

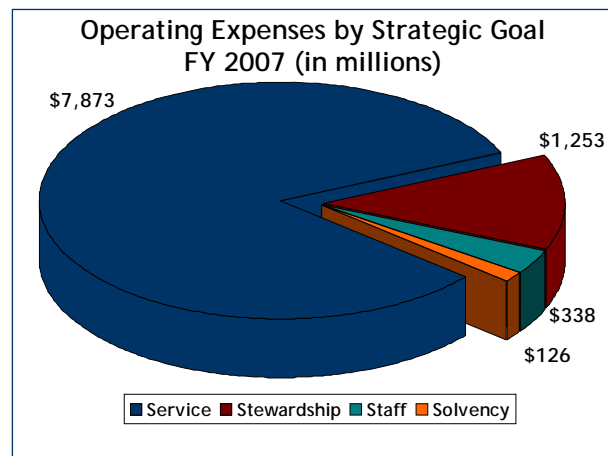
# OVERVIEW OF KEY PERFORMANCE INDICATORS, GOALS AND RESULTS

## FY 2007 OVERVIEW OF PERFORMANCE

SSA is developing a new *Agency Strategic Plan* (ASP) for Fiscal Years (FY) 2008 through 2013. The ASP reflects the priorities and direction of the President and SSA's Commissioner, setting the Agency's course for achieving measurable results that improve American lives. The current ASP's four strategic goals drive objectives and outcomes that support the Agency's mission and provide the framework for allocating Agency resources. These objectives articulate the challenge of providing outstanding public service, improving program integrity through financial stewardship, supporting reforms to ensure sustainable solvency for future generations, and maintaining the quality staff SSA needs to provide service and stewardship. SSA has worked diligently to emphasize the relationship between resources and results.

The following figures represent the portion of the Agency's FY 2007 operating expenses used in support of each strategic goal.

- To deliver high-quality, citizen-centered service -- \$7,873 million
- To protect the integrity of Social Security programs through superior stewardship -- \$1,253 million
- To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations -- \$126 million
- To strategically manage and align staff to support the mission of the Agency -- \$338 million



Agency accounting and cost analysis systems which track the administrative costs of SSA programs by workload, as well as employee production rates, provide integrated financial and performance information for SSA managers at all levels. Agency executives meet on a periodic basis to review and discuss performance measures. Resource allocation decisions are then made based on performance and projected workloads.

The Agency's *Annual Performance Plan* (APP) describes how SSA will strategically perform in a given fiscal year. It specifies performance targets by which Agency goals and objectives can be measured. SSA has developed automated tools to assist the Agency in determining the full and marginal costs of achieving performance outcomes. These tools enable SSA to determine the resources required to keep up with core workloads, process special workloads, work down backlogs of disability claims, hearings and appeals, other operational workloads, and improve productivity and fiscal stewardship. A primary purpose of the *FY 2007 Performance and Accountability Report* (PAR) is to document the Agency's accomplishments for the performance measures specified in the *Annual Performance Plan for FY 2007*.

The *Government Performance and Results Act* (GPRA) requires all Federal agencies to create performance indicators and goals. Of the Agency's 38 GPRA performance measures, 16 have been designated as key performance indicators (KPIs). These 16 indicators, charted on the following pages, were selected because they characterize the Agency's efforts to address the measurable challenges it faces. A chart of all 38 performance measures and goals can be found in the *Performance Section* on page 49.

The following performance tables group the FY 2007 KPIs according to the strategic goal they support. The *Goal Achieved?* column displays either an up ( ↑ ) arrow if the goal was achieved or a down ( ↓ ) arrow if the goal was not achieved.

