficiencies. We are proud of our many testing programs that we rely on to ensure the soundness of internal controls. For example, our Financial Management Systems Review Program tests the general and application-specific information technology controls of our major programmatic and financial systems to ensure they are designed and operating effectively. Our Management Control Review Program ensures that our operational components are in compliance with our administrative, operational, and security (both logical and physical) policies. Also, in response to Office of Management and Budget Circular No. A-123, Appendix A, we developed testing programs to ensure the controls in our financial statement reporting process are working correctly.

In FY 2008, we maintained "green" scores for both status and progress on the President's Management Agenda Improved Financial Performance initiative. Building on past accomplishments, we integrated additional financial systems with our existing accounting system, the Social Security Online Accounting and Reporting System. The integration of these systems allows us to validate data and check funding from source applications in real-time, thus eliminating errors, increasing the integrity of accounting data, and providing

more timely information to managers. We also continued planning the implementation of an improved cost accounting system, which will provide more user-friendly access to information necessary to manage and account for resources and enhance decision-making.

At SSA, we are committed to building upon our tradition of responsible management of the programs entrusted to us. We strive to uphold the highest standards of integrity in discharging our fiduciary responsibilities to our fellow Americans.

Many SSA employees contribute to our goal of providing timely and reliable information to Congress and the public, and I would like to acknowledge their efforts. Our employees share a deep commitment to sound fiscal stewardship and finding better ways to deliver services that meet the changing needs of the public. We will continue to do all that we can to provide the best quality service in the coming years.

Mary E. Glenn-Croft
Chief Financial Officer
November 7, 2008