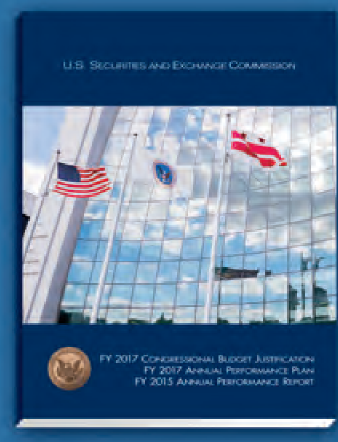
U.S. Securities and Exchange Commission

FY 2017 Congressional Budget Justification
FY 2017 Annual Performance Plan
FY 2015 Annual Performance Report

About This Report

The Congressional Budget Justification (CBJ) is the annual presentation to the Congress that justifies the U.S. Securities and Exchange Commission's (SEC) budget request. This report also includes the Annual Performance Plan (APP) for Fiscal Year (FY) 2017 and the Annual Performance Report (APR) for FY 2015, focusing on the agency's strategic goals and performance results. This report provides information that satisfies requirements contained in the following laws and regulations:

- GPRA Modernization Act of 2010
- Office of Management and Budget Circular A-11, *Preparation, Submission and Execution of the Budget*
- Government Management Reform Act of 1994
- Reports Consolidation Act of 2000
- Office of Management and Budget Circular A-136, *Financial Reporting Requirements*



An electronic version of this document and its components is available at *www.sec.gov/about/offices/ofm/ofm-documents.htm*. To comment on the SEC's FY 2017 CBJ and APP and FY 2015 APR, email PerformancePlanning@sec.gov.

Contents

Available on the Web at *www.sec.gov/about/offices/ofm/ofm-documents.htm*

To contact the SEC, please see *www.sec.gov* or "Contact Us" at *www.sec.gov/contact.shtml.*

THIS PAGE LEFT BLANK

Agency and Mission Information

Executive Summary

The U.S. Securities and Exchange Commission (SEC or the agency) is pleased to submit its budget request for Fiscal Year (FY) 2017. The SEC is requesting $1.781 billion in support of 5,196 positions and 4,870 full time equivalents (FTE) for FY 2017. This requested budget level is essential to support the agency's mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

In recent years, the SEC has made substantial progress in strengthening its operations and programs. The agency has proposed or adopted nearly all of the mandatory rulemakings required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the Jumpstart Our Business Startups Act (JOBS Act), in addition to advancing other key rules in mission critical areas that protect investors and our markets. These efforts have included final rules addressing over-the-counter derivatives; new means for small businesses to access capital (including rules to update Regulation A and permit securities-based crowdfunding offerings); executive compensation disclosures; and the removal of references to credit ratings from SEC rules. In addition to implementing congressionally mandated rules, the SEC has also advanced other important policy objectives, including rules to enhance oversight of high-frequency traders and the agency's supervision of investment advisers and mutual funds, including reforms to money market mutual funds; as well as adopting requirements for comprehensive new controls at critical market participants to strengthen key technological systems.

Beyond the rulemakings, the SEC has intensified its review of equity and fixed income market structure issues, undertaken a disclosure effectiveness initiative seeking ways to improve the public company disclosure regime for investors and companies, and continued to act aggressively to hold securities law violators accountable. Broad, systemic enhancements in the SEC's National Examination Program (NEP) – including increased recruitment of industry experts, the augmentation of data analytics capacities, and enhanced training programs – have led to a more effective, efficient program. The agency also is increasingly harnessing technology to better identify risks, uncover frauds, sift through large volumes of data, inform policymaking, and streamline operations, while at the same time improving internal collaboration and recruiting more staff with specialized expertise and experience.

While these and other critical improvements have been made, challenges remain in the agency's efforts to address the growing size and complexities of the securities markets and fulfill the SEC's broad mandates and responsibilities. Currently the SEC is charged with overseeing over 26,000 market participants, including nearly 12,000 investment advisers, nearly 11,000 mutual funds and exchange traded funds, over 4,000 broker-dealers, and over 400 transfer agents. The agency also oversees 18 national securities exchanges, 10 credit rating agencies, and six active registered clearing agencies, as well as the Public Company Accounting Oversight Board (PCAOB), Financial Industry Regulatory Authority (FINRA), Municipal Securities Rulemaking Board (MSRB), the Securities Investor Protection Corporation (SIPC), and the Financial Accounting Standards Board (FASB). In addition, the SEC is responsible for selectively reviewing the disclosures and financial statements of over 9,100 reporting companies.

Beyond this, in recent years the SEC's responsibilities have dramatically increased, with new or expanded jurisdiction over securities-based derivatives, hedge fund and other private fund advisers, credit rating agencies, municipal advisors, and clearing agencies, as well as a requirement to implement and oversee a new regime for crowdfunding offerings, among other responsibilities. As the size and complexity of the entities in the SEC's jurisdiction grows, so too has the size and complexity of the markets and entities the SEC regulates. From 2001 to 2015, assets under management of SEC-registered advisers increased approximately 210 percent from $21.5 trillion to approximately $66.8 trillion, and assets under management of mutual funds grew by almost 125 percent from $7 trillion to over $15 trillion. Trading volume in the equity markets for 2015 was in excess of $70 trillion compared to over $55 trillion in 2009.

The SEC appreciates the confidence that Congress and the President have placed in it in recent appropriation cycles, with enacted budgets that are permitting the SEC to begin to address longstanding resource challenges. In light of the continuing growth in the industry and the enormity of the responsibilities now placed on the agency, however, additional funding is critical. The SEC must be able to keep pace with the always expanding complexity of the entities, markets, and industries it regulates when the integrity of our markets and Americans' savings for college, retirement, and other financial goals are at stake. In assessing the appropriate budget for the SEC, it is critical that the SEC's funding is deficit-neutral, which means that any amount appropriated to the agency will be offset by modest transaction fees and therefore will not impact the deficit or the funding available for other agencies.

As described in more detail below, this budget request seeks to:

- Increase examination coverage of investment advisers and other key entities who interact with retail and institutional investors;
- Further leverage cutting-edge technology to permit the SEC to better keep pace with the entities and markets we regulate;
- Protect investors by expanding our enforcement program's investigative capabilities and strengthen our ability to litigate against wrongdoers;
- Further bolster the SEC's economic and risk analysis functions; and
- Hire experts capable of permitting the agency to fulfill its expanded rulemaking and oversight responsibilities.

Expanding Oversight of Investment Advisers and Strengthening Compliance

The need for significant additional resources to permit the agency to increase its examination coverage of registered investment advisers and investment companies cannot be overstated. Increasing this examination coverage is vital to the SEC's ability to protect investors and the nation's securities markets.

The largest increase in entities registered with the SEC has occurred among investment advisers: a decade ago, there were approximately 9,000 investment advisers managing $28 trillion in assets, while the current projection is that these figures will grow to 12,500 investment advisers managing more than $70 trillion in assets by FY 2017. Beyond an increase in the number of advisers and assets under management, additional challenges to examination staff are posed by the increased use of new and complex products by both investment advisers and broker-dealers, an increasing use of technology in operations that facilitate activities such as high-frequency and algorithmic trading, and the growth of complex "families" of financial services companies with integrated operations that include both broker-dealer and investment adviser affiliates.

