Management’s Discussion and Analysis
The Management’s Discussion and Analysis (MD&A) section is required supplementary information to the financial statements and provides a high-level overview of the Social Security Administration. The MD&A describes who we are, what we do, and how well we meet our established goals.

The Overview of the Social Security Administration highlights our mission as set forth in our Agency Strategic Plan. We identify the major programs we administer and provide a brief explanation of our organization.

The Overview of Our Fiscal Year 2021 Goals and Results provides a high-level discussion of our goals and our key mission results. We link our agency-wide Strategic Goals with our Priority Goals, display our fiscal year 2021 operating expenses by Strategic Goal and Objective, highlight how our results contribute to achieving our Strategic Goals and Objectives, and discuss how we plan to address the challenges we face.

The MD&A also addresses our financial performance in the Highlights of Financial Position. We provide an overview of our financial data and explain the major sources and uses of our funds, as well as the use of these resources in terms of both program and function. We also provide an overview of our Social Insurance data, discuss the solvency of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds, and indicate the projections for short-term and long-term financing of the OASI and DI Trust Funds.

Finally, Analysis of Systems, Controls, and Legal Compliance describes the actions we have taken to address our management control responsibilities. The Management Assurances subsection provides our assurances related to the Federal Managers’ Financial Integrity Act and the determination of our compliance with the Federal Financial Management Improvement Act. We also address the results of the audit of our financial statements and compliance with the Federal Information Security Management Act, as amended.
OVERVIEW OF THE
SOCIAL SECURITY ADMINISTRATION

OUR MISSION

Deliver quality Social Security services to the public.

SOCIAL SECURITY BENEFITS AMERICA

Few government agencies affect the lives of as many people as we do. In accordance with law and regulations, we administer three programs under the Social Security Act:

- **Old-Age and Survivors Insurance**: Established in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2021, we paid OASI benefits to an average of over 55 million beneficiaries each month, and paid over $986 billion to OASI beneficiaries through the fiscal year. Learn more about retirement benefits on our website (www.ssa.gov/benefits/retirement/). Also, learn more about survivors benefits on our website (www.ssa.gov/benefits/survivors/).

- **Disability Insurance**: Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2021, we paid DI benefits to an average of nearly 10 million beneficiaries each month, and paid about $140 billion in DI benefits through the fiscal year. Learn more about DI benefits on our website (www.ssa.gov/benefits/disability/). Also, read stories from DI beneficiaries on our website (www.ssa.gov/disabilityfacts/stories.html).

- **Supplemental Security Income**: Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2021, we paid SSI benefits to a monthly average of nearly 8 million recipients (approximately 2.6 million of whom concurrently receive OASI or DI benefits), and paid about $54 billion in SSI Federal benefits and State supplementary payments through the fiscal year. Learn more about SSI benefits on our website (www.ssa.gov/benefits/ssi/).

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employee Retirement Income Security Act of 1974, Coal Industry Retiree Health Benefit Act, Supplemental Nutrition Assistance Program, Help America Vote Act, State Children’s Health Insurance Program, E-Verify, Medicaid, and Federal Benefits for Veterans.

Did You Know? We’re with You from Birth through Retirement

Most parents apply for a child’s Social Security Number at birth, usually through the hospital. When the time comes for that first job, the number is already in place. Creating your own my Social Security account lets you review your earnings history, get personalized estimates of future benefits, and manage your benefits once they begin. (www.ssa.gov/myaccount).
HOW SOCIAL SECURITY BENEFITED AMERICA IN FISCAL YEAR 2021

- We paid a combined total of over $1 trillion in Social Security and SSI benefits.
- Approximately 87 percent of the American population age 65 and over received Social Security benefits.
- On average each month, about 1.1 million blind or disabled children under age 18 received SSI benefits.

HOW WE SERVED AMERICA IN FISCAL YEAR 2021

- Processed nearly 12 million applications for new and replacement Social Security Number cards;
- Performed nearly 2.3 billion automated Social Security Number verifications for employers;
- Posted over 277 million earnings items to workers’ records;
- Handled over 31 million calls on our National 800 Number;
- Mailed an estimated 350 million notices;
- Registered over 9.5 million users for my Social Security, our online portal for the public to conduct business with us;
- Processed nearly 290 million online transactions;
- Completed over 9.6 million claims for benefits;
- Completed over 451,000 hearing dispositions;
- Reviewed over 118,000 cases in the Appeals Council;
- Defended almost 28,000 disability cases in Federal court;
- Conducted nearly 511,000 full medical continuing disability reviews (CDR);
- Performed nearly 2.4 million non-medical redeterminations of SSI eligibility;
- Conducted 24 computer matching agreements for data exchanges with various Federal partners, resulting in $7.9 billion in annual savings; and
- Provided access to the Social Security Statement (Statement), mailing approximately 12 million paper Statements and allowing beneficiaries to access their Statements online nearly 64 million times.

Did You Know? You Can Apply for Retirement Benefits Online

Social Security is part of the retirement plan for almost every American worker. It provides replacement income for qualified retirees and their families. When you are ready to retire, our online application makes it easy to apply for benefits. (www.ssa.gov/benefits/retirement/)
OUR ORGANIZATION

Over 59,000 Federal employees and 15,000 State employees serve the public from a network of more than 1,500 offices across the country and around the world. Most of our employees directly serve the public or provide support to employees who do. A diverse, engaged, and well-trained workforce is critical to meeting our service delivery goals. The more effort we place on employee safety, agency-wide communication, employee engagement, training, and development, the better equipped our employees will be to carry out our mission and provide the quality of service the public expects and deserves.

The Coronavirus Disease 2019 (COVID-19) pandemic continues to significantly affect our operations and how we serve the public. Our highest priority during this unprecedented time has been to provide mission-critical services while ensuring the health and safety of the public and our employees in a mostly virtual work environment. We continue to accelerate our planning and implementation of alternative digital and remote services, as well as expand the number of data exchanges to obtain evidence, while remaining available for limited critical, in-person appointments.

Our digital services are available 24 hours a day, providing a convenient, safe option for anyone interested in conducting business with us online. Digital services allow customers to view their Statement, find information about our programs and services, or file for benefits. In FY 2021, the public conducted 290 million transactions through our digital services.

Our National 800 Number callers can conduct business transactions by speaking directly with a customer service representative or through our 24-hour automated services. Our automated services include requesting benefit verification letters, ordering replacement Medicare cards, and obtaining claim status. During the COVID-19 pandemic we published local office telephone numbers, allowing our field office employees to handle significantly more phone calls while maintaining a low busy rate for our National 800 Number. Our processing centers handle the most complex benefit payment decisions, in addition to issuing benefit payments after appeals decisions, determining and collecting debt, correcting records, and performing program integrity work.

State agency disability determination services make disability determinations for initial claims, reconsiderations, and CDRs. We are increasing the processing capacity to address the existing backlog of initial disability claims and an anticipated spike in claims due to the COVID-19 pandemic. It will take a sustained, multi-year effort to work down the backlog of initial disability claims.

Administrative law judges in our hearings offices and administrative appeals judges in our Appeals Council decide appealed cases. In response to the pandemic, we transitioned to temporarily holding voluntary telephone only hearings, allowing us to continue to hear cases remotely. At the end of FY 2020, we provided a video hearing option, using a videoconferencing platform, to conduct hearings remotely and allow applicants and their representatives to participate from any private location where they have access to a camera-enabled smart phone, tablet, or computer. We continue to make progress toward our goal of eliminating the disability hearings backlog. The hearings backlog is now at its lowest level in 20 years. For more information about our organization and its functions, visit our Organizational Structure webpage (www.ssa.gov/org/).

Did You Know? We Provide Service Updates during the COVID-19 Pandemic

Subscribe to receive alerts from us when we add or change information on our COVID-19 Updates webpage (www.ssa.gov/coronavirus/). You also may follow us on Facebook (www.facebook.com/socialsecurity) and Twitter (www.twitter.com/socialsecurity) and subscribe to our blog (blog.ssa.gov).
OVERVIEW OF OUR FISCAL YEAR 2021 GOALS AND RESULTS

HOW WE MANAGE PERFORMANCE

Our Performance Framework: The Government Performance and Results Modernization Act of 2010 (GPRMA) describes how agency strategic plans and goals should align with presidential terms and broader Federal efforts.

Setting goals and measuring our performance is vital to our success. We define our performance framework in the Fiscal Years (FY) 2018–2022 Agency Strategic Plan (ASP) (www.ssa.gov/asp). Our ASP defines our Strategic Goals and details underlying Strategic Objectives, strategies, and relevant risks and mitigation plans.

Our Strategic Goals are:

- Strategic Goal 1: Deliver Services Effectively;
- Strategic Goal 2: Improve the Way We Do Business; and
- Strategic Goal 3: Ensure Stewardship.

