

A MESSAGE FROM THE ACTING COMMISSIONER



As the Acting Commissioner of the Social Security Administration (SSA), I present our fiscal year (FY) 2022 *Agency Financial Report*. The report details how we managed our resources and delivered services to the public in the past fiscal year.

Our employees are the heart of the agency. Each day, they accomplish our mission to deliver quality Social Security services to the American people. Our efforts center around three overarching Strategic Goals: Optimize the Experience of SSA Customers; Build an Inclusive, Engaged, and Empowered Workforce; and Ensure Stewardship of SSA Programs. We discuss our progress towards meeting these goals in the *Overview of Our Fiscal Year 2022 Goals and Results* section.

In FY 2022, we improved access to our services, while addressing significant challenges. Agency-wide, in FY 2022, we hit our lowest staffing level in 25 years driven by hiring freezes, years of insufficient funding and compounded by recent unprecedented attrition. We are striving to replace our staffing losses, especially in the State disability determination services (DDS). We face a growing volume of disability claims at the initial and reconsideration levels, a backlog of claims at our processing centers, and a delay in eliminating our hearings backlog. A special team is working to increase DDS processing capacity and address pending initial disability claims. Our full FY 2023 President's Budget request includes the resources necessary to reduce our backlogs, restore our workforce, and improve customer service.

As good stewards of our programs and as required by law, we must continue our quality reviews, cost-effective program integrity work, and payment accuracy efforts to ensure eligible individuals receive the benefits for which they are entitled, by reducing both overpayments and underpayments. Expanded data analytics, predictive modeling, and strategic partnerships will help us effectively administer benefits and protect our programs from waste, fraud, and abuse.

I am pleased to share that for the 29th consecutive year, we received an unmodified opinion on our financial statements. Based on the results of our internal evaluations, I can provide reasonable assurance that the financial and performance information contained in this report is complete, reliable, and accurate. We also have no material weaknesses in our internal controls.

Respectfully,

A handwritten signature in black ink that reads "Kilolo Kijakazi".

Kilolo Kijakazi, Ph.D., M.S.W.

Baltimore, Maryland
November 10, 2022

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<p>This report is available on our <i>Agency Financial Report</i> website.</p>
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INTRODUCTION

Our *Agency Financial Report* (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 provides an overview of our mission, organization, Strategic Goals and Objectives (as defined in our *Fiscal Years (FY) 2022-2026 Agency Strategic Plan*), Priority Goals, and FY 2022 performance measures. We highlight our progress toward accomplishing our Strategic Goals and Objectives and discuss our plans to achieve our mission. We provide a summary of the financial information contained in subsequent sections of the AFR. We also include analysis of our systems, controls, and legal compliance.



FINANCIAL SECTION: The *Financial Section* contains *A Message from the Chief Financial Officer* and a summary of financial management initiatives that advanced the agency's mission. We also include our audited financial statements, the accompanying notes to those statements, and required supplementary information, including the Combining Schedule of Budgetary Resources and information on Social Insurance. This section concludes with the *Report of Independent Certified Public Accountants* section.



OTHER INFORMATION: The *Other Information* section includes our *Summary of Financial Statement Audit and Management Assurances* tables, as well as *The Social Security Administration's Major Management and Performance Challenges During Fiscal Year 2022*. We also provide information on our payment integrity, entitlement reviews and Office of the Inspector General anti-fraud activities, civil monetary penalties, biennial review of user fee charges, grants programs, climate-related financial risk, and debt collection and management activities.



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.

For the 24th year in a row, we received the Association of Government Accountants' Certificate of Excellence in Accountability Reporting (CEAR) award. Receiving the CEAR award for our FY 2021 AFR is a significant accomplishment for a Federal agency.