In FY 2015, SEC staff, through risk-targeted exams, examined approximately 10 percent of registered investment advisers; these firms manage more than 30 percent of the assets under management of currently registered advisers. The program also continued its emphasis on the roughly 40 percent of all registered investment advisers that have never been examined through the continuation of the NEP's never before examined adviser initiative started in 2014. Significant additional resources are critical to improve the examination coverage of this important industry. Under the FY 2017 request, a top priority will be to hire 127 additional examiners, primarily to conduct additional examinations of investment advisers. The NEP also would add positions to improve oversight and examination functions related to broker-dealers, clearing agencies, transfer agents, self-regulatory organizations (SROs), swap data repositories, municipal advisors, and crowdfunding portals, among others.

Continue to Leverage Technology

The SEC has made substantial progress in modernizing its technology systems, streamlining operations, increasing our use of data analytics, and increasing the effectiveness of its programs. The SEC's FY 2017 budget request, which includes full use of the Reserve Fund, seeks to build on this progress by supporting a number of key information technology (IT) initiatives, including:

- **Expanding data analytic tools** that assist in the integration and analysis of huge volumes of financial market data, employing algorithms and quantitative models that can lead to earlier detection of fraud or suspicious behavior and ultimately enabling the agency to allocate its resources more effectively.
- **Increasing investments in Information Security,** to address as a top priority – the ability to monitor and avoid advanced persistent threats. The SEC's IT security program plans to focus its efforts on improved risk management and monitoring and continuing to invest

in modernizing and securing the SEC's infrastructure to enhance workflow and document management, the SEC's electronic discovery program, operational resiliency, and internal communications to staff.

- **Redesigning the Electronic Data Gathering, Analysis and Retrieval (EDGAR) system,** an ongoing, multi-year effort to simplify the financial reporting process to promote automation and reduce filer burden. With a more modern EDGAR, both the investing public and SEC staff will benefit from having improved access to better data.
- **Improving examinations through risk assessment and surveillance tools** that will help staff monitor for trends and emerging fraud risks, as well as improving the efficiency of the examination program so it can cover higher risk areas with its resources.
- **Enhancing the Tips, Complaints, and Referral system (TCR)** to bolster its flexibility, configurability, and adaptability. TCR investments will provide more flexible and comprehensive intake, triage, resolution tracking, searching, and reporting functionalities, with full auditing capabilities.
- **Improving enforcement investigation and litigation tracking** to better handle the substantial volume of materials produced during investigations and litigation. Among other initiatives, the SEC needs to build a capacity to electronically transmit data for tracking and loading (versus the current practice of receiving content via the mail); implement a document management system for Enforcement's internal case files; and revamp the tools used to collect trading data from market participants.
- **Further modernize SEC.gov** to make one of the most widely used Federal Government websites more flexible, informative, easier to navigate, and secure for investors, public companies, registrants and the general public.
- **Invest in further business process automation and improvement,** to build workflow applications that will improve the efficiency and effectiveness of the agency in serving the public.

In addition to these planned investments, the FY 2017 request includes eight new positions for Office of Information Technology (OIT) to better execute these and other technology initiatives. These staff would serve as project managers, business analysts, and technical resources who will improve technology and data management support for the SEC's business areas. In addition, the positions will enhance information security through monitoring, and drive further improvements in IT equipment management and reporting.

Bolster Enforcement

It is vital to the SEC's mission to bring timely, high-quality enforcement actions when violations of the Federal securities laws are identified. In FY 2015, the SEC brought a record number of enforcement actions against those who defrauded investors and violated the law – including multiple first of their kind actions – and obtained order for monetary remedies exceeding $4 billion. Despite these strong efforts, the agency must continue to expand its enforcement function to keep pace with the growing size and complexity of the nation's markets and to swiftly and aggressively address misconduct.

For FY 2017, the SEC is requesting 52 additional positions for the Enforcement Division. The Division will use the additional requested positions to support its three core functions: intelligence analysis, investigation, and litigation. Specifically, these additional resources will support the Enforcement program's current and future initiatives by, among other things:

- increasing the experienced forensic accountants, attorneys, industry experts, and information technology and support staff needed to promptly detect, prioritize, and investigate areas appropriate for enhanced enforcement efforts;
- adding experienced trial attorneys to prosecute the growing number of highly-complex enforcement actions;
- enhancing Enforcement's data analytics expertise to assist in the implementation of data intensive projects, state-of-the-art investigative tools (such as eDiscovery and knowledge management), and improved forensic capabilities; and
- bolstering staffing for intelligence functions, including the collection, analysis, triage, referral, monitoring, and follow-through on the thousands of tips, complaints and referrals (TCRs) received each year.

With respect to the latter two points, analysis of large datasets, including SEC filings and trading data in equities, options, municipal bonds, and other securities, helps to limit investor harm by increasing the chances of detecting misconduct earlier. The SEC's Enforcement program expects the improved data analysis capabilities derived from the agency's investments in IT will yield additional case leads in FY 2017. As a result, the Enforcement program would dedicate 10 of the requested positions to further develop its data analytic function, increasing the number of staff responsible for reviewing and triaging incoming TCRs and bolstering the number of staff to whom TCRs are sent for further investigation.

The Enforcement program also requires increased staffing to promptly detect complex frauds and other difficult-to-detect misconduct, whether it occurs at hedge funds, broker-dealers, or "boiler rooms"; respond to misconduct in the changing equity markets relating to algorithmic trading and "dark pools"; address large-scale insider trading and stock manipulation; and keep pace with a rapidly evolving industry. As a result, 30 of the new positions the Enforcement Division is seeking in FY 2017 would be to reinforce its investigative functions. These new positions will help the Division continue progress on existing investigations and handle its increasing case load, while quickly investigating and bringing emergency actions as necessary in matters where investors' money may dissipate if immediate action is not taken.

Finally, 12 of the new positions the Division is requesting in FY 2017 would reinforce its litigation operations nationwide. This increased allocation will enable the SEC to handle the higher proportion of enforcement actions that are being filed as contested matters as well as to follow through on its commitment to litigate any case where it believes admissions of wrongdoing are appropriate.

Focus on Economic and Risk Analysis to Support Rulemaking and Oversight

The SEC remains committed to strengthening the economic and risk analysis functions of its Division of Economic and Risk Analysis (DERA) and for FY 2017 plans to add six new positions to DERA. This additional growth would continue to deepen the Division's expertise in support of rulemaking initiatives affecting the capital markets as well as efforts to detect violations of the securities laws.

These DERA positions would focus on areas including Exchange Traded Funds, microcap stocks, the derivatives markets, Residential Mortgage-Backed Securities (RMBS), Commercial Mortgage-Backed Securities (CMBS), and Collateralized Loan Obligations (CLO), among other critical asset classes that the agency is required to monitor as part of the recently adopted credit risk retention rules. These positions would work with colleagues across the SEC to proactively monitor these markets from a systemic perspective, as well as develop analytical tools to assist the Division of Enforcement in analyzing and identifying potential illicit activity in these areas.

Meet Expanded Rulemaking and Oversight Responsibilities

The agency also is requesting seven additional positions in FY 2017 for its Division of Trading and Markets (TM). In FY 2017, the Division plans to use the additional positions requested to undertake new market-related responsibilities resulting from ongoing or recently completed rulemakings, as well as continuing to improve the agency's market supervision. Three of these positions would help the Division implement its new or enhanced responsibilities to oversee clearing agencies and swap data repositories. The other four would help improve the SEC's analytics and reporting on broker-dealers' finances, internal controls, risk management practices; process rule proposals from a growing number of self-regulatory organizations; and provide interpretive guidance related to the derivatives markets.

