

Social Security



**Accountability Report
For Fiscal Year 1999**



Foreword

We are proud to issue our fourth Accountability Report covering FY 1999 performance. The Accountability Report, authorized by the Office of Management and Budget, consolidates the mandatory reporting requirements of the Chief Financial Officers Act, Government Performance and Results Act (GPRA), Debt Collection Act and the Federal Managers' Financial Integrity Act. Also included are the Inspector General's Report to Congress and the Social Security Administration's (SSA) Management Report on Final Action to Office of Inspector General (OIG) recommendations. In addition, we have incorporated the reporting requirements of Section 206(g) of the Social Security Independence and Program Improvement Act.

SSA's first Annual Performance Report for FY 1999 required by GPRA is presented on pages 56 through 79. It contains actual performance achieved in FY 1999 compared with the performance targets set forth in SSA's Annual Performance Plan for FY 1999.

The program and financial performance information presented in this report covers all the programs administered by SSA. The Management Discussion and Analysis provides retrospective, as well as prospective, information that is relevant to SSA and its stakeholders. A number of key issues that will impact our future operations such as program solvency and Year 2000 computer readiness are discussed in the "Major Issues Facing SSA" section. The Management Discussion and Analysis also includes the "Performance Goals and Results" section that discusses the Agency's five strategic goals and key performance measures used to gauge our success in meeting these strategic goals. This section graphically presents trend data for key GPRA performance indicators and a discussion of the Agency's progress in meeting FY 1999 performance targets.

Following the Management Discussion and Analysis section are the Agency's audited financial statements and footnotes that received an unqualified opinion from the independent accounting firm of PricewaterhouseCoopers. Next, additional program and financial information is discussed. The report concludes with the auditor's opinion on SSA's financial statements, report on SSA's assertion on internal controls, report on SSA's compliance with laws and regulations and the OIG's Report to the Congress.

SSA's Accountability Report and other information about the Social Security programs are available through the Internet on SSA's home page at <http://www.ssa.gov>. The SSA home page is updated on an ongoing basis with current information relating to the Social Security programs and our administration of those programs.



SOCIAL SECURITY

A Message From the Commissioner

I am pleased to present the Social Security Administration's (SSA) Accountability Report for fiscal year (FY) 1999. The report provides a complete picture of SSA's FY 1999 performance and discusses programmatic, financial and management issues in order to assess accountability in meeting our mission. The report also includes SSA's first Annual Performance Report required by the Government Performance and Results Act (GPR). The GPR Performance Report demonstrates SSA's progress in meeting FY 1999 targets for performance indicators set forth in the Agency's FY 1999 Annual Performance Plan.

During FY 1999, SSA continued to make great strides in addressing the priorities I established as Commissioner: educating the public on the long-term solvency of the Social Security program; assuring program integrity; providing responsive service to the public; improving the administration of our Disability and Supplemental Security Income programs; and strengthening our long-range planning and our policy making processes. We also continue to develop innovative ways to educate the American public about the value of the Social Security program and its role in personal financial planning. While we are proud of our current accomplishments, and although we have initiatives in place to further improve our performance, the Agency is experiencing significant stresses due to increasing demands for services in a period of constrained resources. The aging of America will place even greater strains on our ability to deliver the quality of service that Americans have come to expect from our Agency. These are critical future challenges.

I am pleased to report that this is the sixth consecutive year SSA's financial statements have received an unqualified opinion. Furthermore, the auditors found that management's assertion on SSA's compliance with the Office of Management and Budget's accounting and internal control objectives is fairly stated in all material respects. In addition, one of the reportable conditions from FY 1998 is no longer identified as a reportable condition in FY 1999 and the auditors also observed that noteworthy progress was made in addressing the remaining ones. While improvements have been made in the internal control area, we recognize that more needs to be done and are committed to strengthening these remaining areas as soon as possible.