Our Planned Performance: In January 2021, we published our Annual Performance Report for FY 2020, and in May 2021, we published our Annual Performance Plan for FY 2022 and Revised Performance Plan for FY 2021 (www.ssa.gov/agency/performance) as part of the President’s FY 2022 Budget Request (www.ssa.gov/budget/). These plans and report outline our tactical plans for achieving the Strategic Goals and Objectives in our ASP, finalizes our performance commitments for FY 2022, and describes how we ensure data integrity of our performance information. The budgeted workloads published in our Annual Performance Report (APR) correspond to the key workload measures contained in the FY 2021 Operating Plan (www.ssa.gov/budget/FY21Files/2021OP.pdf).

Our Actual Performance and Program Results: We update the APR after the close of the fiscal year to provide performance results for the previous fiscal year. We will publish the final APR containing our actual FY 2021 results in February 2022. The final APR will be available on our Annual Performance Plan and Annual Performance Report website (www.ssa.gov/agency/performance/).

This Agency Financial Report summarizes our key initiatives, overall performance results, and financial activities to carry out our mission in FY 2021. The following table shows our operating expenses by Strategic Goal and Objective.
FY 2021 Operating Expenses by Strategic Goal and Strategic Objective  
(Dollars in Millions)

<table>
<thead>
<tr>
<th>Strategic Goal 1: Deliver Services Effectively</th>
<th>$8,508</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Objective 1.1: Improve Service Delivery</td>
<td>$7,561</td>
</tr>
<tr>
<td>Strategic Objective 1.2: Expand Service Delivery Options</td>
<td>$947</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic Goal 2: Improve the Way We Do Business</th>
<th>$2,052</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Objective 2.1: Streamline Policies and Processes</td>
<td>$267</td>
</tr>
<tr>
<td>Strategic Objective 2.2: Accelerate Information Technology Modernization</td>
<td>$1,785</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic Goal 3: Ensure Stewardship</th>
<th>$2,695</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Objective 3.1: Improve Program Integrity</td>
<td>$1,939</td>
</tr>
<tr>
<td>Strategic Objective 3.2: Enhance Fraud Prevention and Detection Activities</td>
<td>$65</td>
</tr>
<tr>
<td>Strategic Objective 3.3: Improve Workforce Performance and Increase Accountability</td>
<td>$530</td>
</tr>
<tr>
<td>Strategic Objective 3.4: Improve Organizational Effectiveness and Reduce Costs</td>
<td>$161</td>
</tr>
</tbody>
</table>

**Our Priorities:** In support of the GPRMA, we established three Agency Priority Goals (APG), which are 24-month goals reflecting our top priorities. We routinely review our progress and take actions to improve our outcomes, promote innovation, and deliver favorable results.

For FYs 2020–2021, our APGs were:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision.
2. Improve the integrity of the Supplemental Security Income (SSI) program by focusing our efforts on reducing overpayments.
3. Improve the customer experience by reducing the Average Speed of Answer on the National 800 Number.

Learn more about APGs on the Performance.gov website (www.performance.gov/SSA), and see how we focus leadership priorities, set outcomes, and measure results to drive significant progress and change.
SUMMARY OF FISCAL YEAR 2021 PERFORMANCE

We highlight the approaches we used to achieve our FY 2021 performance measures; outline some of the challenges we faced meeting these goals; and provide an analysis of our performance. We base our planned performance measures and targets on the President’s Budget request. If necessary, we adjust our resources to ensure we can complete our budgeted workloads and agency goals within our budget.

We had a total of 24 performance measures (including three APGs) that we used to track agency progress towards meeting our Strategic Goals and Strategic Objectives. Overall, we met our targets for 16 of the 20 performance measures for which data were available. Final data for 4 of the performance measure targets were not available at the time we published this report.

We will publish final data for all performance measures in our Annual Performance Plan for FY 2023, Revised Performance Plan for FY 2022, and Annual Performance Report for FY 2021 in February 2022.
STRATEGIC GOAL 1: DELIVER SERVICES EFFECTIVELY

Strategic Objectives

- Improve Service Delivery
- Expand Service Delivery Options

Our goal is to deliver our services effectively whether they are online, on the phone, or in-person. We interact with the public every day and our employees experience firsthand the impact of our programs. We understand that doing our work well matters. We also know that advancements in technology provide opportunities to do business differently, and often more efficiently and conveniently.

The following is a summary of progress toward accomplishing our Strategic Goal and Objectives:

- **my Social Security** is our online portal that provides over 62 million registered users with a convenient, safe option to conduct business with us or view their Social Security Statement (Statement). **my Social Security** offers a broad range of services including changing an address or direct deposit information, getting personal retirement benefit estimates, and requesting a replacement Social Security Number (SSN) card. In FY 2021, we expanded user features for individual representative payees by adding a standardized benefit verification letter and the ability to request a Medicare Replacement card. We also enhanced the ability to track claim status.

- Millions of our customers depend on our National 800 Number technicians to answer important questions. We will continue improving service and reducing wait times through targeted hiring, improved training methods, and additional automated services. In FY 2021, our agents handled more than 31 million calls, over 1 million more calls than in FY 2020. We hired and trained 1,000 additional agents to improve our ability to address 800 Number callers efficiently.

- Individuals most commonly visit our field offices to replace SSN cards. We have been expanding digital service options so adult U.S. citizens who meet certain criteria may apply for a replacement card using our internet Social Security Number Replacement Card online application, which can be accessed with a **my Social Security** account. Forty-four States and the District of Columbia have this option. In FY 2021, we continued to expand service options to reduce the need for members of the public to visit an office for this service.

- Video service delivery (VSD) allows us to provide a video face-to-face service option in over 800 convenient locations across the country such as our field offices, hospitals, libraries, community centers, American Indian tribal centers, homeless shelters, and other government agencies. However, the Coronavirus Disease 2019 (COVID-19) pandemic reduced customers’ ability to access these VSD locations. While VSD requires individuals to go into specific locations that offer VSD service, our videoconferencing platform allows the public to engage in face-to-face video service with our employees from any location, using their smart phone, tablet, or computer. In FY 2021, we deployed videoconferencing to 100 percent of our frontline employees. We also implemented videoconferencing for several workloads, including conducting video hearings with Administrative Law Judges, and contractors conducting representative payee reviews.
• Eliminating the hearings backlog and reducing the time it takes to get a hearing decision remain our most critical priorities. In FY 2021, the average wait time of 326 days is at the lowest level since FY 2001. We expect to eliminate the hearings backlog in FY 2022.

The following dashboard shows our FY 2021 performance measures status, including the Strategic Goal and Objectives:

### FY 2021 Performance at a Glance

<table>
<thead>
<tr>
<th>Strategic Goal 1: Deliver Services Effectively</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Objective 1.1: Improve Service Delivery</strong></td>
</tr>
<tr>
<td>Performance Measure 1.1a: Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision (APG)</td>
</tr>
<tr>
<td>Performance Measure 1.1b: Improve the customer experience by reducing the Average Speed of Answer on the National 800 Number (APG)</td>
</tr>
<tr>
<td>Performance Measure 1.1c: Improve customer service by reducing the number of actions pending at the processing centers</td>
</tr>
<tr>
<td>Performance Measure 1.1d: Expand video service delivery</td>
</tr>
<tr>
<td><strong>Strategic Objective 1.2: Expand Service Delivery Options</strong></td>
</tr>
<tr>
<td>Performance Measure 1.2a: Redesign our website to enhance the user’s online experience</td>
</tr>
<tr>
<td>Performance Measure 1.2b: Maintain customer satisfaction with our online services above Verint ForeSee’s Threshold of Excellence (80)</td>
</tr>
<tr>
<td>Performance Measure 1.2c: Increase the number of successfully completed online transactions</td>
</tr>
</tbody>
</table>

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**Did You Know? You Can Access Our Services Online**

We are constantly expanding our online services to give you freedom and control when conducting business with Social Security. You can apply for retirement, disability, and Medicare benefits online, check the status of an application or appeal, request a replacement Social Security card (in most areas), print a benefit verification letter, and more – from anywhere and from any of your devices! ([www.ssa.gov/onservices/](http://www.ssa.gov/onservices/))
**STRATEGIC GOAL 2: IMPROVE THE WAY WE DO BUSINESS**

**Strategic Objectives**

- Streamline Policies and Processes
- Accelerate Information Technology Modernization

**Social Security Benefit Verification Letter**

Available online at: [www.ssa.gov/myaccount/](http://www.ssa.gov/myaccount/)

Our goal is to deliver services effectively to the public. We continuously evaluate our policies and business processes using data and modern methods to ensure we meet service demands and reinforce efficient and effective service. We recognized our technology infrastructure and existing business systems did not allow us to serve the public the way we want or the way they expect. In response, we developed and updated a plan to modernize our information technology (IT) systems. This multi-year modernization effort is fundamental to our overall ability to improve service to the public.