The SEC also is requesting seven new positions for the Division of Investment Management to implement key policy objectives. Of these seven positions, three personnel would conduct ongoing data analysis, including new data that would be submitted to the SEC as part of the investment company reporting modernization initiative. An additional three positions would monitor issues related to asset management risks, including related to liquidity, derivatives, stress testing and transition planning rulemaking initiatives, as well as provide interpretive advice and respond to exemptive applications requests.

Mission, Vision, Values and Goals

Mission

The mission of the SEC is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

Vision

The SEC strives to promote a market environment that is worthy of the public's trust and characterized by transparency and integrity.

Values

Integrity	Excellence	Accountability
Effectiveness	Teamwork	Fairness

Strategic Goals and Objectives of the FY 2014 – FY 2018 Strategic Plan

Strategic Goal 1: Establish and maintain an effective regulatory environment

Strategic Objective 1.1: The SEC establishes and maintains a regulatory environment that promotes high-quality disclosure, financial reporting, and governance, and that prevents abusive practices by registrants, financial intermediaries, and other market participants.

Strategic Objective 1.2: The SEC promotes capital markets that operate in a fair, efficient, transparent, and competitive manner, fostering capital formation and useful innovation.

Strategic Objective 1.3: The SEC adopts and administers regulations and rules that are informed by robust economic analysis and public comment and that enable market participants to understand their obligations under the securities laws.

Strategic Objective 1.4: The SEC engages with a multitude of stakeholders to inform and enhance regulatory activities domestically and internationally.

Strategic Goal 2: Foster and enforce compliance with the Federal securities laws

Strategic Objective 2.1: The SEC fosters compliance with the Federal securities laws.

Strategic Objective 2.2: The SEC promptly detects and deters violations of the Federal securities laws.

Strategic Objective 2.3: The SEC prosecutes violations of Federal securities laws and holds violators accountable through appropriate sanctions and remedies.

Strategic Goal 3: Facilitate access to the information investors need to make informed investment decisions

Strategic Objective 3.1: The SEC works to ensure that investors have access to high-quality disclosure materials that facilitate investment decision-making.

Strategic Objective 3.2: The SEC works to understand investor needs and educate investors so they are better prepared to make informed investment decisions.

Strategic Goal 4: Enhance the Commission's performance through effective alignment and management of human, information, and financial capital

Strategic Objective 4.1: The SEC promotes a results-oriented work environment that attracts, engages, and retains a technically proficient and diverse workforce, including leaders who provide motivation and strategic direction.

Strategic Objective 4.2: The SEC encourages a collaborative environment across divisions and offices and leverages technology and data to fulfill its mission more effectively and efficiently.

Strategic Objective 4.3: The SEC maximizes the use of agency resources by continually improving agency operations and bolstering internal controls.

History and Purpose

During the peak of the Depression, Congress passed the Securities Act of 1933[1] (Securities Act). This law, along with the Securities Exchange Act of 1934[2] (Exchange Act), which created the SEC, was designed to restore investor confidence in our capital markets by providing investors and the markets with more reliable information and clear rules of honest dealing. The main purposes of these laws were to ensure that:

- Companies publicly offering securities for investment dollars must tell the public the truth about their businesses, the securities they are selling, and the risks involved in investing.
- People who sell and trade securities – brokers, dealers and exchanges – must treat investors fairly and honestly, putting investors' interests first.

The SEC is responsible for overseeing the nation's securities markets and the primary participants, including broker-dealers, investment companies, investment advisers, clearing agencies, transfer agents, credit rating agencies, and securities exchanges, as well as organizations such as the Financial Industry Regulatory Authority (FINRA), Municipal Securities Rulemaking Board (MSRB), and Public Company Accounting Oversight Board (PCAOB). Under the Dodd-Frank Wall Street Reform and Consumer Protection Act[3] (Dodd-Frank Act), the agency's jurisdiction was expanded to include certain participants in the derivatives markets, private fund advisers, and municipal advisors, among other changes.

The SEC consists of five presidentially appointed Commissioners, with staggered five-year terms. One of them is designated by the President as Chair of the Commission, who is responsible for the executive and administrative functions of the Commission. President Franklin Delano Roosevelt appointed Joseph P. Kennedy to serve as the first Chairman of the SEC.

By law, no more than three of the Commissioners may belong to the same political party. The Commission convenes regularly at meetings that are open to the public and the news media unless the discussion pertains to confidential subjects, such as whether to begin an enforcement investigation.

Each year, the SEC brings hundreds of civil enforcement actions against individuals and companies for violation of securities laws. Examples of infractions include insider trading, accounting fraud, and providing false or misleading information about securities or the companies that issue them. One of the major sources of information that the SEC relies on to bring enforcement action is investors themselves – another reason that educated and careful investors are critical to the functioning of efficient markets. To help inform investors, the SEC offers the public a wealth of educational information on its website at *www.investor.gov*, as well as an online database of disclosure documents at *www.sec.gov/edgar/searchedgar/companysearch.html* that public companies and other market participants are required to file with the SEC.

1 *Securities Act of 1933 www.sec.gov/about/laws/sa33.pdf*

2 *Securities Exchange Act of 1934 www.sec.gov/about/laws/sea34.pdf*

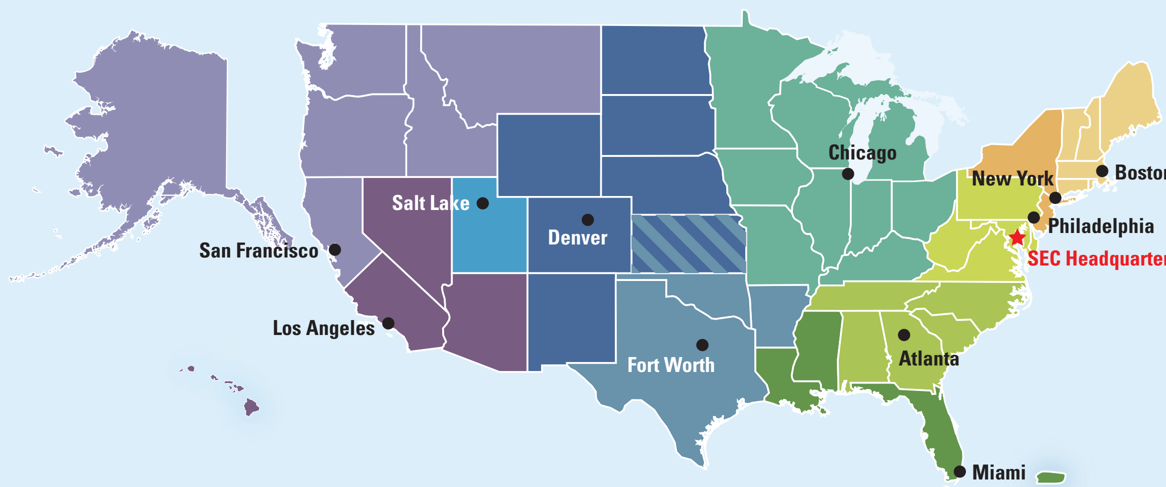
3 *Dodd-Frank Wall Street Reform and Consumer Protection Act www.sec.gov/about/laws/wallstreetreform-cpa.pdf*

Organizational Structure and Resources

SEC Office Locations

The SEC's headquarters are in Washington, DC, and the agency has 11 regional offices located throughout the country. The regional offices are responsible for investigating and litigating potential violations of the securities laws. The offices also have examination staff, who inspect regulated entities such as investment advisers, investment companies and broker-dealers. The map below shows the locations of the regional offices, and the states that are included in each region.