Earlier this year, SSA was awarded the highest marks among Federal agencies surveyed in one of the most comprehensive studies of government management ever conducted. The Maxwell School of Citizenship and Public Affairs at Syracuse University and *Government Executive* magazine graded all 50 State governments and 15 Federal agencies on the management systems critical to effective public service. SSA was awarded an overall "A" grade on the study, which evaluated the five critical areas of financial management, human resources management, information technology management, capital management and managing for results. More recently, SSA was one of only two Federal agencies to receive the Association of Government Accountants' Certificate of Excellence in Accountability Reporting Award for its Accountability Report for FY 1998.

As we look ahead to the next century, we will continue to do all that we can to meet the challenges facing us so that we can continue to provide the best quality service to the American public, and ultimately to further strengthen public trust in Social Security.



Kenneth S. Apfel
Commissioner
of Social Security



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CERTIFICATE OF EXCELLENCE IN ACCOUNTABILITY REPORTING

Presented to

*Social Security
Administration*

**For its Annual Accountability Report
for the Fiscal Year Ended
September 30, 1998**

A Certificate of Excellence in Accountability Reporting
is presented by the Association of Government Accountants
to federal government agencies whose annual
Accountability Reports achieve the highest standards
in presenting their programs and financial affairs.

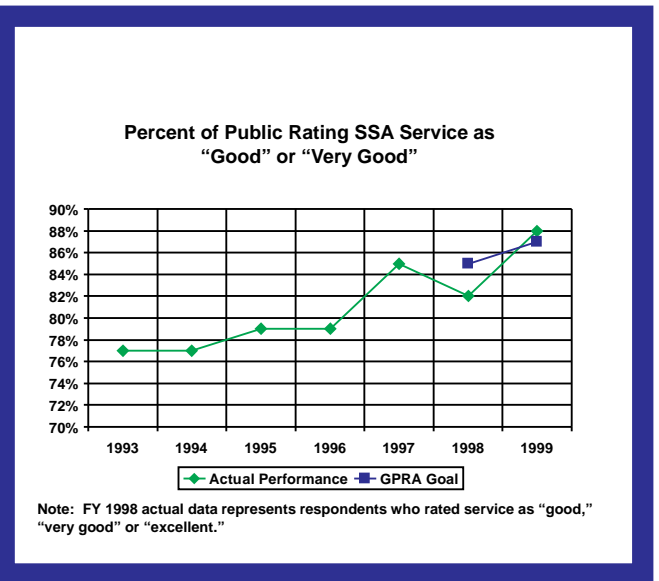
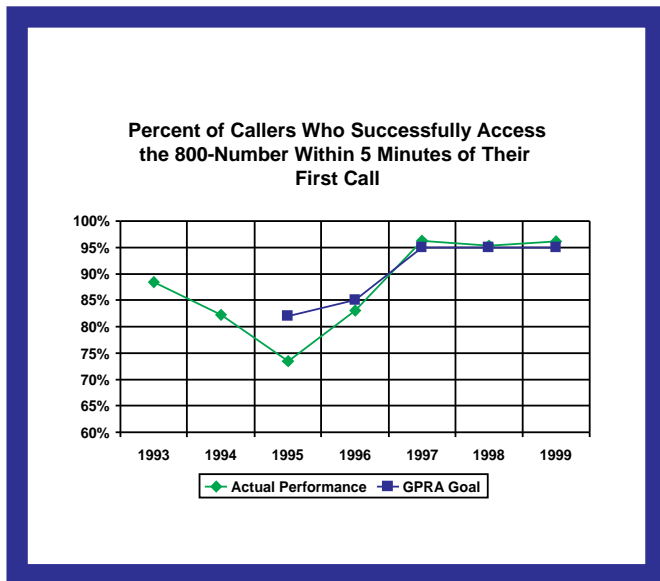
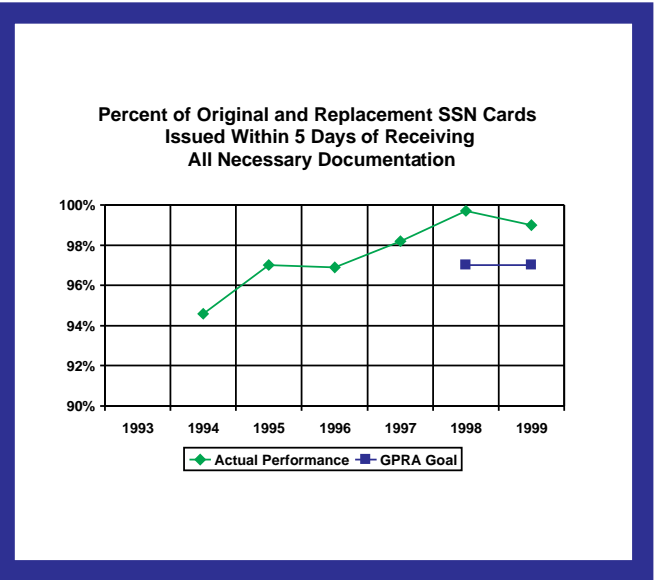
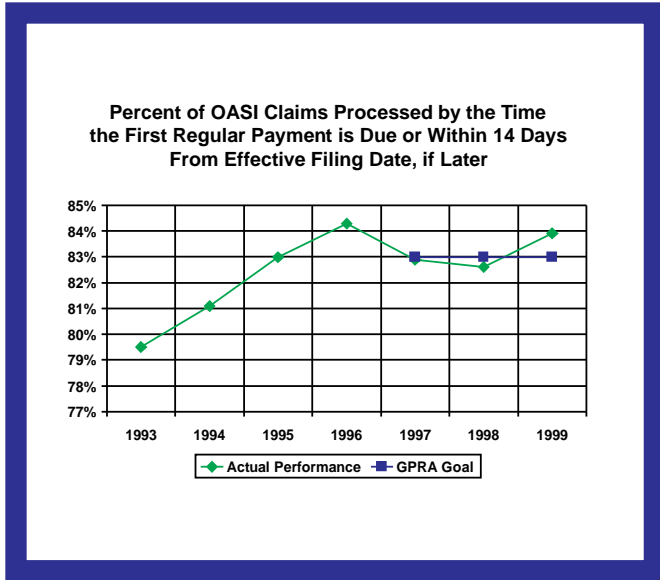


