

# A MESSAGE FROM THE COMMISSIONER

I am pleased to present the Social Security Administration's Performance and Accountability Report for Fiscal Year (FY) 2007 (PAR). This report is my first as Commissioner. It is clear that Social Security is undergoing a profound and dynamic change in its workloads. Fiscal year 2007 was a year of extraordinary transformation. Social Security is now deeply involved and has committed substantial resources to important elements of the Medicare program, particularly Part D, as well as aspects of the Nation's immigration policies and various SSN verification programs. Social Security has undertaken all of these new duties in addition to its traditional role of administering the Old Age, Disability and Supplemental Security Income programs under the Social Security Act, thereby straining our ability to achieve desired results in some key areas.



Committed to improving our performance in traditional programs and newer non-core workloads, I plan to issue a new Strategic Plan for the Agency to ensure that we continue to deliver outstanding service to the Nation. In addition, we are currently developing a comprehensive plan of fundamental business process reform. These changes are essential if Social Security is to continue as an organization that meets the needs of all of our citizens. However, the Agency cannot independently accomplish such dramatic reforms. We look forward to working within the Administration and the Congress to secure the necessary support for these innovative initiatives in order to change how Social Security provides service to the American public.

This PAR demonstrates how Social Security managed its finances and how we administered our programs -- both new and traditional -- during the past year. Some of our FY 2007 accomplishments include meeting our performance goal for processing periodic continuing disability reviews, receiving an unqualified opinion on our financial statements for the 14<sup>th</sup> consecutive year, and having our auditors report no material instances of noncompliance with laws and regulations. In reviewing the report, please take note of the many challenges we faced this year and which will continue to influence our performance in the coming years, including the following: the aging of the population resulting in a wave of claims for retirement and disability benefits at the same time as Social Security's employees are retiring from federal service; the growing number of workloads assigned to the Agency such as Medicare Part D; and the growing backlog of disability cases awaiting decision (nearly 750,000 hearings as of the end of FY 2007).

Social Security continues to provide service to individuals at critical junctures in their lives, be it the onset of a disability, the loss of a spouse or parent, the inability to meet basic needs as a senior citizen, or retirement from the workforce. I have seen first-hand the important work this Agency does and the essential protection it provides to the most vulnerable in our society. In particular, I consider it a moral imperative that we eliminate the disability hearings backlog and ensure that we provide our many services timely, effectively and efficiently to each and every one of our customers.

I am proud to report that our FY 2007 financial and performance data in the report is reliable and complete based on Office of Management and Budget guidance and that there are no material internal control weaknesses. I encourage you to review in greater detail the message from our Chief Financial Officer as well as the PAR itself.

A handwritten signature in black ink, appearing to read "M. Astrue". The signature is stylized and cursive.

Michael J. Astrue  
November 7, 2007

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