SEC HEADQUARTERS AND REGIONAL OFFICE LOCATIONS

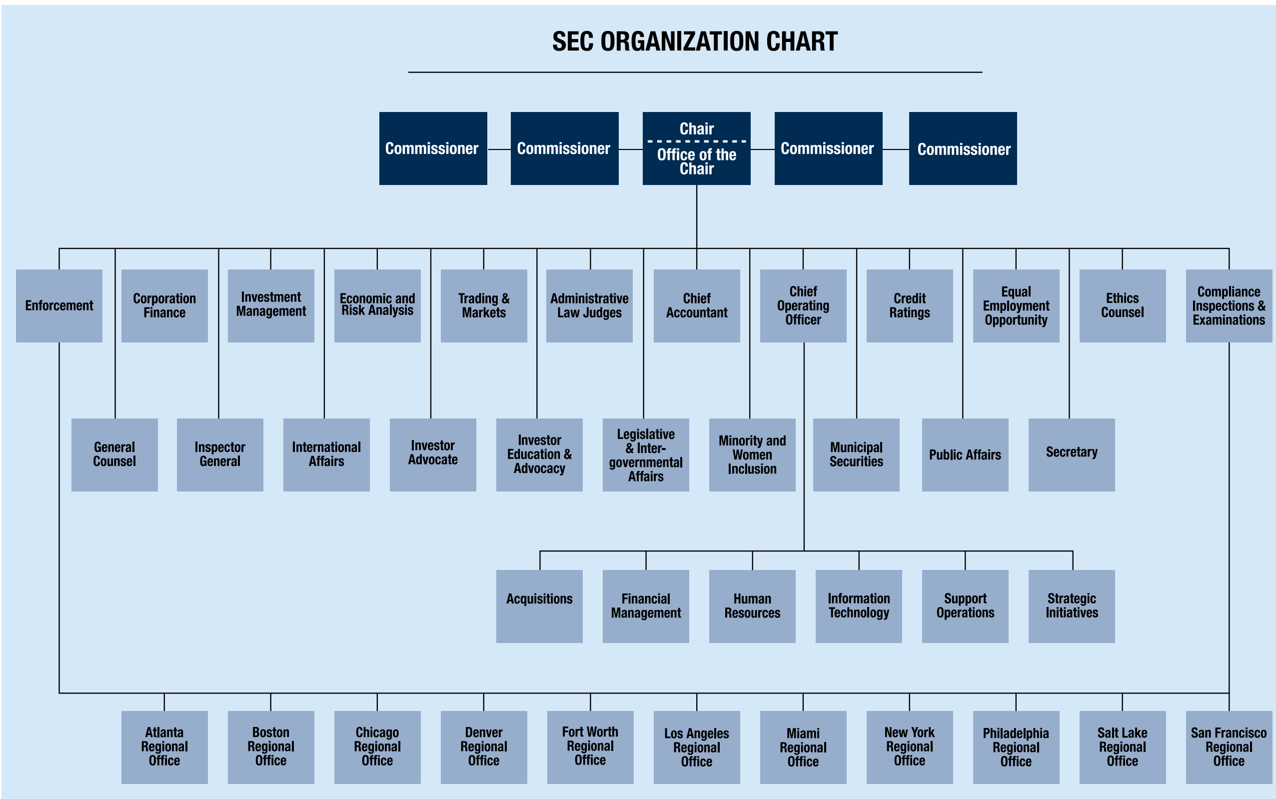


- ★ **SEC Headquarters**
- **Atlanta Regional Office**
  Georgia, North Carolina, South Carolina, Tennessee, Alabama
- **Boston Regional Office**
  Connecticut, Maine, Massachusetts, New Hampshire, Vermont, Rhode Island
- **Chicago Regional Office**
  Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Ohio, Wisconsin
- **Denver Regional Office**
  Colorado, Kansas, Nebraska, New Mexico, North Dakota, South Dakota, Wyoming
- **Fort Worth Regional Office**
  Texas, Oklahoma, Arkansas, Kansas (except for the exam program which is administered by the Denver Regional Office)
- **Los Angeles Regional Office**
  Arizona, Hawaii, Guam, Nevada, Southern California (zip codes 93599 and below, except for 93200-93299)
- **Miami Regional Office**
  Florida, Mississippi, Louisiana, U.S. Virgin Islands, Puerto Rico
- **New York Regional Office**
  New York, New Jersey
- **Philadelphia Regional Office**
  Delaware, Maryland, Pennsylvania, Virginia, West Virginia, District of Columbia
- **Salt Lake Regional Office**
  Utah
- **San Francisco Regional Office**
  Washington, Oregon, Alaska, Montana, Idaho, Northern California (zip codes 93600 and up, plus 93200-93299)

SEC Organization Structure

The SEC is an independent Federal agency established pursuant to the Exchange Act. It is headed by a bipartisan five-member Commission, comprised of the Chair and four other Commissioners, who are appointed by the President and confirmed by the Senate. The Chair serves as the chief executive, and in consultation with fellow Commissioners, sets the agenda for the Commission. The agency's functional responsibilities are organized into five divisions and 23 offices, each of which is headquartered in Washington, DC. The SEC also has 11 regional offices which are comprised primarily of staff from the national enforcement and examination programs.

In Fiscal Year (FY) 2015, the agency employed 4,301 full-time equivalents (FTE).



THIS PAGE LEFT BLANK

FY 2017 Budget Request Tables

Full-Time Equivalents and Positions by Program

	FY 2015 Actual		FY 2016 Enacted		FY 2017 Request	
	FTE	Actual Positions	FTE	Budgeted Positions	FTE	Budgeted Positions
Enforcement	1,331	1,431	1,376	1,452	1,435	1,504
Compliance Inspections and Examinations	925	1,098	1,055	1,145	1,152	1,272
Corporation Finance	463	505	485	511	498	515
Trading and Markets	243	280	264	284	276	291
Investment Management	173	197	183	201	191	208
Economic and Risk Analysis	133	161	154	167	163	173
General Counsel	135	151	145	153	150	155
Other Program Offices						
Chief Accountant	45	49	48	50	50	52
Investor Education and Advocacy	39	45	41	46	44	48
International Affairs	49	57	53	58	55	60
Administrative Law Judges	14	15	13	15	13	16
Investor Advocate	5	9	8	10	9	11
Credit Ratings	37	48	45	49	48	51
Municipal Securities	6	9	7	9	8	10
Total	195	232	215	237	227	248
Agency Direction and Administrative Support						
Executive Staff	43	46	40	46	41	46
Public Affairs	10	14	12	14	14	15
Secretary	20	25	23	25	24	26
Chief Operating Officer	25	35	16	17	18	18
Financial Management	97	104	101	104	102	105
Information Technology	165	180	174	183	181	191
Human Resources	117	126	121	130	131	141
Acquisitions	58	60	58	60	58	60
Support Operations	99	109	102	110	105	113
Strategic Initiatives[1]	0	0	15	15	15	16
Ethics Counsel	15	17	16	17	16	18
Minority and Women Inclusion	8	10	8	10	9	11
Equal Employment Opportunity	11	11	11	11	11	12
Total	668	737	697	742	725	772
Inspector General	35	48	47	54	53	58
Total FTE and Positions	**4,301**	**4,840**	**4,621**	**4,946**	**4,870**	**5,196**