The following is a summary of progress toward accomplishing our Strategic Goal and Objectives:

- We modernized the *Statement*, which provides users with their earnings records, Social Security and Medicare taxes paid, and future benefit estimates, along with access and links to retirement planning tools, calculators, supplemental fact sheets, and other applicable information. In FY 2021, we launched nine supplemental fact sheets, to accompany the *Statement* and present information based on the user’s age and earnings history.

- We are improving disability case processing through our enterprise-wide efforts to develop and implement modern, national claims processing systems that will seamlessly interact with each other from initial claim filing through a final appeal decision. We are working to integrate the Disability Case Processing System (DCPS2), Hearings and Appeals Case Processing System, and the Quality Review Case Processing System across our offices and State disability determination services (DDS). We are bringing decision support tools using artificial intelligence technologies, machine learning, and predictive analytics to many aspects of the disability determination process to improve decisional accuracy and policy compliance. In FY 2021, we deployed DCPS2 to 4 additional DDSs, bringing the total to 49 of the 52 DDSs supported in production.

- Expanding the use of electronic medical evidence makes it easier for medical providers to submit evidence, allows disability adjudicators to efficiently navigate the record to identify pertinent information, and improves the disability determination process through use of data analytics. In FY 2021, we onboarded 12 new partners to exchange medical records electronically. Additionally, more than half of the evidence we received from medical providers was submitted electronically.
Four years ago, we began a multi-year IT Modernization Plan (www.ssa.gov/open/materials/IT-Modernization-Plan.pdf), supported by $415 million in dedicated appropriations. In 2020, we updated our plan (www.ssa.gov/open/materials/IT-Modernization-Plan-2020-Update.pdf), emphasizing service modernization, which includes building additional digital services; improving and expanding automated services available through our National 800 Number; and providing additional self-service and expedited services in our field offices. In FY 2021, we implemented and enhanced software to enable more efficient document review for disability claims, improve our claimant’s ability to view and track the status of their claims, and better manage wage data.

The following dashboard shows our FY 2021 performance measures status, including the Strategic Goal and Objectives:

### FY 2021 Performance at a Glance

<table>
<thead>
<tr>
<th>Strategic Goal 2: Improve the Way We Do Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Objective 2.1: Streamline Policies and Processes</strong></td>
</tr>
<tr>
<td>Performance Measure 2.1a: Implement a New Framework for the Acquisition of Electronic Medical Evidence</td>
</tr>
<tr>
<td>Performance Measure 2.1b: Increase the percentage of beneficiaries whose successful work outcomes within three years of assignment resulted in a payment to an Employment Network (EN) or State Vocational Rehabilitation (VR) agency</td>
</tr>
<tr>
<td>Performance Measure 2.1c: Update the Listing of Impairments</td>
</tr>
<tr>
<td><strong>Strategic Objective 2.2: Accelerate Information Technology Modernization</strong></td>
</tr>
<tr>
<td>Performance Measure 2.2a: Expand Self-Service for Claims Status Inquiries</td>
</tr>
<tr>
<td>Performance Measure 2.2b: Provide uninterrupted access to our systems during scheduled times of operations</td>
</tr>
<tr>
<td>Performance Measure 2.2c: Maintain effective cybersecurity and privacy programs</td>
</tr>
</tbody>
</table>

Did You Know? You Can Apply for Disability Benefits Online

You can apply for disability benefits as soon as you become disabled. The Disability Insurance and Supplemental Security Income programs provide disability assistance. You may be able to file online for SSI at the same time you file for DI benefits. (www.ssa.gov/benefits/disability/)
**Strategic Goal 3:**
**Ensure Stewardship**

**Strategic Objectives**

- Improve Program Integrity
- Enhance Fraud Prevention and Detection Activities
- Improve Workforce Performance and Increase Accountability
- Improve Organizational Effectiveness and Reduce Costs

Our goal is to ensure stewardship and the efficient administration of our programs, by focusing our efforts in three major areas: improving program integrity, enhancing our fraud prevention and detection activities, and improving workforce performance and increasing accountability.

The following is a summary of progress toward accomplishing our Strategic Goal and Objectives:

- Changes in a person’s work and wages are a leading cause of improper payments in the DI and SSI programs. We developed multiple channels to make it easier for DI beneficiaries, SSI recipients, and representative payees to report earnings electronically via my Social Security, including the online wage reporting application, myWage Report (myWR). In FY 2021, we shared a training video with the public via digital and social media outlets (e.g., YouTube) to promote the use of telephone wage reporting, mobile wage reporting, and myWR.

- Currently, we use numerous systems to record, track, and manage our Old-Age, Survivors, and Disability Insurance (OASDI) and SSI overpayments. We started a multi-year initiative to develop a streamlined, modernized enterprise Debt Management System to enable us to more effectively and efficiently post, track, collect, and report on overpayments. In FY 2021, we released a new online remittance option with Department of Treasury (Treasury) Pay.gov, for repaying OASDI and SSI overpayments, implemented a lockbox service with Treasury, and partnered with Treasury to implement Online Bill Pay so our customers can also pay us online through their financial institutions online bank portal. In addition, we released an automated process for writing-off delinquent and unproductive debts.

- We are focusing on a holistic analytical approach to our fraud risk management and prioritizing our anti-fraud efforts consistent with the *Payment Integrity Information Act of 2019* and the Government Accountability Office *Framework for Managing Fraud Risks in the Federal Programs*. Between FYs 2018 and 2020, we completed fraud risk assessments in key areas including disability, electronic services, and the representative payee program. These assessments were consistent with our Enterprise Fraud Risk Management (EFRM) strategy, established in FY 2019. We also developed strategies to mitigate specific risks identified in those assessments. In FY 2021, we initiated additional risk assessment activities in areas such as employee fraud and the Title II program, consistent with our EFRM strategy. We will continue...

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1 Through the lockbox program, the Department of the Treasury agrees to let certain financial institutions process individual payments.
2 Enterprise Fraud Risk Management is a systematic process to identify possible fraud risks, determine what controls are in place to reduce the likelihood or impact of those risks, and then determine the significance of the residual (remaining risks).
3 The Title II program is also referred to as the Federal old-age, survivors, and disability insurance (OASDI) benefits program. While the Title II program includes benefits administered for disability insurance, the Title II fraud risk assessment does not cover disability. We completed the DI risk assessment separately in December 2017.
our 5-year project to enhance our fraud allegation referral process, providing additional user functionality and enhancing management information.

- We partner with the Office of the Inspector General, State DDSs, and State and local law enforcement divisions to operate cooperative disability investigations (CDI) units. Generally, these units investigate suspected fraud before we award benefits and during the CDR process. We currently have 49 CDI units covering 47 States, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. territories of Guam, American Samoa, the Northern Mariana Islands, and the Virgin Islands. In FY 2021, we added CDI coverage to Maine, Vermont, and Connecticut.

- We provide SSN verifications and exchange birth, death, prisoner, and benefit payment information, as permitted under law, with Federal, State, and private partners. Our data exchanges improve organizational effectiveness and reduce costs by providing reliable data to determine benefits and improve administrative processes, which in turn saves costs and reduces improper payments. In FY 2021, we identified technical solutions for transferring data to support a computer-matching agreement with the Department of Homeland Security to process U.S. citizen and non-citizen foreign travel data. We continue to analyze the technical solutions for implementing systems functionality to exchange computer-matching data.

- We properly train our managers and supervisors so that they are better positioned to train and manage the performance of their staff, enhance employee engagement, increase productivity, and improve retention. In FY 2019, we launched and updated our National Leadership Essentials for New Supervisors curriculum to train new managers and supervisors on management laws and responsibilities, in conjunction with the Office of Personnel Management’s policies and procedures. In FY 2020, we began developing Leadership Fundamentals, a new multi-year online and self-paced curriculum that provides sequential training for managers within the first three years of their supervisory role. In FY 2021, we developed online lessons that encompass the first full year of the Leadership Fundamentals curriculum.