Strategic Goal 1: <i>To deliver high quality, citizen-centered service</i>					
Key Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See <sup>1</sup> Page #
1.1a	Percent of initial disability claims receipts processed up to the budgeted level	100% <sup>2</sup>	100% <sup>3</sup>	↑	54
1.1b	Maintain the number of initial disability claims pending in the Disability Determination Services (at or below the FY 2007 goal)	577,000	555,317	↑	55
1.1c	Number of SSA hearings processed	555,000 <sup>4</sup>	547,951	↓	55
1.1d	Maintain the number of SSA hearings pending (at or below the FY 2007 goal)	738,000 <sup>4</sup>	746,744	↓	56
1.1e	Average processing time for initial disability claims	88 days	83 <sup>3</sup> days	↑	57
1.1f	Average processing time for SSA hearings	524 days	512 days	↑	58
1.3d	Maximize public use of electronic services to conduct business with SSA	2,946,800	2,869,829	↓	66
1.3e	Increase the percent of employee reports (W-2 forms) filed electronically and processed to completion	80%	81% <sup>3</sup>	↑	67
1.3f	Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good"	83%	81%	↓	68

SSA is committed to providing superior service to the American public despite increased workloads and reduced resources. The Agency continues to face significant challenges in attempting to provide the level of service that disability benefits claimants deserve due to the complexity of and growth in claims for those benefits. The Agency continues to make significant progress in implementing new processes to enhance its ability to make accurate, consistent, and timely disability decisions. One indication of the progress being made is that the Agency has met performance goals for initial disability claims processed, pending and average processing time. In the last half of FY 2007, the Agency implemented a plan to eliminate the hearings backlog by FY 2013. While SSA met the goal for average processing time for hearings, the goals for hearings processed and pending have suffered. The initial focus of the hearings backlog elimination has been the oldest cases, which are paper claims that take more time to review. As the paper claims continue to be completed and electronic claims become standard, SSA expects to meet the hearing processed and pending goals in the future. With better systems and processes, SSA expects to improve disability claims service and the Agency’s overall service rating.

<sup>1</sup> More detailed information can be found in the *Performance Section* on the pages cited in the chart above.

<sup>2</sup> The budgeted level for FY 2007 was 2,530,000.

<sup>3</sup> The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

<sup>4</sup> Final FY 2007 appropriations decisions for the Agency restored sufficient resources to the Agency's FY 2007 budget to allow processing of 14,000 additional SSA hearings. The appropriations change required an adjustment to the projected workloads for FY 2007 compared to those shown in the FY 2007 column of the FY 2008 President's Budget and the Congressional Justification for the Agency's budget. This number has been modified to reflect this action.

Strategic Goal 2: <i>To protect the integrity of Social Security programs through superior stewardship</i>					
Key Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See <sup>1</sup> Page #
2.1a	Number of Supplemental Security Income (SSI) non-disability redeterminations processed	1,026,000	1,038,948	↑	70
2.1b	Number of periodic Continuing Disability Reviews (CDRs) processed to determine continuing entitlement based on disability	729,000	764,852	↑	71
2.2b	Percent of SSN receipts processed up to the budgeted level	96% <sup>2</sup>	97% <sup>3</sup>	↑	78
2.4b	Disability Determination Services (DDS) case production per workyear (PPWY)	252	249 <sup>3</sup>	↓	80
2.4f	Get to "green" on the <i>President's Management Agenda</i> (PMA) initiatives status scores	Achieve a status score of "green" on five of five PMA initiatives	Achieved a status score of "green" on four of five PMA initiatives	↓	84

SSA continues to help ensure the integrity of the disability program by conducting CDRs and SSI redeterminations. Processing these two important workloads equal a program savings of approximately \$10 to \$1 for CDRs and \$7 to \$1 for SSI redeterminations. SSA's attempts to safeguard the process of assigning and issuing SSNs, have contributed to significant improvements in the enumeration and verification processes. Social Security Card Centers are one example of using a highly-trained staff to process this specialized workload. DDS PPWY continues to suffer due to overall Agency resource constraints and reduced staffing levels which are complicated by the DDSs experiencing a retirement wave similar to that of SSA. At the end of FY 2007, DDS staffing levels were between 1,000 and 1,200 employees below the FY 2005 staffing level and is expected to continue decreasing in FY 2008. Although SSA did not achieve "green" status in the *Expanded Electronic Government* portion of the PMA scorecard, the Agency continues to enhance its use of electronic technologies. For example, SSA is planning several enhancements to the existing Internet Social Security Benefits Application, which allows the public to apply for retirement, disability, or spousal benefits online. The Agency is also working to add fraud indicators to eVerify, which provides an automated link to Federal databases to help employers determine the employment eligibility of new hires and the validity of their Social Security numbers. Although SSA is working more efficiently, higher productivity and improved processes are not enough to keep up with increasing workloads and eliminate backlogs.