Chair, Certificate of Excellence
in Accountability Reporting Board

Executive Director

Selected GPR A Indicators

The charts below show trend data for selected indicators from SSA's FY 1999 GPR A Annual Performance Report. Key GPR A indicators are highlighted in the Performance Goals and Results section of Management Discussion and Analysis section beginning on page 15. The full GPR A Performance Report begins on page 56.





1994	1995	1996	1997	1998	1999
\$419.5	\$483.2	\$549.5	\$631.0	\$730.3	\$854.9
450.1	499.1	565.9	648.6	748.4	875.1
\$340.8	\$356.2	\$381.2	\$405.3	\$432.0	\$462.7
30.1	34.2	37.6	42.5	48.0	53.7
407.9	427.4	449.5	477.4	510.9	548.2
\$276.3	\$288.6	\$300.0	\$312.9	\$324.3	\$332.4
36.8	40.2	43.2	45.4	47.7	50.4
24.2	24.5	24.3	26.5	27.4	28.1
5.4	5.7	5.6	6.2	6.7	6.9
8.0%	7.8%	7.6%	7.5%	7.2%	NA
2.13%	2.17%	2.19%	2.23%	2.19%	2.07%
1.6%	1.6%	1.7%	1.6%	1.7%	1.7%
2.1%	5.2%	2.3%	2.2%	7.4%	1.4%
37.2	37.5	37.6	37.8	37.9	38.0
5.5	5.8	6.0	6.1	6.3	6.5
6.2	6.5	6.6	6.6	6.6	6.6
\$12.83	\$12.67	\$13.81	\$14.92	\$14.17	\$13.89
.62	.58	.49	.42	.36	.29
5.03	1.82	2.17	1.85	.90	.65
422.45	393.40	389.77	402.68	371.51	371.12
16.50	16.68	17.32	17.64	19.85	22.79
692.33	715.86	763.77	781.77	793.69	813.37
.13	.13	.12	.09	.11	.11