[1] *The Office of Strategic Initiatives (OSI) was established in FY 2016.*

Obligations by Object Class

(DOLLARS IN THOUSANDS)	FY 2015 Actual[1]	FY 2016 Enacted	FY 2017 Request
Personnel Compensation & Benefits			
Total Personnel Compensation (11.9)	$ 744,607	$ 851,315	$ 916,249
Civilian Personnel Benefits (12.1)	248,384	276,704	297,033
Subtotal Cost of Compensation	**$ 992,991**	**$ 1,128,019**	**$ 1,213,282**
Other Expenses			
Benefits for Former Personnel (13.0)	612	903	916
Travel and Transportation of Persons (21.0)	12,816	15,404	15,904
Transportation of Things (22.0)	115	210	214
Rent, Communications & Utilities (23.0)	39,897	32,674	33,306
Printing and Reproduction (24.0)	8,681	8,945	9,083
Other Contractual Services (25.0)	364,966	367,673	373,748
Supplies and Materials (26.0)	2,694	3,286	3,414
Equipment (31.0)	46,226	44,941	47,311
Building Alterations (32.0)	9,054	6,775	8,944
Claims and Indemnities (42.0)	531	1,000	1,015
Refunds (44.0)	—	—	—
Undistributed (92.0)	—	—	—
Subtotal Cost of Other Expenses	**$ 485,592**	**$ 481,811**	**$ 493,855**
Subtotal, Obligations	**$ 1,478,583**	**$ 1,609,830**	**$ 1,707,137**
Budget Authority used to Liquidate Prior Obligations for Deficient Leases, per a October 3, 2011 report from the Comptroller General	71,965	73,453	74,320
Total Budget Authority	**$ 1,550,548**	**$ 1,683,283**	**$ 1,781,457**

1 *The FY 2015 actual obligations differ from those shown in the President's Budget, because they include only FY 2015 activity.*

Strategic Goal and Program

(DOLLARS IN THOUSANDS)			FY 2017 Request								
SEC Program	FY 2015 Actual	FY 2016 Enacted	Goal 1 Effective Regulatory Environ.	Goal 2 Enforce Securities Laws	Goal 3 Facilitate Access To Info.	Goal 4 Align & Manage Resources	FY 2017 Request	Change over FY 2015 Actual $	%	Change over FY 2016 Enacted $	%
FY 2015 Actual			**$ 151,711**	**$ 839,137**	**$187,029**	**$ 300,706**					
FY 2016 Enacted			**$ 166,324**	**$ 907,426**	**$203,050**	**$ 333,030**					
Enforcement	$ 485,014	$ 513,048	$ 5,433	$516,125	$ —	$ 21,731	$ 543,289	$ 58,275	12	$ 30,241	6
Compliance Inspections and Examinations	285,201	315,293	3,417	324,608	3,417	10,251	341,693	56,492	20	26,400	8
Corporation Finance	136,805	146,788	26,081	1,534	115,062	10,739	153,416	16,611	12	6,628	5
Trading and Markets	75,127	80,420	40,948	21,327	23,034	—	85,309	10,182	14	4,889	6
Investment Management	54,520	57,283	23,675	16,997	18,819	1,214	60,705	6,185	11	3,422	6
Economic and Risk Analysis	52,279	68,348	30,261	25,217	10,087	6,484	72,049	19,770	38	3,701	5
General Counsel	43,736	46,935	8,876	29,094	1,479	9,863	49,312	5,576	13	2,377	5
Other Program Offices	62,821	71,649	19,054	27,037	25,513	4,824	76,428	13,607	22	4,779	7
Agency Direction and Administrative Support	272,109	295,304	9,883	2,663	19,403	276,486	308,435	36,326	13	13,131	4
Inspector General	10,971	14,762	—	—	—	16,501	16,501	5,530	50	1,739	12
Subtotal	**1,478,583**	**1,609,830**	**167,628**	**964,602**	**216,814**	**358,093**	**1,707,137**	**228,554**	**15%**	**97,307**	**6%**
Percent Increase over Prior Year			1%	6%	7%	4%					
Budget Authority used to Liquidate Prior Obligations for Deficient Leases, per a October 3, 2011 report from the Comptroller General	71,965	73,453	—	—	—	—	74,320	—	—	—	—
Total Budget Authority	**$1,550,548**	**$1,683,283**					**$1,781,457**	**$228,554**	**15%**	**$ 97,307**	**6%**

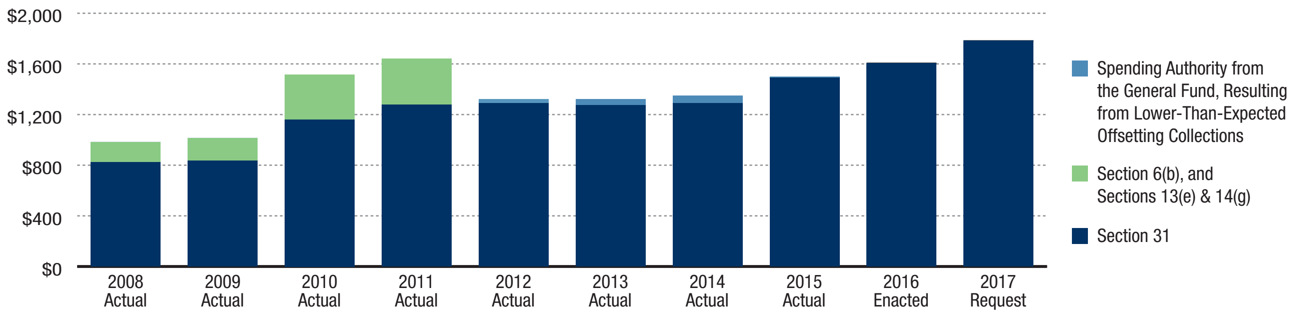
Summary of Changes

(DOLLARS IN THOUSANDS)	Positions	FTE	Amount
FY 2016 Enacted Levels	**4,946**	**4,621**	**$ 1,683,283**
FY 2017 Base Changes:			
Annualization of FY 2016 staffing increases	—	164	31,823
FY 2017 Pay Raise, effective January 2017	—	—	12,722
Merit pay and other increases for eligible staff	—	—	22,730
Non-compensation inflation	—	—	8,287
Subtotal, Base Changes	**—**	**164**	**$ 75,562**
FY 2017 Current Services Level	**4,946**	**4,785**	**$ 1,758,845**
FY 2017 Program Increases:			
Staffing increase of 250 positions (85 FTE)			
Enforcement	52	18	
Compliance Inspections and Examinations	127	41	
Corporation Finance	4	1	
Trading and Markets	7	2	
Investment Management	7	2	
Economic and Risk Analysis	6	2	
General Counsel	2	1	
Other Program Offices	11	5	
Agency Direction and Administrative Support	30	12	
Inspector General	4	1	
Subtotal, Program Increases	**250**	**85**	**$ 22,612**
Total FY 2017 Request	**5,196**	**4,870**	**$ 1,781,457**

These figures include amounts in FY 2016 and FY 2017 necessary to liquidate prior obligations on deficient leases.