- Our goal is to increase the proficiency of our leadership cadre and pipeline to enhance their readiness to fill potential gaps in leadership and critical positions. In FY 2020, we announced selectees for the National Leadership Development Program (NLDP). We are also developing an automated enterprise-wide approach to succession planning. In FY 2021, we began assignments for our inaugural NLDP Track 1 (GS 15) and Track 2 (GS 12–14) selectees. We also announced selections, completed competency baselines, and began assignments for Track 3 (GS 8–11) selectees. Additionally, we finalized configuration of our succession planning tool.
The following dashboard shows our FY 2021 performance measures status, including the Strategic Goal and Objectives:

### FY 2021 Performance at a Glance

<table>
<thead>
<tr>
<th>Strategic Goal 3: Ensure Stewardship</th>
<th>Strategic Objective 3.1: Improve Program Integrity</th>
<th>Performance Measure 3.1a: Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (APG)</th>
<th>Results available summer 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Performance Measure 3.1b: Maintain a high payment accuracy rate by reducing overpayments, in the Old-Age, Survivors, and Disability Insurance program</td>
<td>Results available summer 2022</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measure 3.1c: Ensure the quality of our decisions by achieving the State disability determination services decisional accuracy rate for initial disability decisions</td>
<td>Results available summer 2022</td>
<td></td>
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<tr>
<td></td>
<td>Performance Measure 3.1d: Modernize our Debt Management System</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td>Strategic Objective 3.2: Enhance Fraud Prevention and Detection Activities</td>
<td>Performance Measure 3.2a: Expand our Cooperative Disability Investigations coverage</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measure 3.2b: Mature the Enterprise Fraud Risk Management Program</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td>Strategic Objective 3.3: Improve Workforce Performance and Increase Accountability</td>
<td>Performance Measure 3.3a: Strengthen manager accountability for effective performance management</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measure 3.3b: Enhance the leadership pipeline through a modernized national leadership development program</td>
<td>Met</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance Measure 3.3c: Ensure new supervisors receive timely training to improve their leadership skills and competencies</td>
<td>Not Met</td>
<td></td>
</tr>
<tr>
<td>Strategic Objective 3.4: Improve Organizational Effectiveness and Reduce Costs</td>
<td>Performance Measure 3.4a: Reduce our real property footprint</td>
<td>Met</td>
<td></td>
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<tr>
<td></td>
<td>Performance Measure 3.4b: Implement the electronic Consent Based Social Security Number Verification Service</td>
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<td></td>
</tr>
</tbody>
</table>
LOOKING FORWARD – FACING OUR CHALLENGES

Social Security programs affect nearly every member of the public at some point in their lives. We are with you from birth, when you start work, if you become disabled or lose a loved one, and when you reach retirement age. We strive to improve access to Social Security services by eliminating systemic barriers to full and equitable participation in our programs by optimizing customer experience; building an inclusive, engaged, and empowered workforce; and ensuring stewardship of our programs.

We are continuing to invest in modern technology and business processes that will help us provide better service to the public and reduce operating costs. We are executing our IT Modernization Plan (www.ssa.gov/open/materials/IT-Modernization-Plan-2020-Update.pdf), which is replacing our legacy systems and enhancing our ability to serve the public accurately and timely. Building on the lessons learned from the COVID-19 pandemic, we will offer more digital service options for the many customers who prefer to do business with us online or by phone.

While we must expand our digital service options, some individuals need in-person service. We must ensure that our programs and services are reaching underserved communities, including individuals facing homelessness, with low income, with limited English proficiency, or with mental and intellectual disabilities. We are working to ensure our SSI program is accessible and to understand why fewer people applied for SSI during the COVID-19 pandemic. We established liaisons in our field offices to work with community-based groups to help us reach people who face barriers accessing our services. We will continue our SSI outreach work, including collaborating closely with other government agencies and third-party organizations in local communities to help members of the public understand possible benefit eligibility and assure convenient access to our services.

The knowledgeable, dedicated, and talented workforce that administers our complex programs is essential to our success. We will invest in our employees, as we eliminate barriers to hiring and advancement to foster an inclusive workforce. We will also treat our employees equitably and support them in their chosen career paths. We are investing in our employees through additional training, including inclusive leadership development; increased workplace flexibilities; and advancements in technology that provide better tools to do the job.

We will prioritize employee and public health and safety with new operating approaches. We are also strengthening our Federal hiring policies so that we can attract, recruit, and retain top talent.

We are working to better serve millions of people while maintaining strong stewardship and rigorous oversight of the programs we administer.

Did You Know? Scammers Are Pretending to be Government Employees

DO NOT BE FOOLED! IF YOU RECEIVE A SUSPICIOUS CALL:

Hang up!

DO NOT give them money or personal information!

Report the scam at oig.ssa.gov!

For more information, visit our website (www.ssa.gov/antifraudfacts/).
HIGHLIGHTS OF FINANCIAL POSITION

OVERVIEW OF FINANCIAL DATA

We received an unmodified opinion on our financial statements from Grant Thornton, LLP. Our financial statements combined the results from the programs we administer, which include the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) programs (referred to as OASDI when discussing them in combination), and the Supplemental Security Income (SSI) program. OASI and DI have separate funds, which are financed by payroll taxes, interest on investments, and income taxes on benefits. General revenues from the U.S. Treasury finance SSI. Our financial statements, notes, and additional information are located in the Financial Section of this report. The following table presents key amounts from our basic financial statements for fiscal years (FY) 2019 through 2021 (excluding key amounts from our Statements of Social Insurance and Statements of Changes in Social Insurance Amounts, which we present in the Table of Key Social Insurance Measures located in the Overview of Social Insurance Data section).

Table of Key Financial Measures
(Dollars in Billions)

<table>
<thead>
<tr>
<th>Net Position (end of fiscal year)</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>$2,893.3</td>
<td>$2,949.1</td>
<td>$2,945.9</td>
</tr>
<tr>
<td>Less Total Liabilities</td>
<td>$121.5</td>
<td>$119.5</td>
<td>$118.9</td>
</tr>
<tr>
<td>Net Position (assets net of liabilities)</td>
<td>$2,771.8</td>
<td>$2,829.6</td>
<td>$2,827.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Net Position (end of fiscal year)</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Costs</td>
<td>$1,194.2</td>
<td>$1,157.7</td>
<td>$1,101.3</td>
</tr>
<tr>
<td>Total Financing Sources&lt;sup&gt;2&lt;/sup&gt;</td>
<td>$1,136.4</td>
<td>$1,160.3</td>
<td>$1,106.0</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>$(57.8)</td>
<td>$2.6</td>
<td>$4.7</td>
</tr>
</tbody>
</table>

Note:
1) Totals do not necessarily equal the sum of rounded components.
2) Total Financing Sources includes the following line items from the Statements of Changes in Net Position located in the Financial Section of this report: Net Change in Unexpended Appropriations, Appropriations Used in Cumulative Results of Operations, Total Non-Exchange Revenue, Transfers-In/Out Without Reimbursement, Imputed Financing Sources, and Other.

Balance Sheet: The Balance Sheet, located in the Financial Section of this report, presents as of a specific point in time, amounts of economic benefits we own or manage (assets), amounts we owe (liabilities), and residual amounts we retain, comprising the difference (net position).

Total assets for FY 2021 are $2,893.3 billion, a 1.9 percent decrease over the previous year. Of the total assets, $2,876.4 billion relate to funds from dedicated collections for the OASI and DI programs. By statute, we invest those funds not needed to pay current benefits in interest-bearing Treasury securities. Our Investments line, which includes interest receivable and accounts for approximately 99.2 percent of our assets, decreased $56.2 billion from the previous year. This decrease is due to a reduction in OASI investments during FY 2021, as the program's
obligations exceeded receipts. This increase in obligations is due primarily to an increase in beneficiaries and the 1.3 percent Cost of Living Adjustment (COLA) beneficiaries received in 2021. In FY 2021, Accounts Receivable, Net With the Public decreased $0.9 billion to $8.6 billion due to programmatic debt write-offs removing certain delinquent debts from the agency’s books.

Liabilities grew in FY 2021 by $2.0 billion primarily because of the growth in benefits due and payable, which is attributable to an increase in the number of OASI beneficiaries, and the 1.3 percent COLA provided to beneficiaries in 2021. The majority of our liabilities (91.2 percent) consists of benefits that have accrued as of the end of the fiscal year, but have not been paid as of September 30, 2021. By statute, payment of OASI and DI program benefits for the month of September does not occur until October. Our net position decreased $57.8 billion to $2,771.8 billion, primarily due to the decrease in assets in FY 2021.

**Statement of Net Cost**: The Statement of Net Cost, located in the *Financial Section* of this report, presents the annual cost of operating our three major programs: OASI, DI, and SSI. The Other category on the Statement of Net Cost consists primarily of our administrative costs not related to the OASI, DI, and SSI programs, and contains non-material activities.

Our net cost of operations includes the gross costs we incurred less any exchange revenue earned from activities. In FY 2021, our total net cost of operations increased $36.5 billion to $1,194.2 billion, primarily due to a 1.4 percent increase in the number of OASI beneficiaries, and the 1.3 percent COLA provided to beneficiaries in 2021. The OASI net cost increased by 4.4 percent, while the DI and SSI net cost decreased 3.2 percent and 1.6 percent respectively. Operating expenses increased for the OASI and DI programs by 6.1 percent and 0.4 percent respectively, while the SSI operating expenses decreased by 0.9 percent. When evaluating our OASI, DI, and SSI Programs, our administrative operating expenses for these programs are only 1.0 percent of these programs’ total benefit expenses.