Strategic Goal 3: <i>To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations</i>					
Key Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See <sup>1</sup> Page #
3.1a	Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms	Completed	↑	85

<sup>1</sup> More detailed information can be found in the *Performance Section* on the pages cited in the chart above.

<sup>2</sup> The budgeted level for FY 2007 was 18,000,000. The goal of 96% of the budgeted level was 17,280,000.

<sup>3</sup> The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

SSA provided analytical and data support to the Administration and Congress on legislative proposals to address Social Security reform issues related to the solvency of the Trust Funds. In addition, SSA continues to communicate with the public at forums about SSA programs and financing facts, promote information and services available on the Internet website, and issue annual *Social Security Statements*.

Strategic Goal 4: <i>To strategically manage and align staff to support the mission of the Agency</i>					
Key Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See <sup>1</sup> Page #
4.1a	Minimize skill and knowledge gaps in mission-critical positions	Identify skill and competency gaps and develop an implementation plan for addressing gaps in mission critical occupations - Actuaries and Economists	Completed	↑	87

SSA continues to be committed to outstanding service and continuous improvement. At the heart of that commitment is a staff of highly committed, capable, and creative employees who provide a high level of service to the American people. Workloads are expected to grow significantly while the Agency faces a retirement wave. With this in mind, SSA has developed human capital strategies to help the Agency maintain a workforce armed with the knowledge, skills, and abilities necessary to safeguard operations and ensure that the Agency provides quality service to the public.

Electronic versions of the documents discussed can be viewed at the following Internet addresses:

- SSA's *Strategic Plan FY 2006 – FY 2011* can be found at: <http://www.socialsecurity.gov/strategicplan.html>.
- SSA's *FY 2008 Annual Performance Plan/Revised Final FY 2007 Annual Performance Plan* can be found at: <http://www.socialsecurity.gov/performance/>.
- For a paper copy of either SSA's *Strategic Plan* or *Annual Performance Plan*, write to:

Social Security Administration  
Office of Strategic Management  
4215 West High Rise  
6401 Security Boulevard  
Baltimore, MD 21235

## DATA QUALITY

Social Security is committed to providing clear, reliable data for managerial decision-making and oversight. The Agency strives to ensure that its data is quantifiable and verifiable. SSA management has put internal controls in place to provide reasonable assurance that these objectives are met. These controls include ongoing data quality reviews as well as reviews at all levels of management, audit trails, restricted access to sensitive data, and separation of job responsibilities. SSA's controls provide assurances that data in this Report contain no material inadequacies and support the Commissioner's Federal Managers' Financial Integrity Act Assurance Statement.

<sup>1</sup> More detailed information can be found in the *Performance Section* on the pages cited in the chart above.

## **SOCIAL SECURITY DATA INTEGRITY SYSTEMS AND CONTROLS**

Data for quantifiable performance measures are generated by automated management information and workload measurement systems. The data for several accuracy and public satisfaction measures come from surveys and workload samples designed to achieve confidence levels of 95 percent or more. The Agency performs stewardship reviews on the quality of Old-Age, Survivors and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs. The reviews are the primary measure of quality for Agency performance and provide an overall accuracy measurement of payments to all Social Security beneficiaries. Each review is based on sample selections from Social Security records consisting of beneficiaries currently receiving monthly benefits. For each sampled claim, Social Security interviews the recipient or authorized representative, makes other contacts as needed, and redevelops all non-medical factors of eligibility.