Offsetting Collections and Spending Authority

OFFSETTING COLLECTIONS AND SPENDING AUTHORITY
(DOLLARS IN MILLIONS)



SOURCE OF OFFSETTING COLLECTIONS

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Securities Transaction Fees under the Securities Exchange Act of 1934 (Section 31)	$ 1,491,913	$ 1,605,000	$ 1,781,457
Total Offsetting Collections	**$ 1,491,913**	**$ 1,605,000**	**$ 1,781,457**

SPENDING AUTHORITY

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Enacted	FY 2017 Request
Current Year Appropriated Offsetting Collections	$ 1,491,913	$ 1,605,000	$ 1,781,457
Available Balances from Prior Years	86,090	77,283	—
Spending Authority from the General Fund, Resulting from Lower-Than-Expected Offsetting Collections	8,087	—	—
Total Authority	**$ 1,586,090**	**$ 1,682,283**	**$ 1,781,457**

FY 2017
Appropriations Language

FY 2017 Appropriations Language

Securities and Exchange Commission Salaries and Expenses

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, and not to exceed $3,500 for official reception and representation expenses, $1,781,457,278, to remain available until expended; of which not less than $14,700,700 shall be for the Office of Inspector General; of which not to exceed $75,000 shall be available for a permanent secretariat for the International Organization of Securities Commissions; of which not to exceed $100,000 shall be available for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations and staffs to exchange views concerning securities matters, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance including: (1) incidental expenses such as meals; (2) travel and transportation; and (3) related lodging or subsistence; *Provided*, That fees and charges authorized by section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) shall be credited to this account as offsetting collections: *Provided further*, That not to exceed $1,781,457,278 of such offsetting collections shall be available until expended for necessary expenses of this account: *Provided further*, That the total amount appropriated under this heading from the general fund for FY 2017 shall be reduced as such offsetting fees are received so as to result in a final total FY 2017 appropriation from the general fund estimated at not more than $0.

FY 2015 Annual Performance Report & FY 2017 Annual Performance Plan

A Reader's Guide to the SEC's Performance Information

The following chapters comprise the agency's FY 2015 Annual Performance Report (APR) and FY 2017 Annual Performance Plan (APP), which explains how the SEC uses resources to achieve each of its four strategic goals. These Strategic Goals, Strategic Objectives, and Performance Goals and Indicators were developed as part of the Strategic Plan process for FY 2014-2018. The process followed by SEC in verifying and validating the accuracy of all performance data is described in Appendix B.

The following outlines a brief description of each of the major components of the performance section:

Strategic Goal Summary: Each strategic goal section opens by reviewing the purpose of the goal, followed by information identifying the resources allocated toward achieving the goal.

Strategic Objective: This section provides a description of the SEC's strategic objectives that gauge the agency's performance within each strategic goal.

FY 2015 Performance Achievements: A brief summary that spotlights the year's performance achievements, including resource data and an overall discussion of performance.

Budgeting for the Future (FY 2017): A brief discussion of how the SEC plans to use resources requested in FY 2017 to achieve the strategic goal.

Performance Goals and Indicators: Each strategic goal section includes a presentation of performance goals and performance indicators by objective, comparing planned and actual performance levels for FY 2015. Four years of historical data is provided for performance goals and performance indicators where available.

FY 2015 APR and FY 2017 APP

The SEC focuses its resources on (1) establishing and maintaining an effective regulatory environment, (2) fostering and enforcing compliance with the Federal securities laws, (3) facilitating access to the information investors need to make informed investment decisions, and (4) enhancing the agency's performance through effective alignment and management of human, information, and financial capital. In FY 2015, total SEC obligations were $1.479 billion[1] in support of 4,301 total full-time equivalents (FTE). Of 53 total performance targets, the agency met or exceeded 46 and did not meet seven.

The budget request for FY 2017 totals $1.781 billion, an increase of about $98 million (six percent) over the agency's FY 2016 funding level of $1.683 billion. The FY 2017 budget funds 4,870 FTE, an increase of about 249 FTE (five percent) over the FY 2016 level, and increases the number of positions by 250 to a total of 5,196.

The additional resources requested for FY 2017 would bolster the SEC's efforts to achieve each of its four strategic goals, and improve the agency's ability to oversee the new markets and market participants that have been added to the SEC's jurisdiction. The agency is aware that increasing staffing in the program areas requires a commensurate increase in staff and funding for support offices. The requested funding will provide necessary resources for attracting and retaining a diverse and talented workforce, administering programs to enhance employee engagement and leadership development, and leveraging information technology that will improve the efficiency and effectiveness of agency programs.

To complement the FY 2015 APR, the agency also presents its FY 2015 budget by program. Each program chapter provides detailed information on program priorities, initiatives, and workload figures for the relevant divisions and offices.

[1] *This figure excludes use of budget authority to liquidate prior obligations for deficient leases.*

Performance Summary by Strategic Goal and Strategic Objective

Strategic Goal 1: Establish and Maintain an Effective Regulatory Environment

The Commission's responsibility is to put the Federal securities laws into action by establishing and maintaining a regulatory environment that fulfills and sustains the agency's mission. In general, rulemaking and policies are designed to improve disclosure, facilitate the flow of important information to investors and the public, promote capital formation, improve governance, promote high-quality accounting standards, enhance the accountability of financial intermediaries and other market participants, and strengthen the structure of the trading markets, among other goals. The Commission aims to promulgate rules that are clearly written, easily understood, and tailored toward specific ends. In addition, the agency recognizes that regular reviews of Commission regulations and rulemaking processes are necessary to confirm that intended results are being achieved. When properly crafted, these rules serve to further the agency's mission and allow for accurate and reliable information to be made available to investors.

In FY 2015, approximately $151.7 million and 463 full-time equivalents (FTEs) were directed at achieving results in Goal 1. Of 10 performance targets, the agency met or exceeded eight and did not meet two. During FY 2017, the SEC plans to pursue a vigorous investor-focused rulemaking agenda that will help protect investors and ensure that markets operate fairly. Under the Dodd-Frank Act the agency will continue to implement a more effective regulatory structure. In FY 2017, the agency is requesting a total of $167.6 million and 488 FTEs toward achieving results in establishing an effective regulatory environment.

Strategic Objective 1.1: The SEC establishes and maintains a regulatory environment that promotes high-quality disclosure, financial reporting, and governance, and prevents abusive practices by registrants, financial intermediaries, and other market participants.

Goal Leader(s): Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management

Spotlight: FY 2015 Performance Achievements

The SEC has proposed or adopted nearly all of the mandatory rulemakings required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the Jumpstart Our Business Startups Act (JOBS Act), in addition to advancing other key rules in mission critical areas that protect investors and our markets. These efforts have included final rules addressing over-the-counter derivatives; new means for small businesses to access capital (including rules to update Regulation A and permit securities-based crowdfunding offerings); executive compensation disclosures; and the removal of references to credit ratings from our rules. In addition to implementing congressionally mandated rules, the SEC has also advanced other important policy objectives, including rules to enhance oversight of high-frequency traders and the supervision of investment advisers and mutual funds, including reforms to money market mutual funds; as well as adopting requirements for comprehensive new controls at critical market participants to strengthen key technological systems.

Budgeting for the Future (FY 2017)

The Division of Trading and Markets (TM) is responsible for more than 30 separate rulemaking initiatives under the Dodd-Frank Act. Many of these rulemakings are the first step in new ongoing supervisory and regulatory functions for the Division that will extend into FY 2017. These initiatives and functions include:

- Registration and regulation of security-based swap data repositories (SDRs), security-based swap dealers (SBSDs), major security-based swap participant (MSBSPs), and swap execution facilities;
- Regulatory reporting and public dissemination of security-based swap data;
- Mandatory clearing of security-based swaps;
- Application of security-based swap rules to cross-border activities and persons engaged in those activities;

- Expanded regulation and supervision of clearing agencies; and
- Ongoing implementation of final rules restricting certain proprietary trading activities of broker-dealers under the Volcker Rule, including interagency coordination of interpretations, examinations, and enforcement of the rules.

In FY 2017, the Division of Corporation Finance (CF) will assist the Commission in finalizing the study of the Commission's disclosure rules required by the Fixing America's Surface Transportation (FAST) Act and in developing recommendations arising out of that study for new or revised rules. In FY 2017, CF will also provide assistance and interpretive guidance to small businesses and other market participants related to the Commission's 2015 rules that allow for expanded access to capital through crowdfunding and under Regulation A.

