

A MESSAGE FROM THE COMMISSIONER

I am pleased to present the Social Security Administration's Performance and Accountability Report for fiscal year (FY) 2008. This report highlights our accomplishments, discusses key issues that will affect our future operations, and describes how we managed our finances and administered our programs during the past year. I encourage you to review the message from our Chief Financial Officer as well as the report itself.

People depend on our programs – both Social Security and Supplemental Security Income – for support at critical junctures of their lives: retirement, the loss of a loved one, or the onset of disability.

I have seen from personal experience the important work this agency does and the essential protection it provides to some of the most vulnerable in our society. To meet their needs, we continuously strive to provide our numerous services as effectively and efficiently as possible. We cannot ignore, however, the strain caused by reduced staffing, limited resources, and the weight of our mounting workloads.

Retirement and disability claims are increasing, and we expect them to continue to grow as the baby boomers age. We also commit substantial resources to other responsibilities, such as the Medicare program and immigration enforcement.

These limitations have created significant backlogs in our work, particularly at the hearings level of our administrative appeals process where waiting times for a hearing are unacceptable.

It is a moral imperative to eliminate the disability hearings backlog, and driving down that backlog is our number one priority.

To accomplish this, in the last fiscal year, we implemented initiatives to enhance our capacity to hear and decide cases and to improve our management of this extremely important workload. These initiatives also include expansion of the use of automation and electronic services in many of our key workloads.

In FY 2008, we also received, for the 15th consecutive year, an unqualified opinion on our financial statements, and our auditors reported no material instances of noncompliance with laws and regulations.

I am also proud to report that we have no material internal control weaknesses and that our financial and performance data in this report are reliable and complete under the Office of Management and Budget's guidance.

However, while we applaud our many FY 2008 accomplishments, we recognize we have much more work ahead of us.



Consequently, this past September, we issued a new Agency Strategic Plan – a roadmap of how we will improve service to the public and preserve its trust in our programs (<http://www.ssa.gov/asp>). The plan also lays out our strategies to address our mounting workloads. These changes are essential if Social Security is to continue to meet the needs of all Americans.

We look forward to working with the President, Members of Congress, and all of our stakeholders to achieve our goals. With their support, I am confident that Social Security will be able to provide world-class service for generations to come.

A handwritten signature in black ink, appearing to read "Michael J. Astrue". The signature is stylized and cursive.

Michael J. Astrue
Commissioner
November 7, 2008

TABLE OF CONTENTS

1	A MESSAGE FROM THE COMMISSIONER
5	MANAGEMENT’S DISCUSSION AND ANALYSIS
7	OVERVIEW OF THE SOCIAL SECURITY ADMINISTRATION
7	Our Programs Benefit America
11	Our Organizational Structure
14	OVERVIEW OF OUR FY 2008 GOALS AND RESULTS
14	FY 2008 Overview of Performance
16	Performance Summary of Goals and Results
21	Budget and Performance Integration
22	Data Quality
24	AGENCY PRIORITIES AS WE MOVE FORWARD
24	Our New Direction
33	The President’s Management Agenda
34	Program Assessment Rating Tool
35	HIGHLIGHTS OF FINANCIAL POSITION
35	Overview of Financial Data
37	OASI and DI Trust Fund Solvency
38	Limitations of the Financial Statements
39	SYSTEMS AND CONTROLS
39	Management Assurances
41	Financial Management
43	PERFORMANCE SECTION
44	AGENCY PERFORMANCE
44	Introduction
44	Status of FY 2008 Performance Measures by Goal and Objective
76	Program Evaluation



87 FINANCIAL SECTION

88 A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

89 FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

90 Consolidated Balance Sheets

91 Consolidated Statements of Net Cost

92 Consolidated Statements of Changes in Net Position

93 Combined Statements of Budgetary Resources

94 Statement of Social Insurance

95 Notes to the Basic Financial Statements

122 Other Accompanying Information: Balance Sheet by Major Program

123 Other Accompanying Information: Schedule of Net Cost

124 Other Accompanying Information: Schedule of Changes in Net Position

126 Required Supplementary Information: Schedule of Budgetary Resources

127 Required Supplementary Information: Social Insurance

143 AUDITOR’S REPORTS

150 INSPECTOR GENERAL STATEMENT ON SSA’S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES

164 OTHER REPORTING REQUIREMENTS

164 Summary of Financial Statement Audit and Management Assurances

165 Anti-Fraud Activities

168 Biennial Review of User Fee Charges

169 Debt Management

171 IMPROPER PAYMENTS INFORMATION ACT OF 2002 DETAILED REPORT

187 APPENDIX

188 GLOSSARY OF ACRONYMS

192 SSA MANAGEMENT AND BOARD MEMBERS

SSA's FY 2008 PERFORMANCE AND ACCOUNTABILITY REPORT IS AVAILABLE ON THE INTERNET AT:
www.socialsecurity.gov/finance