In FY 2021, our total benefit payment expenses increased by $36.3 billion, a 3.2 percent increase. The table below provides the benefit payment expense information, number of beneficiaries, and the percentage change for these benefit items during FY 2021 and FY 2020 for each of our three major programs. The FY 2021 DI and SSI benefit payment expense decreases are primarily due to a decrease in the number of beneficiaries.

### Benefit Changes in Our Major Programs During Fiscal Years 2021 and 2020

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OASI</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Payment Expense</td>
<td>$986,398</td>
<td>$944,494</td>
<td>4.4%</td>
</tr>
<tr>
<td>Average Monthly Benefit Payment</td>
<td>$1,487.01</td>
<td>$1,446.22</td>
<td>2.8%</td>
</tr>
<tr>
<td>Number of Beneficiaries</td>
<td>55.79</td>
<td>55.02</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>DI</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Payment Expense</td>
<td>$139,818</td>
<td>$144,506</td>
<td>(3.2)%</td>
</tr>
<tr>
<td>Average Monthly Benefit Payment</td>
<td>$1,152.70</td>
<td>$1,126.41</td>
<td>2.3%</td>
</tr>
<tr>
<td>Number of Beneficiaries</td>
<td>9.34</td>
<td>9.73</td>
<td>(4.0)%</td>
</tr>
<tr>
<td><strong>SSI</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Payment Expense</td>
<td>$53,918</td>
<td>$54,837</td>
<td>(1.7)%</td>
</tr>
<tr>
<td>Average Monthly Benefit Payment</td>
<td>$584.74</td>
<td>$576.38</td>
<td>1.5%</td>
</tr>
<tr>
<td>Number of Beneficiaries</td>
<td>7.77</td>
<td>8.05</td>
<td>(3.5)%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Benefit payment expense and the number of beneficiaries are presented in millions.
2. The average monthly benefit payment for OASI, DI, and SSI programs is presented in actual dollars.
Statement of Changes in Net Position: The Statement of Changes in Net Position, located in the Financial Section of this report, presents those accounting items that caused the net position section of the Balance Sheet to change from the beginning to the end of the reporting period. The Statement shows a decrease of $57.8 billion in the net position of our agency, which is attributable to our net cost exceeding our financing sources. OASDI financing sources are primarily made up of tax revenues and interest earned. In addition, OASDI financing sources are affected by transfers-in from our Payments to the Trust Fund accounts and transfers-out to our Limitation on Administrative Expenses accounts. As of September 30, 2021, OASI's FY 2021 net costs exceed financing sources, decreasing its net position. DI's FY 2021 financing sources exceed its net costs, increasing its net position.

We use most of the resources available to us to finance current OASDI benefits and to accumulate investments to pay future benefits. When we need funds to pay administrative expenses or benefit entitlements, we redeem investments to supply cash to cover the outlays.

In FY 2021, total financing sources, as shown in the Table of Key Financial Measures displayed earlier in this section, decreased by $23.9 billion to $1,136.4 billion. This decrease is primarily due to a decrease in OASI tax revenues received in FY 2021. Tax revenue decreased $12.2 billion to $972.3 billion in FY 2021 as a result of negative adjustments to prior year taxable earnings estimates. These adjustments were the result of true-ups of the estimated taxable earnings to actual tax information received by Treasury, which was less than estimated because of the Coronavirus Disease 2019 (COVID-19) pandemic. The $1,136.4 billion in total financing sources from the Statement of Changes in Net Position will not match the amounts reported in the chart “Where It Comes From…” as seen below. The activity reported in the chart includes $0.3 billion in exchange revenue. Our exchange revenues primarily include payments of fees we receive from States that have us administer their State Supplementation of Federal SSI benefits. These amounts are reported on the Statement of Net Cost and are not classified as a financing source.

The following charts summarize the activity on our Statement of Net Cost and Statement of Changes in Net Position by showing the sources and uses of funds for FY 2021.

Where It Comes From…
(Dollars in Billions)

- Tax Revenues $972.3
- General Funds & Other $93.5
- Other Income, Interest & Transfers $70.9

…Where It Goes
(Dollars in Billions)

- OASI Benefit Payments $986.4
- DI Benefit Payments $139.8
- Administrative & Other Expenses $14.4
- SSI Benefit Payments $53.9

Note:
1. The individual items included in the “Where It Comes From…” chart total $1,136.7 billion. Of this total, 0.3 billion relates to exchange revenue, which is not included on the Statement of Changes in Net Position.

The SSI program’s Cumulative Results of Operations are negative due to unfunded Benefits Due and Payable liabilities. Unadjudicated and adjudicated, or pending, claims make up a significant portion of SSI’s Benefits Due and Payable activity. SSI will pay for these benefits using future years’ resources. While the activity is unfunded, we still record an expense, which creates the negative Cumulative Results of Operations since we do not record an associated financing source.

Statement of Budgetary Resources: The Statement of Budgetary Resources, located in the Financial Section of this report, provides information on the budgetary resources available to our agency for the year and shows the status of those resources at the end of FY 2021. The Statement shows that we had $1,254.5 billion in budgetary
resources, of which $5.8 billion remained unobligated at year-end. We recorded total net outlays of $1,192.5 billion by the end of the year. Budgetary resources increased $32.4 billion, or 2.7 percent, from FY 2020, while net outlays increased $38.5 billion, or 3.3 percent. The increase in budgetary resources is primarily due to the OASI Trust Fund using additional Trust Fund reserves to cover increased benefit payment obligations in FY 2021. The increase in net outlays is primarily due to an increase in the number of OASI beneficiaries and the 1.3 percent COLA provided to beneficiaries in 2021.

**USE OF ADMINISTRATIVE RESOURCES**

The chart to the right displays the use of all administrative resources (including general operating expenses) for FY 2021 in terms of the programs we administer or support. Although the DI program comprises only 11.9 percent of the total benefit payments we make, it consumes 19.8 percent of annual administrative resources. Likewise, while the SSI program comprises only 4.6 percent of the total benefit payments we make, it consumes 32.8 percent of annual administrative resources. State disability determination services decide whether the claimants for DI and SSI disability benefits are disabled. In addition, disability determination services perform continuing disability reviews of individuals receiving DI and SSI disability payments to ensure continued eligibility for benefits. The FY 2020 use of administrative resources by program was 26.3 percent for the OASI program, 20.0 percent for the DI program, 33.4 percent for the SSI program, and 20.3 percent for Other.

**SHARE OF FEDERAL OPERATIONS**

The programs we administer constitute a large share of the total receipts and outlays of the Federal Government, as shown in the chart to the right. Receipts for our programs in FY 2021 represented 28.2 percent of the $4.0 trillion in total Federal receipts, a decrease of 5.9 percent from last year. SSA Outlays decreased by 0.1 percent to 17.5 percent of Federal outlays. SSA and Federal outlays increased in FY 2021 compared to FY 2020 by $38.5 and $266.3 billion, respectively.
OVERVIEW OF SOCIAL INSURANCE DATA

Table of Key Social Insurance Measures¹  
(Dollars in Billions)

<table>
<thead>
<tr>
<th>Statements of Social Insurance</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-Age, Survivors, and Disability Insurance (OASDI) (calendar year basis)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present value of future net cash flows² for current and future participants over the next 75 years (open group measure), current year valuation</td>
<td>$(22,742)</td>
<td>$(19,696)</td>
<td>$(16,764)</td>
</tr>
<tr>
<td>Present value of future net cash flows² for current and future participants over the next 75 years (open group measure), prior year valuation</td>
<td>$(19,696)</td>
<td>$(16,764)</td>
<td>$(16,057)</td>
</tr>
<tr>
<td>Change in present value³</td>
<td>$(3,045)</td>
<td>$(2,932)</td>
<td>$(707)</td>
</tr>
</tbody>
</table>

Notes:
1. Totals do not necessarily equal the sum of rounded components.
2. Present values used in this presentation are based on the full amounts of estimated noninterest income and the cost of providing benefits at the levels scheduled under current law, even after the OASI and DI Trust Fund reserves are depleted. Future net cash flows are estimated over the appropriate 75-year period.
3. We provide high-level descriptions of the reason for the change in present value from year to year in the Statement of Changes in Social Insurance Amounts subsection on the following page.

Statements of Social Insurance: The Statements of Social Insurance, located in the Financial Section of this report, present the following estimates:

- The present value of estimated future noninterest income to be received from or on behalf of current participants who have attained retirement eligibility age (i.e., age 62 and over) and the estimated future cost of providing scheduled benefits to those same individuals;
- The present value of estimated future noninterest income to be received from or on behalf of current participants who have not yet attained retirement eligibility age (i.e., ages 15–61) and the estimated future cost of providing scheduled benefits to those same individuals;
- The present value of estimated future noninterest income less estimated future cost for the closed group, which represents all current participants who attain age 15 or older in the first year of the projection period, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the valuation period;
- The present value of estimated noninterest income to be received from or on behalf of future participants (those under age 15, and to be born during the period) and the cost of providing scheduled benefits to those same individuals; and
- The present value of estimated future noninterest income less estimated future cost for the open group, which represents all current and future participants (including those to be born during the projection period) who are now participating or are expected to eventually participate in the OASDI programs, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the valuation period.