In FY 2017, the Division of Investment Management (IM) expects to continue to focus considerable attention on a set of initiatives to enhance investment management industry resilience to portfolio composition risk and operational risk. The initiatives are designed to:

- Improve the data and other information used by the Commission to understand the risks of the asset management industry and develop appropriate regulatory responses.
- Ensure that registered funds enhance their fund-level controls so they are able to identify and address risks related to their liquidity and use of derivatives.
- Ensure that firms have a plan for transitioning their clients' assets when circumstances warrant.
- Implement new requirements for annual stress testing by large investment advisers and large funds.

PERFORMANCE INDICATOR (PROCESS) 1.1.1
Number of investor testing research projects

Description: This metric tracks the number of research initiatives used to gather feedback from investors on the usefulness of disclosures and other input on SEC rulemaking.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of projects	0	2	2	0	0	0

Responsible Division/Office: Office of the Investor Advocate

Data Source: Microsoft Office Suite Tools

Strategic Objective 1.2: The SEC promotes capital markets that operate in a fair, efficient, transparent, and competitive manner, fostering capital formation and innovation.

Goal Leader(s): Director, Division of Trading and Markets

Spotlight: FY 2015 Performance Achievements

SEC's rulemaking agenda prioritizes investor protection, market stability, and capital formation. Through rulemaking and other initiatives, the agency works to assure that investors have fair access to securities markets and that their orders are handled in an efficient and transparent manner from order to settlement.

Additionally, the SEC oversees self-regulatory organizations (SRO) to ensure that securities markets operate in a fair, efficient and orderly manner; that they are competitive; and that they promote capital formation. The SEC has authority over the rulemaking and other activities of SROs, which include national securities exchanges, the Financial Industry Regulatory Authority (FINRA) and clearing agencies. The SEC, in approving SRO rules, must determine that these rules are constructed to prevent fraudulent and manipulative practices, promote just and equitable principles of trade, and foster cooperation in the clearing and settling of trades, and that they do not impose an unnecessary or inappropriate burden on competition **(Performance Goal 1.2.1)**.

Budgeting for the Future (FY 2017)

In FY 2017, the SEC must sustain and enhance its existing supervision of securities markets, securities market infrastructure, securities intermediaries, and other market participants. In FY 2017, the Division of Trading and Markets (TM) will face growing demands in its supervision of critical securities market infrastructure, with respect to both the implementation of new Dodd-Frank Act-related responsibilities and the expansion of its existing oversight program. The Division will expand its oversight of existing clearing agencies, particularly those that are designated as systemically important by the Financial Stability Oversight Council (FSOC), and will continue to review their rule filings on an ongoing basis. As with exchanges, many clearing agency rule changes filed with the SEC must be handled on a significantly expedited basis under the Dodd-Frank Act. Additionally, TM will need to focus on significant industry initiatives to reform clearing agency practices with respect to disclosure of risk management information, tri-party securities lending activities, and the duration of the standard securities settlement cycle, among other matters.

PERFORMANCE GOAL 1.2.1
Time to complete SEC review of SRO rules that are subject to SEC approval

Description: The SEC reviews SRO rule proposals for consistency with the Exchange Act standards of investor protection, fair and orderly operation of the markets and market structure, as well as other statutory requirements. This metric gauges the timeliness of those reviews.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Within 45 days	99%	82%	75%	74%	75%	70%	63%	60%	60%

Target: Not Met

Analysis: During FY 2015, the SEC approved or disapproved 211 SRO rule changes filed pursuant to Section 19(b)(2) of the Exchange Act. Of the 211 filings, 63 percent were approved or disapproved within the 45 day standard for publication, which falls below the 70 percent target established. The remaining SRO rule changes all met other statutory deadlines past the 45th day.

Plan for Improving Program Performance: The adoption of Dodd-Frank in July 2010 required the SEC to approve or disapprove within certain statutory time frames from the date of publication of a rule change. The staff must publish within 15 days from when the filing is received, otherwise the publication date reverts to the day the SRO publishes the filing on their website, (i.e., within two days of filing with the SEC). Once a rule filing is published for comment, the SEC must complete a review within 45 days, or within longer periods of time as noted in the statute. Of the 211 SRO rule changes subject to the Dodd-Frank standards, 132 filings were subsequently approved or disapproved within 45 days of publication. The remaining 79 filings were approved or disapproved within the other statutory benchmarks, (i.e., within 90 days, within 180 days, within 240 days). The SEC met the statutory standards set by Dodd-Frank 100 percent of the time. The SEC will evaluate in FY 2016 whether to adjust this target to the Dodd-Frank standards, which represent a better measure of program performance.

Responsible Division/Office: Division of Trading and Markets

Data Source: SRO Rule Tracking System (SRTS)

PERFORMANCE INDICATOR (PROCESS) 1.2.1
Percentage of SRO rule filings that are submitted for immediate effectiveness

Description: This indicator gauges the proportion of SRO rule proposals that can be submitted for immediate effectiveness, without Commission approval.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	69%	77%	72%	78%	72%	78%

Responsible Division/Office: Division of Trading and Markets

Data Source: SRO Rule Tracking System (SRTS)

PERFORMANCE INDICATOR (PROCESS) 1.2.2
Percentage of transaction dollars settled on time each year

Description: This indicator measures the efficiency of the U.S. clearance and settlement system for equity securities.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	99%	99%	99%	98%	99%	99%
Responsible Division/Office: Division of Trading and Markets						
Data Source: Depository Trust & Clearing Corporation and NYSE Technologies						

PERFORMANCE INDICATOR (PROCESS) 1.2.3
Percentage of market outages at SROs and electronic communications networks (ECNs) that are corrected within targeted timeframes

Description: Market outages reflect problems in the systems underlying the securities markets that could have an adverse effect on the markets' ability to function as required. The SEC assesses the reliability and resiliency of these systems to minimize the number and duration of outages. This metric gauges how quickly outages are resolved, so that market activity can resume.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Within 2 hours	74%	88%	71%	80%	80%	63%
Within 4 hours	85%	94%	89%	86%	85%	77%
Within 24 hours	100%	100%	100%	98%	96%	96%
Responsible Division/Office: Office of Compliance Inspections and Examinations						
Data Source: SROs						

Strategic Objective 1.3: The SEC adopts and administers regulations and rules that are informed by robust economic analysis and public comment and that enable market participants to understand their obligations under the securities laws.

Goal Leader(s): Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management

Spotlight: FY 2015 Performance Achievements

In FY 2015, the SEC continued to pursue an investor-focused rulemaking agenda. The Commission's rulemaking has been supported by detailed economic analysis provided by the Division of Economic and Risk Analysis (DERA). DERA has provided guidance that outlines a road map for the rulemaking divisions and offices, listing concepts that the analysis should cover and helping ensure that economic analysis is integrated throughout the entire rule development and rule writing process.

The SEC devotes resources to responding to no-action letters, and interpretive and other requests from regulated entities, public companies, and other outside parties. In FY 2015, the Divisions of Corporation Finance (CF) and Investment Management (IM) met or exceeded their response rate targets for **Performance Goal 1.3.1**.

Budgeting for the Future (FY 2017)

In FY 2017, the SEC plans to continue to devote staff resources to rulemaking and interpretive guidance, including preparing remaining rules to implement the Dodd-Frank Act and JOBS Act, considering the impact of SEC rules and regulations on small business capital formation, and continuing efforts to modernize and simplify disclosure requirements. TM, IM and CF remain committed to exceeding timeliness goals in responding to written requests for no-action letters, exemptive applications, and written interpretive requests **(Performance Goal 1.3.1)**.

