

A MESSAGE FROM THE COMMISSIONER

I am pleased to present the Social Security Administration's *Performance and Accountability Report* (PAR) for fiscal year (FY) 2011. I encourage you to review our FY 2011 PAR to gain a better understanding of our important programs, the challenges we face, and our hard-earned accomplishments in the last year.

FY 2011 was a challenging year for us. Our annual funding level was \$1 billion below the President's request; therefore, we had to make difficult choices about where we would make cuts. Rather than propose general, across-the-board spending reductions, we prioritized our activities to maintain our most vital services and keep our doors open to the public.

Our employees are the key to our success. They are dedicated to our mission of delivering Social Security services that meet the changing needs of the public. We have been innovative and proactive in improving our business processes and adopting new technology. As a result, our employees achieved an average annual productivity increase of nearly 4 percent over the last five years.

Despite budget constraints, we remained steadfast in our commitment to eliminate the hearings backlog. In FY 2011, we completed over 45 percent more hearings than in FY 2007, and we continued to make remarkable progress on reducing the waiting time for decisions. We cut the average waiting time to below one year for the first time since FY 2003. We ended the year with an average wait of 345 days in September.

We balanced fulfilling this commitment with our other vital workloads. Despite rising numbers of disability applications, we reduced our pending initial disability claims by over 80,000 cases. We kept pace with our program integrity work, which saves taxpayers' dollars. Supplemental Security Income (SSI) non-medical redeterminations and the Access to Financial Institutions initiative have helped increase our SSI payment accuracy over the last two years.

On our 800 number, we answered customers' calls faster than ever before and cut the busy rate by nearly one-half. We continue to expand and improve our online offerings and maintain the three best electronic services in the Federal Government, as measured by the American Customer Satisfaction Index public satisfaction survey. These online offerings have been indispensable in helping us keep pace with the enormous growth in retirement and disability applications.

For the 18th consecutive year, we received an unqualified opinion on our financial statements, and our auditors reported no instances of noncompliance with laws and regulations. We have no material internal control weaknesses, and our financial and performance data in this report are reliable and complete in accordance with the Office of Management and Budget's guidance.

Once again, we have demonstrated that we have wisely used our resources to improve the service we provide and the integrity of our programs. Our focus is on achieving our strategic goals, which consist of eliminating our hearings backlog and preventing its recurrence; improving the speed and quality of our disability process; improving our retiree and other core services; and preserving the public's trust in our programs. The American people depend on us, and we need the support of the Congress to continue to deliver the level of service the public deserves.



A handwritten signature in black ink, which appears to read "Michael J. Astrue". The signature is fluid and cursive.

Michael J. Astrue
Commissioner
November 7, 2011

TABLE OF CONTENTS

1	A MESSAGE FROM THE COMMISSIONER
5	MANAGEMENT’S DISCUSSION AND ANALYSIS
7	OVERVIEW OF THE SOCIAL SECURITY ADMINISTRATION
7	Our Mission
7	Social Security Benefits America
9	Our Organization
11	OVERVIEW OF OUR FY 2011 GOALS AND RESULTS
11	How We Manage Performance
14	Performance Summary of Goals and Results for FY 2011
18	Summary of FY 2011 Performance
31	Looking Forward – Facing Our Challenges
32	American Recovery and Reinvestment Act of 2009
33	How We Ensure Our Data Integrity
35	HIGHLIGHTS OF FINANCIAL POSITION
35	Overview of Financial Data
38	Overview of Social Insurance Data
40	Limitations of the Financial Statements
41	Summary of Improper Payments Information
43	SYSTEMS AND CONTROLS
43	Management Assurances
47	PERFORMANCE SECTION
48	AGENCY PERFORMANCE
48	Introduction
49	FY 2011 Performance Measures By Goal and Objective
83	Comparison of FY 2011 Performance Year End Totals for Week 52 and Week 53
85	Program Evaluation

97	FINANCIAL SECTION
98	A MESSAGE FROM THE CHIEF FINANCIAL OFFICER
99	FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION
100	Consolidated Balance Sheets
101	Consolidated Statements of Net Cost
102	Consolidated Statements of Changes in Net Position
103	Combined Statements of Budgetary Resources
104	Statement of Social Insurance
105	Statement of Changes in Social Insurance Amounts
106	Notes to the Basic Financial Statements
133	Other Accompanying Information: Balance Sheet by Major Program
134	Other Accompanying Information: Schedule of Net Cost
135	Other Accompanying Information: Schedule of Changes in Net Position
137	Required Supplementary Information: Schedule of Budgetary Resources
138	Required Supplementary Information: Social Insurance
151	AUDITOR’S REPORTS
161	OTHER ACCOMPANYING INFORMATION
163	INSPECTOR GENERAL STATEMENT ON SSA’S MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES
181	OTHER REPORTING REQUIREMENTS
181	Summary of Financial Statement Audit and Management Assurances
182	Anti-Fraud Activities
185	Biennial Review of User Fee Charges
186	Debt Management
189	IMPROPER PAYMENTS INFORMATION DETAILED REPORT
221	APPENDIX
222	GLOSSARY OF ACRONYMS
228	SSA MANAGEMENT AND BOARD MEMBERS

**[SSA’s FY 2011 Performance and Accountability Report](http://www.socialsecurity.gov/finance) is available on the Internet at:
www.socialsecurity.gov/finance**

Introduction

Our *Performance and Accountability Report* (PAR) for fiscal year (FY) 2011 provides financial and performance information that enables the President, Congress, and the public to assess how we performed in accomplishing our mission and achieving our goals. We organize our report into the following major sections:

MANAGEMENT'S DISCUSSION AND ANALYSIS: *Management's Discussion and Analysis* gives an overview of our mission, organization, strategic goals and objectives, priority goals, and our FY 2011 performance measures. We highlight the FY 2011 results of our key performance measures and discuss our accomplishments and plans to achieve our mission. We provide a summary of the financial and performance information contained in subsequent sections of the PAR. We also include a synopsis of our systems, controls, and legal compliance.

PERFORMANCE SECTION: The *Performance Section* discusses the results for each of our FY 2011 performance measures according to the strategic goal and objective. We compare the targets we set for each performance measure to our actual performance during the year. In addition, we include trend data and discuss our performance. We also summarize program evaluations we conducted and their outcomes.

FINANCIAL SECTION: The *Financial Section* contains the message from our Chief Financial Officer, our audited financial statements, the accompanying notes to those statements, and required supplementary information including the Schedule of Budgetary Resources and information on Social Insurance. This section concludes with the auditor's reports.

OTHER ACCOMPANYING INFORMATION: The *Other Accompanying Information* section includes the *Inspector General Statement on SSA's Major Management and Performance Challenges* as well as our *Summary of Financial Statement Audit and Management Assurances* table. We also discuss our anti-fraud activities and provide information on our debt management activities. The *Improper Payments Information Detailed Report* concludes this section.

APPENDIX: The *Appendix* includes a glossary of acronyms, a list of the agency's top management officials, the members of the Board of Trustees, and the members of the Social Security Advisory Board.

For the 13th year in a row, we received the Association of Government Accountants' Certificate of Excellence in Accountability Reporting award for our FY 2010 Performance and Accountability Report. Receiving the Certificate of Excellence in Accountability Reporting is a significant accomplishment for a Federal agency, and it is the highest form of recognition in Federal financial reporting.