Estimated future noninterest income shown in the bullets above consists of payroll taxes from employers, employees, and self-employed persons; revenue from Federal income-taxation of scheduled OASDI benefits; and miscellaneous reimbursements from the General Fund of the Treasury. It does not include interest income on reserves held in the combined OASI and DI Trust Funds. The estimated future cost shown in the bullets above includes benefit amounts scheduled under current law, administrative expenses, and net transfers with the Railroad Retirement program.
The present value of estimated future net cash flows (estimated noninterest income less estimated cost for scheduled future benefits) for all current and future participants over the next 75 years (open group measure) decreased from -$19.7 trillion, as of January 1, 2020, to -$22.7 trillion, as of January 1, 2021. The deficit, therefore, increased in magnitude by about $3.0 trillion. Including the reserves in the combined OASI and DI Trust Funds increases this open group measure by about $2.9 trillion, to -$19.8 trillion, for the 75-year valuation period.

The present value of estimated future net cash flows for all current participants (who attain age 15 or older in the first year of the projection period) over the next 75 years, plus the reserves in the combined OASI and DI Trust Funds as of the beginning of the period, is -$42.6 trillion (closed group measure). Including future participants (those under age 15, and to be born during the projection period) over the next 75 years decreases the projected deficit by $22.7 trillion to the open group measure of -$19.8 trillion.

**Statements of Changes in Social Insurance Amounts:** The Statements of Changes in Social Insurance Amounts, located in the Financial Section of this report, reconcile the changes (between the current valuation period and the prior valuation period) in the present value of estimated future noninterest income less estimated future cost for current and future participants (the open group measure) over the next 75 years. This reconciliation identifies those components of the changes that are significant and provides reasons for the changes.

**From January 1, 2020 to January 1, 2021:** The present value as of January 1, 2021 decreased (became more negative) by $0.7 trillion, due to advancing the valuation date by one year and including the additional year, 2095. Changes for this valuation, and their effects on the present value of estimated future net cash flows, are as follows:

- Changes in demographic data, assumptions, and methods increased the present value of estimated future net cash flows by $0.2 trillion;
- Changes in economic data, assumptions, and methods decreased the present value of estimated future net cash flows by $1.2 trillion;
- Changes in programmatic data and methods decreased the present value of estimated future net cash flows by $1.2 trillion; and
- Changes in law or policy decreased the present value of estimated future net cash flows by less than $0.1 trillion.

Significant changes made for this valuation included:

- Lowering the near-term fertility rates;
- Increasing the ultimate total fertility rate from 1.95 to 2.00 children per woman, in conjunction with switching from a period-based model approach to a cohort-based model for birth rates;
- Increasing near-term death rates to account for the elevated deaths during the COVID-19 pandemic;
- Adding a cause of death category and updating the ultimate mortality improvement rate assumptions for certain causes of deaths and age groups;
- Lowering the ultimate age-sex adjusted unemployment rate from 5.0 percent to 4.5 percent, in conjunction with updating the model for projecting labor force participation to incorporate the latest complete economic cycle;
- Increasing the average real wage differential from 1.14 percent to 1.15 percent; and
- Updating economic starting values and near-term growth assumptions to reflect the COVID-19 pandemic and the ensuing economic recession, in particular lowering near-term real interest rates and lowering the level of potential gross domestic product by roughly 1 percent beginning with the second quarter of 2020.

**From January 1, 2019 to January 1, 2020:** The present value as of January 1, 2020 decreased (became more negative) by $0.6 trillion, due to advancing the valuation date by one year and including the additional year, 2094. Changes for this valuation, and their effects on the present value of estimated future net cash flows, are as follows:
• Changes in demographic data, assumptions, and methods decreased the present value of estimated future net cash flows by $0.4 trillion;
• Changes in economic data, assumptions, and methods decreased the present value of estimated future net cash flows by $1.8 trillion;
• Changes in programmatic data and methods increased the present value of estimated future net cash flows by $0.3 trillion; and
• Changes in law or policy decreased the present value of estimated future net cash flows by $0.3 trillion.

Significant changes made for this valuation included:

• Incorporating the effects of a law that repealed the provision of the Affordable Care Act that specified an excise tax on employer-sponsored group health insurance premiums;
• Lowering the ultimate total fertility rate from 2.00 to 1.95 children per woman;
• Lowering the ultimate rate of price inflation (CPI-W) by 0.2 percentage point, from 2.6 percent to 2.4 percent;
• Lowering the ultimate real interest rate by 0.2 percentage point, from 2.5 percent to 2.3 percent; and
• Lowering the ultimate disability incidence rate from 5.2 to 5.0 per thousand exposed, and lowering the near-term path to reach that lower ultimate rate.

**OASI AND DI TRUST FUND SOLVENCY**

Significant uncertainty surrounds the estimates for the Statements of Social Insurance. In particular, the actual future values of demographic, economic, and programmatic factors are likely to be different from the near-term and ultimate assumptions used in the projections. Some examples of sources of near-term uncertainty include the path of the recovery from the COVID-19 pandemic and the ensuing recession, and unanticipated changes in inflation or interest rates. Some examples of sources of long-term uncertainty include the effects of climate change, levels of federal debt, and possible future global events and technical advances. To illustrate the uncertainty of the projections, we include sensitivity analysis on a range of long-term assumptions in the Required Supplemental Information: Social Insurance section of this report.

**PAY-AS-YOU-GO FINANCING**

The OASI and DI Trust Funds are deemed solvent as long as reserves are sufficient to finance program obligations in full and on a timely basis. Such solvency is indicated, for any point in time, by the maintenance of positive OASI and DI Trust Fund reserves. In recent years, current income, including interest income on reserves held in the combined OASI and DI Trust Funds, has exceeded program obligations for the OASDI program; therefore, the combined OASI and DI Trust Fund reserves have been growing.

The following table shows that the combined OASI and DI Trust Fund reserves, expressed in terms of the number of months of program obligations that these reserves could finance, has been declining slowly. This measure indicates the ability of the OASI and DI Trust Funds to cover most short-term financial contingencies. The number of months that the reserves of the combined OASI and DI Trust Funds could finance was 35.1 months at the end of FY 2017, declining to 33.2 months at the end of FY 2018, to 31.8 months at the end of FY 2019, and to estimated values of 30.6 and 28.3 months at the end of FY 2020 and FY 2021, respectively. The historical values shown in the table for the DI Trust Fund increased from FY 2017 to FY 2019 primarily due to the Bipartisan Budget Act of 2015, which reallocated a portion of the payroll tax rate from the OASI Trust Fund to the DI Trust Fund. The values for DI are projected to increase slightly at the end of FY 2020, but are projected to reverse and begin to decline at the end of FY 2021.
### Number of Months of Cost
#### Fiscal-Year-End Trust Fund Reserves Can Pay$^{1,2}$

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>OASI</td>
<td>31.3</td>
<td>33.9</td>
<td>35.5</td>
<td>37.5</td>
<td>40.2</td>
</tr>
<tr>
<td>DI</td>
<td>7.6</td>
<td>8.0</td>
<td>7.9</td>
<td>7.6</td>
<td>5.7</td>
</tr>
<tr>
<td>Combined</td>
<td>28.3</td>
<td>30.6</td>
<td>31.8</td>
<td>33.2</td>
<td>35.1</td>
</tr>
</tbody>
</table>

Notes:
1. Computed as 12 times the ratio of end-of-year reserves to cost in the following fiscal year.

### Short-Term Financing

A trust fund for a program is deemed adequately financed for the short term when actuarial estimates of its reserves for the beginning of each calendar year are at least as large as the program’s obligations for the year. Projections in the 2021 Trustees Report indicate that, on a hypothetical combined basis, the OASI and DI Trust Funds fail the short-range test of financial adequacy, and are therefore not adequately financed over the next 10 years. Under the intermediate set of assumptions of the 2021 Trustees Report, OASDI estimated costs of $1,936 billion and income of $1,632 billion for 2030 are 75 percent and 46 percent higher than the corresponding amounts in 2020 ($1,107 billion and $1,118 billion, respectively). From the end of 2020 to the end of 2030, combined OASI and DI Trust Fund reserves are projected to decrease by 54 percent, from $2.9 trillion to $1.3 trillion.

