

A MESSAGE FROM THE ACTING COMMISSIONER

I am pleased to present the Social Security Administration's fiscal year 2014 *Agency Financial Report* (AFR). This report describes how we managed our resources and administered our programs, and demonstrates our commitment to responsible stewardship. Through our AFR, we hope that the public will better understand our programs, challenges, and accomplishments in achieving our mission of delivering Social Security services that meet the changing needs of the public.

We take great pride in providing disability, survivors, retirement, and Supplemental Security Income (SSI) benefits to workers and their families. Social Security is an indispensable part of so many lives. Each day, our staff works diligently to serve the public with care and compassion. Despite the challenges we face, we work hard to meet the public's expectations and continue to make great strides by focusing on our Strategic Goals:

- Deliver innovative, quality services;
- Strengthen the integrity of our programs;
- Serve the public through a stronger, more responsive disability program;
- Build a model workforce to deliver quality service; and
- Ensure reliable, secure, and efficient information technology services.

We remain fully committed to providing consistently high-quality service, whether it is in our field offices, on our National 800 Number, or through our online services. While technology will not replace our employees and the one-on-one telephone and field office service options, it does offer us an opportunity to improve our efficiency and expand the ways in which we deliver our services. Over 14 million users have registered for a *my Social Security* account, which consistently ranks as one of the top 10 in customer satisfaction for all Federal websites. In addition, as discussed later in this report, we are expanding online access through Social Security Express, increasing video hearings, and expanding our video service delivery in field offices. We will continue to invest resources in these areas to serve the public effectively and with the highest quality now and in the future.

We remain committed to strengthening program integrity by providing the American taxpayer the maximum value for the resources entrusted to us. Our employees are our first line of defense. We will use every tool available to prevent and address waste, fraud, and abuse. Examples of initiatives that will help us maintain the public's trust include conducting continuing disability reviews and SSI redeterminations and expanding our Cooperative Disability Investigation program.

We are also exploring new technologies and using modern tools to improve efficiency in our disability program. For example, we are promoting the use of telephone and mobile wage reporting for the SSI program, refining the electronic claims analysis tool, and collaborating with other Federal agencies to improve the overall efficiency and effectiveness of our service to the public. In addition, we continue to develop the Disability Case Processing System (DCPS), our national initiative to increase consistency between the different systems supporting our disability process. DCPS will allow us to support policy changes faster and modify our case processing nationally. Although we have made substantial progress in implementing DCPS, its development has been more complex and challenging than initially anticipated. To ensure the successful delivery of the program, we commissioned a study that provided numerous recommendations, which we have begun to implement.

For the 21st consecutive year, we received an unmodified opinion on our financial statements. Based on our internal evaluations, I can provide reasonable assurance that the financial and performance information contained in this report is complete, reliable, and accurate. I am also pleased to announce that we have no material weaknesses in our internal controls.

This report reflects the tireless efforts of our employees, who are our greatest asset. Our employees' hard work and commitment are vital to our continued success in meeting the needs and expectations of the American public.



Carolyn W. Colvin
Acting Commissioner
November 10, 2014



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To access this report online, please visit our [Fiscal Year 2014 Agency Financial Report webpage \(www.socialsecurity.gov/finance\)](http://www.socialsecurity.gov/finance).

INTRODUCTION

For fiscal year (FY) 2014, we chose to produce an *Agency Financial Report* (AFR) and an *Annual Performance Report* (APR). Our AFR provides financial management and high-level performance information that enables the President, Congress, and the public to assess how well we accomplished our mission, achieved our goals, and managed the financial resources entrusted to us. We organize our AFR into the following major sections:

Management's Discussion and Analysis: The *Management's Discussion and Analysis* section gives an overview of our mission, organization, Strategic Goals and Objectives, Priority Goals, and key FY 2014 performance measures. We highlight the FY 2014 results of our key performance measures and discuss our accomplishments and plans to achieve our mission. We provide a summary of the financial information contained in subsequent sections of the AFR. We also include a synopsis of our systems, controls, and legal compliance.

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 Information: The *Other 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 tables. We also provide a discussion of our entitlement reviews, information from the Office of the Inspector General concerning its anti-fraud activities, a summary of our actions to comply with the Freeze the Footprint initiative, and 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 our agency's top management officials, the members of the Board of Trustees, and the members of the Social Security Advisory Board.

We will present detailed performance results in our FY 2014 APR, which we will publish as part of our Congressional Budget Justification. We plan to publish our FY 2014 APR in February 2015 along with our *FY 2014 Summary of Performance and Financial Information*.

For the 16th year in a row, we received the Association of Government Accountants' Certificate of Excellence in Accountability Reporting award for our annual Agency Financial Report. Receiving the Certificate of Excellence in Accountability Reporting for our FY 2013 Agency Financial Report is a significant accomplishment for a Federal agency, and it is the highest form of recognition in Federal financial reporting.