SSA uses an evaluation process to provide quality feedback on recently processed OASDI and SSI claims in addition to SSI redeterminations (a review of a recipient's/couple's non-medical eligibility factors to determine whether the recipient/couple is still eligible for and receiving the correct SSI payment). The process, known as Transaction Accuracy Reviews, focuses on Field Office and Program Service Center quality. It relies on claims processing procedures defined in the Agency's *Program Operations Manual System* instructions. The review samples a total of about 17,000 claims annually - 8,500 for each of the OASDI and SSI programs. Results from these reviews are extrapolated to produce national and regional data on the quality of approximately 5 million OASDI claims, as well as 4.2 million SSI claims, redeterminations, and other actions. In addition, Regional Office staff conducts field assistance visits to identify areas where work process improvements can be made. An annual report and a mid-year updated report are produced.

## **ROLE OF SOCIAL SECURITY'S OFFICE OF THE INSPECTOR GENERAL (OIG)**

The Office of Inspector General (OIG) has a key role in auditing performance measure data systems to determine the validity and reliability of performance, budgeting, and financial data. The OIG contracts with PricewaterhouseCoopers to perform the *Government Performance and Results Act* (GPRA) audits. The objectives of the audit are to:

- Assess and test SSA's internal controls over the development and reporting of performance data for selected annual performance indicators;
- Assess and test the application controls related to the performance indicators;
- Assess the overall reliability of the performance indicators' computer processed data;
- Test the accuracy of results presented and disclosed in the PAR;
- Assess the meaningfulness of the performance indicators; and
- Report the results of the testing to the OIG and SSA Management.

In FY 2007, OIG issued seven audits that initiated a review of 14 GPRA performance measures. Three of these audits were based on work completed in FY 2007. These audits, also known as historical audits, addressed five performance measures. The other four audits are based on data as it became available during FY 2007. These real-time audits address nine performance measures. The results of these four audits will not be available until early in calendar year 2008 and will be reported in the FY 2008 PAR. SSA has already implemented or agreed to implement a majority of the audit recommendations in response to the audit observations made by the OIG.

The following issues from the three released FY 2007 historical audits were identified:

- Four of the performance measures' data were reliable.
- One of the performance measures' data was unreliable because SSA programmers had direct access rights to the performance measure data. It should be noted that SSA management has since removed all programmers' direct access. Furthermore, the auditors were able to re-calculate the data for this measure and found no errors.

- One performance measure did not have complete documentation of its policies and procedures. This issue has been resolved and the action was noted in the final audit report.
- One performance measure did not clearly support a Strategic Objective. This issue has been resolved within this FY 2007 PAR by expanding the performance measure discussion.

In FY 2007, OIG also completed the real-time audits of nine FY 2006 PAR performance measures. The following issues relating to the reliability of the computerized data were identified:

- Five of the performance measures' data were reliable.
- Three of the performance measures' data were unreliable because SSA programmers had direct access rights to the performance measure data. It should be noted that SSA management has since removed all programmers' direct access. The auditors found no errors during the data recalculation of these measures.
- One of the performance measures' data was unreliable because the User Identification and password settings for a program were inadequate. This issue will not be resolved because the system used to maintain the data will be replaced in 2008. The new system will contain the necessary User Identification and password settings. The auditor's found no errors during the data re-calculation of this measure. This information is noted in the audit report.

Refer to the *Inspector General's Statement on SSA's Major Management Challenges, Internal Control Environment and Performance Measures* section, beginning on page 172, for more information about how the GPRA audits were performed.

### **AUDIT OF SSA'S FY 2007 FINANCIAL STATEMENTS**

In accordance with the *Chief Financial Officer's Act of 1990*, SSA's financial statements were independently audited by PricewaterhouseCoopers. The objective of this audit was to determine whether the financial statements fairly presented the financial position of the Agency. The audit included an examination of the data supporting the amounts and disclosures in SSA's financial statements. The PricewaterhouseCoopers audit report can be found in the *Financial Section* of this FY 2007 PAR.