### Long-Term Financing

Social Security’s financing is not projected to be sustainable over the long term with the tax rates and benefit levels scheduled in current law. Under the intermediate set of assumptions of the 2021 Trustees Report, program costs will exceed noninterest income in all years of the 75-year projection period. The combined OASI and DI Trust Fund reserves are projected to be depleted in 2034. Tax revenues are projected to be sufficient to support expenditures at a level of 78 percent of scheduled benefits after the combined OASI and DI Trust Fund depletion in 2034, declining to 74 percent of scheduled benefits in 2095.

The primary reasons for the projected long-term inadequacy of financing under current law relate to changes in the demographics of the United States: birth rates dropping substantially after 1965, retirees living longer, and baby boomers beginning their retirements. In present value terms, the 75-year shortfall is $19.8 trillion, which is 3.35 percent of taxable payroll and 1.2 percent of gross domestic product over the same period. Some of the possible reform alternatives being discussed—singularly or in combination with each other—are:

- Increasing payroll taxes;
- Slowing the growth in benefits;
- Finding other revenue sources (such as general revenues); or
- Increasing expected returns by investing the OASI and DI Trust Fund reserves, at least in part, in private securities.
LIMITATIONS OF THE FINANCIAL STATEMENTS

The principal financial statements beginning on page 43 have been prepared to report the financial position and results of operations of the Social Security Administration, pursuant to the requirements of 31 United States Code 3515(b). While the statements have been prepared from the books and records of the Social Security Administration in accordance with generally accepted accounting principles for Federal entities and the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

CLIMATE CHANGE

We continue to support climate change mitigation and are committed to providing a healthy and clean environment to everyone, including those we serve. In support of Executive Order (EO) 14008, Tackling the Climate Crisis at Home and Abroad (https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/), we created a Climate Action Plan. Our plan demonstrates our commitment to conserve resources by encouraging employees and contractors to reduce energy consumption and water usage, reduce the amount of waste produced, and promote re-use and recycling whenever possible. Our plan is to install renewable energy technology, use as much pollution-free electricity as possible, and reduce emissions from our vehicles and heating plants. We will also address the climate crisis through investments in physical and natural infrastructure.

In our plan we identify five priority adaptation actions of climate change at our delegated facilities, which are located in four of the ten climate regions identified in the National Climate Assessment Report. The plans for these priority adaptation actions prepare us for power disruptions, increased flooding in both coastal and non-coastal locations, reduced water supply, and disruptions and damage to transportation infrastructure.

Within each of these five priority actions we may face funding challenges if climate events affect our operations. These funding challenges include the loss or replacement of facilities, fleet, and information technology equipment, as well as health and safety costs to maintain operations during severe climate related events. We also face climate-related financial risks and the Office of the Chief Financial Officer will lead our efforts to strategically plan actions to mitigate climate vulnerabilities and lessen climate-related financial risks.
ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

MANAGEMENT ASSURANCES

Fiscal Year 2021 Acting Commissioner’s Assurance Statement

SSA management is responsible for managing risks and maintaining effective internal control and financial management systems (FMS) to meet the objectives of Sections 2 and 4 of the Federal Managers’ Financial Integrity Act (FMFIA). We conducted our assessment of risk and internal control in accordance with the requirements of Office of Management and Budget (OMB) Circular No. A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control. Our assessment considered the design and operating effectiveness of our data quality controls to ensure they support Digital Accountability and Transparency Act reporting objectives as outlined in our Data Quality Plan. Based on the assessment results, we can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2021.

The agency’s internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with U.S. Generally Accepted Accounting Principles. Management is also responsible for designing, implementing, and maintaining effective internal control over financial reporting. An entity’s internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. Generally Accepted Accounting Principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements.

We conducted our assessment of the effectiveness of internal control over financial reporting, based on criteria established in the Standards for Internal Control in the Federal Government, issued by the Comptroller General of the United States. Based on the assessment results, we concluded that, as of September 30, 2021, SSA’s internal control over financial reporting is effective.

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires Federal agencies to implement and maintain FMSs that comply substantially with: 1) Federal FMS requirements; 2) applicable Federal accounting standards; and 3) the U.S. Standard General Ledger at the transaction level. We conducted an assessment of our FMSs in accordance with the requirements of OMB Circular No. A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996. Based on the assessment results, we determined our FMSs substantially comply with FFMIA and conform to the objectives of FMFIA. In making this determination, we considered all available information, including the auditor’s opinion on our fiscal year 2021 financial statements, the report on the effectiveness of internal controls over financial reporting, and the report on compliance with laws and regulations. We also considered the results of the FMS reviews and management control reviews conducted by the agency and its independent contractor.

Kilolo Kijakazi
Acting Commissioner
November 10, 2021
AGENCY FEDERAL MANAGERS’ FINANCIAL INTEGRITY ACT PROGRAM

We have a well-established, agency-wide management control and financial management systems (FMS) program as required by the Federal Managers’ Financial Integrity Act (FMFIA). We accomplish the objectives of the program by:

- Integrating management controls into our business processes and FMSs at all organizational levels;
- Reviewing our management controls and FMS controls on a regular basis; and
- Developing corrective action plans for control weaknesses and monitoring those plans until completion.

We incorporate effective internal controls into our business processes and FMSs through the life cycle development process. We incorporate the necessary controls into the user requirements, certify the controls are in place by having management review the new or changed processes and systems, and test the controls prior to full implementation to ensure they are effective.

We identify management control issues and weaknesses through audits, reviews, studies, and observations of daily operations. We conduct internal reviews of management and systems security controls in our administrative and programmatic processes and FMSs. These reviews evaluate the adequacy and efficiency of our operations and systems, and provide overall assurance that our business processes are functioning as intended. The reviews also ensure management controls and FMSs comply with the standards established by FMFIA, the Federal Financial Management Improvement Act of 1996, and Office of Management and Budget (OMB) Circular Nos. A-123 and A-130. Throughout the fiscal year, management control issues and weaknesses are reviewed individually and in the aggregate to determine if a reportable condition exists.

Our managers are responsible for ensuring effective internal control in their areas and communicating possible reportable conditions as necessary. We require senior-level executives to submit annual statements to the Acting Commissioner providing reasonable assurance that functions and processes under their areas of responsibility were functioning as intended and that there were no major weaknesses that would require reporting, or a statement indicating they could not provide such assurance. This executive accountability assurance provides an additional basis for the Acting Commissioner’s annual assurance statement.

Our Executive Internal Control Committee, consisting of senior managers, ensures our compliance with FMFIA and other related legislative and regulatory requirements. The Executive Internal Control Committee evaluates identified major control weaknesses to determine if they are material, and if the Acting Commissioner must make a final determination on whether to report them.

For more information, please refer to the Summary of Financial Statement Audit and Management Assurances located in the Other Reporting Requirements section of this report.

MANAGEMENT CONTROL REVIEW PROGRAM

In compliance with OMB Circular No. A-123, we have an agency-wide review program for management controls in our administrative and programmatic processes. The reviews encompass our business processes, such as enumeration, earnings, claims and post-entitlement events, and debt management. We conduct these reviews at our field offices, processing centers, hearings offices, and at the State disability determination services. These reviews indicate our management control review program is effective in meeting management’s expectations for compliance with Federal requirements.

FINANCIAL MANAGEMENT SYSTEMS REVIEW PROGRAM

The agency maintains an FMS inventory and conducts reviews of the FMSs to ensure they meet Federal requirements. In addition to our financial systems, we include all major programmatic systems in the FMS inventory. On a three-year cycle, an independent contractor performs detailed reviews of our FMSs. During fiscal year (FY) 2021, the results of these reviews did not disclose any significant weaknesses that would indicate noncompliance with laws, Federal regulations, or Federal standards.
GOVERNMENT ACCOUNTABILITY OFFICE’S, STANDARDS FOR INTERNAL CONTROL IN THE FEDERAL GOVERNMENT

In FY 2021, we engaged an independent accounting firm to assess our compliance with the revised Government Accountability Office’s (GAO), Standards for Internal Control in the Federal Government. The standards provide the internal control framework and criteria that Federal managers should use to design, implement, and operate an effective internal control system that will provide us with reasonable assurance that we will achieve our operations, reporting, and compliance objectives. Based on the procedures performed, the independent accounting firm concluded we have an adequately designed system of internal controls that meets the GAO’s standards.

ENTERPRISE RISK MANAGEMENT

We continue to mature our Enterprise Risk Management (ERM) program in accordance with the requirements of OMB Circular No. A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control. We have implemented a multi-year strategy that will further integrate our existing internal control and risk management frameworks with our strategic planning and review processes. During FY 2021, we further aligned ERM with our Cybersecurity and Enterprise Fraud Risk Management programs, including developing an Integration Framework to assist with integrating agency programs with ERM. In addition, we finalized our risk appetite statement, conducted market research on obtaining a Governance, Risk, and Compliance tool to assist with our ERM efforts, and developed an evaluation process to determine our ERM maturity.

FINANCIAL STATEMENT AUDIT

The Office of the Inspector General contracted with Grant Thornton LLP (Grant Thornton) for the audit of our FY 2021 financial statements. Grant Thornton found we present fairly the basic financial statements, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for Federal entities.

Grant Thornton also found that the sustainability financial statements, which comprise the Statement of Social Insurance as of January 1, 2021, and the Statement of Changes in Social Insurance Amounts for the period January 1, 2020 to January 1, 2021, are presented fairly, in all material respects, in accordance with U.S. GAAP.

Grant Thornton found we maintained, in all material respects, effective internal control over financial reporting as of September 30, 2021, based on the criteria established in the Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States.

In this year’s financial statement audit, Grant Thornton cited three significant deficiencies identified in prior years. These significant deficiencies concern internal control over certain financial information systems controls, information systems risk management, and internal control over accounts receivable with the public (benefit overpayments). We resolve the deficiencies identified by audits through risk-based corrective action plans to mitigate risks and strengthen our control environment.

For more information on the auditors’ findings and our plans to correct the findings, please refer to the Report of Independent Certified Public Accountants section of this report.

FEDERAL INFORMATION SECURITY MODERNIZATION ACT

The Federal Information Security Management Act of 2002 (FISMA), as amended by the Federal Information Security Modernization Act of 2014, requires Federal agencies to ensure adequate security protections for Federal information systems and information. Under this act, Federal agencies must submit annual FISMA reports to OMB. We submitted this year’s report timely. Our report summarizes the results of our security reviews of major information systems and programs, our progress on meeting the Administration’s cybersecurity priorities, and the results of other work performed during the reporting period using government-wide cybersecurity performance measures.
For the FY 2021 FISMA Audit, Grant Thornton acknowledged the agency’s establishment of an agency-wide information security program, including our risk-based approach to strengthening controls over our information systems.

We strive to improve our effectiveness and further mature our FISMA program. In FY 2021, we made substantial improvements in our cybersecurity program by increasing emphasis on enterprise cyber governance and oversight by creating greater awareness of overarching issues and the related risk mitigation activities, and establishing more accountability for completion of program objectives and milestones. Additionally, we continued expanding our executive compliance dashboard to reinforce and monitor our performance in meeting key security controls. We are pleased that Grant Thornton assessed that we have an effective Incident Response program for the second year in a row. In addition, we achieved higher maturity scores in the functions of Protect and Recover as compared to prior year as well as higher scores across several individual metrics. The agency handles all auditor findings with the utmost importance, and will continue to aggressively pursue an accelerated risk-based remediation approach, where possible, to address the remaining high-risk findings and mature our security posture. We will continue to practice a defense in depth cyber strategy that employs a strong set of security controls, technologies, policies, and procedures to manage risk reasonably and to protect the confidentiality, integrity, and availability of information system resources. Properly securing our information systems and protecting the public’s personally identifiable information is our highest priority.

To improve our processes and capabilities, we will continue to design and implement new and enhanced security controls. Through FY 2022, we will continue to support multiple investments in key areas of Risk Management, Configuration Management, Identity Management, and Continuous Monitoring. In order to implement these improvements, we work in close cooperation with our senior management, budget and procurement stakeholders, and program leads to plan and prioritize the required funding and staffing resources. While undergoing this process, we remain vigilant in our efforts by evaluating risk, deploying security controls, and keeping abreast of the ever-evolving threat landscape to safeguard the personally identifiable information that we have been entrusted with by every citizen and non-citizen.

We acknowledge that we have more work to do to improve our information security program. We look forward to elevating the maturity of our program through a holistic approach, demonstrating progress through planned improvements to our cybersecurity program, enhancing our security posture with risk based decisions, and aggressive remediation of significant audit findings and program deficiencies.

FINANCIAL MANAGEMENT SYSTEMS STRATEGY

Over the years, we have worked hard to improve our financial management practices. We continue to develop initiatives to enhance the existing financial and management information systems. Our actions demonstrate discipline and accountability in the execution of our fiscal responsibilities as stewards of the Social Security programs. Going forward, our goal is to achieve government-wide and internal financial management milestones established for improvement.

Annually, we review and update our FMS inventory to reflect the status of our systems modernization projects. We categorize our inventory of nine FMSs under the broad headings of Program Benefits, Debt Management, or Financial/Administrative and continue the long-term development of our FMSs following a defined strategy.

In FY 2018, we began modernization efforts to build a new Debt Management System (DMS). This information technology investment is a multi-year effort that will build a comprehensive overpayment system enabling us to record, track, collect, and report our overpayments more efficiently.

The Debt Management Product is a modernization effort focused not only on a new DMS, but also on modernizing the way we do business and offer services to the public. This includes updating our accounting and reporting for delinquent and unproductive debts, streamlining our current manual remittance process, and providing modern platforms and electronic services for those individuals seeking to pay the agency, such as utilizing online payment methods.
The new DMS will also expand the Non-Entitled Debtors (NED) program to collect debts from debtors who have never been entitled to Old-Age, Survivors, and Disability Insurance (OASDI) benefits or Supplemental Security Income (SSI) payments. Currently, NED captures payments made to representative payees after the death of an OASDI beneficiary and overpayments to representative payees prior to the death of the OASDI beneficiary for which the payee is responsible. In addition, we will further implement Section 104 of the *Strengthening Protections for Social Security Beneficiaries Act of 2018* to establish State responsibility for overpayments that occurred for OASDI childhood beneficiaries and SSI child recipients while in State-administered foster care. During the development of the new DMS, we will accommodate the remaining debt collection tools authorized by the *Debt Collection Improvement Act of 1996*.

We anticipate launching the new DMS and transitioning from legacy systems by the end of FY 2023. In FY 2021, due to the COVID-19 pandemic, we adjusted the launch date from FY 2022 to FY 2023 to focus agency resources on multiple near-term, value-driven, business debt management priorities. In FY 2021, we made several enhancements to our manual paper remittance process, which, along with our previously implemented Social Security Electronic Remittance System, now account for almost 50 percent of our remittance activity. These efforts include:

- In January 2021, we partnered with the Department of the Treasury’s (Treasury) Pay.gov team to implement our first online repayment option for OASDI beneficiaries and SSI recipients to repay benefit overpayments via credit or debit card and an automated clearing house (ACH) (i.e., a checking or savings account).
- Also, in January 2021, we partnered with Treasury to use U.S. Bank, a financial agent for Treasury, to implement a lockbox service to assist with our paper remittance processing efforts.
- In July 2021, we implemented Online Bill Pay, allowing debtors to make a one-time or recurring ACH draft from a bank account using a personal computer or mobile phone.

For additional information, please refer to the *Financial Management Initiatives Advancing Our Mission* and Debt Collection sections.

For the Financial/Administrative systems category, the Social Security Online Accounting and Reporting System (SSOARS) has been our accounting system of record since implementation in 2003. SSOARS is a federally certified accounting system based on Oracle Federal Financials and consists of core accounting, payables, purchasing, receivables, iStore, and WebCenter. SSOARS produces management information reports and provides real-time integration with administrative and programmatic systems.

In FY 2021, we implemented a major upgrade to move SSOARS to Oracle E-Business Suite 12.2.9. This upgrade was required to maintain full Oracle support for our installed products, quarterly patching, and enhanced functionality patches mandated by the General Services Administration and Treasury. We upgraded Single Sign-On and Service-Oriented Architecture services to a higher supported version and reconfigured WebCenter and Business Intelligence Publisher to work with the Edge modern browser. In FY 2022, we will be upgrading the underlying Oracle database versions from version 12 to version 19c, implementing Unique Entity Identifier and G-Invoicing functionality along with patching SSOARS to work with Edge by June 2022.

**Digital Accountability and Transparency Act**

We submitted and certified the required reports for the *Digital Accountability and Transparency Act of 2014* (DATA Act) for the fourth quarter of FY 2020 and the first, second, and third quarters of FY 2021. These reports were submitted monthly as required by OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)*. Additionally, we have submitted the required reports for July, August, and September 2021.

We are continuing to engage with the DATA Act community to develop improvements to the DATA Act Information Model Schema. We participate in various workgroups to develop policy, guidance, and new reporting
requirements. The DATA Act effort will continue to enhance our transparency through improved consistency. In addition, we are providing more detailed data to the USA Spending public website (www.USAspending.gov) and additional data to Treasury.

In compliance with OMB Memorandum M-18-16, Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk, we have developed a Data Quality Plan to ensure we have effective internal controls over the input and validation of data submitted to USAspending.gov. We leverage our existing FMFIA program activities to identify critical risk points and corresponding mitigating controls, and assess the design and operating effectiveness of our data quality controls to ensure they support DATA Act reporting objectives. We also consider the results of our assessment in our FMFIA annual assurance statement process.
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