PERFORMANCE GOAL 1.3.1
Length of time to respond to written requests for no-action letters (NAL), exemptive applications, and written interpretive requests

Description: The SEC staff responds to requests for guidance from individuals and market participants about specific provisions of the Federal securities laws. These queries may seek interpretations of the securities laws or regulations, or assurances that no enforcement action will be taken if the individual or market participant engages in a specified activity. The staff also reviews applications for exemptions from the securities laws. Written responses to such requests for guidance, when provided, generally are publicly available, as are applications and related notices and orders, when issued. This metric gauges the timeliness of initial comments issued by the Divisions of Trading and Markets, Investment Management, and Corporation Finance.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Trading and Markets: No-action letters, exemptive applications, and written interpretive requests (combined figure)									
Percentage within required timeframe	91%	98.5%	89%	93%	83%	85%	88%	80%	80%
Target: Exceeded									
Analysis: TM met the established target for FY 2015. Some requests are extremely complex and require extensive consideration and consultation both within and outside TM. TM's approach has been to allow these requests the thorough consideration they demand, even when that means the request is not closed within the targeted timeframe. The SEC decided to lower its target percentage for 2016 and 2017 to reflect the time involved in responding to these complex requests.									
Responsible Division/Office: Division of Trading and Markets									
Data Source: TM Request Tracking Log									
Investment Management									
No-action letters and interpretive requests	100%	100%	100%	100%	100%	80%	100%	80%	80%
Exemptive applications	100%	100%	100%	99%	99%	80%	100%	80%	80%
Target: No-action letters – Exceeded; Exemptive applications – Exceeded									
Analysis: For the seventh year in a row, IM exceeded its target for initial comments on exemptive applications within 120 days. The division considered but decided against raising its target percentage because the ability to meet the target is dependent on factors that could change materially during any fiscal year such as the total number of applications filed, concentration of filings at any particular time period (surges), and the types and complexity of the applications filed. For the sixth year in a row, IM processed 100 percent of initial comments on no-action letters within three weeks, surpassing its target of "80 percent within three weeks." IM has been able to achieve this level of success because of its continued emphasis on providing initial comments within the targeted timeframe as a key priority.									
Responsible Division/Office: Division of Investment Management									
Data Source: OCC Letter Log, OICR and OIP Applications Tracking Systems (Access), Excel spreadsheet									
Corporation Finance									
No-action letters and interpretive requests	97%	97%	98%	98%	97%	90%	94%	90%	90%
Shareholder proposals	100%	100%	100%	100%	100%	100%	100%	100%	100%
Target: No-action letters – Exceeded; Shareholder proposals – Met									
Analysis: CF surpassed its FY 2015 target by providing initial comments on no-action letters within 30 days for 94 percent of requests. CF achieved its target of responding to 100 percent of shareholder proposal requests prior to the company's proxy filing date.									
Responsible Division/Office: Division of Corporation Finance									
Data Source: Division No-Action Letter database and Division Shareholder Proposal database									

PERFORMANCE GOAL 1.3.2
Timeliness of responses to requests for informal guidance received by the Trading and Markets dedicated hotline or email box

Description: The Division of Trading and Markets maintains a dedicated phone line and an email account to provide market participants with avenues to request information and informal guidance regarding the Exchange Act and rules thereunder. This metric reflects the timeliness of the staff's responses to these requests.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Respond to or refer inquiries within 2 weeks	Prior-year data not available			N/A	99%	95%	98%	95%	95%

Target: Exceeded

Analysis: TM surpassed its FY 2015 target by responding to or referring inquiries within two weeks for 98 percent of inquiries.

Responsible Division/Office: Division of Trading and Markets

Data Source: Division of Trading and Markets Office of Interpretation and Guidance (OIG) Log and email box

PERFORMANCE INDICATOR (CONTEXTUAL) 1.3.1
Number of published economic reports

Description: This indicator gauges the number of economic reports that staff of the Division of Economic and Risk Analysis publishes annually on the SEC's website.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of reports	N/A	N/A	N/A	23	15	29

Responsible Division/Office: Division of Economic and Risk Analysis

Data Source: *www.sec.gov*

PERFORMANCE INDICATOR (PROCESS) 1.3.2
Number of amendments to national securities exchange registrations (Form 1)

Description: This indicator provides information about the volume of material filed with the SEC that involves amendments to exchange registrations.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of amendments	Prior-year data not available				117	161

Responsible Division/Office: Division of Trading and Markets

Data Source: Manual spreadsheets

PERFORMANCE INDICATOR (PROCESS) 1.3.3
Number of Alternative Trading System registrations (Form ATS)

Description: This indicator provides information about the volume of material filed with the SEC that involves filings related to ATS registrations.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of registrations	Prior-year data not available				12	9

Responsible Division/Office: Division of Trading and Markets

Data Source: ATS Database

PERFORMANCE INDICATOR (PROCESS) 1.3.4
Number of new investment product submissions

Description: This indicator provides information about the volume of material filed with the SEC that involves new product submissions pursuant to Rule 19b-4(e) of the Exchange Act.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of submissions	Prior-year data not available				2,047	2,285
Responsible Division/Office: Division of Trading and Markets						
Data Source: Form 19b-4(e) Database						

Strategic Objective 1.4: The SEC engages with a multitude of stakeholders to inform and enhance regulatory activities domestically and internationally.

Goal Leader(s): Director, Office of International Affairs

Spotlight: FY 2015 Performance Achievements

In today's markets, capital can cross jurisdictional boundaries with the tap of a screen. It is more important than ever to coordinate with other U.S. and foreign regulatory authorities and stakeholders on the best regulatory responses to the changing market landscape. Failure to effectively coordinate can significantly hamper the SEC's ability to achieve its policy objectives or avoid significant unintended consequences.

The Office of International Affairs (OIA) handled an increased volume of requests in cross-border supervisory cooperation matters, cross-border examinations, asset verifications and registrations. During FY 2015, OIA continued to streamline its processes to provide assistance in an efficient and timely way. The Office also continued to provide technical assistance programs for regulators around the world **(Performance Goal 1.4.1 and Performance Goal 1.4.2)**.

Budgeting for the Future (FY 2017)

The SEC will continue to actively participate in international multilateral organizations, including the International Organization of Securities Commissions (IOSCO), the Financial Stability Board, the Organization for Economic Cooperation and Development, and the Financial Action Task Force. These efforts will be complemented by direct bilateral consultations with foreign regulatory counterparts on enforcement and regulatory matters. In addition, the SEC continues to promote international coordination and cooperation through its technical assistance programs for foreign regulators **(Performance Goal 1.4.1 and Performance Goal 1.4.2)**.

In FY 2017, the SEC Chair will continue to participate actively in the Financial Stability Oversight Committee (FSOC) with other FSOC members, such as the Chairman of the Board of Governors of the Federal Reserve, the Secretary of the Treasury, and the Chairman of the Commodity Futures Trading Commission (CFTC).

PERFORMANCE GOAL 1.4.1
Supervisory cooperation requests from foreign authorities for SEC assistance and SEC requests for assistance on supervisory cooperation from foreign authorities

Description: The SEC makes requests to foreign authorities for supervisory cooperation assistance and responds to such requests from foreign regulators through both formal mechanisms, such as supervisory memoranda of understanding, and on an ad hoc basis.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Supervisory cooperation requests from foreign authorities	Prior-year data not available			25	117	95	113	116	120
SEC requests for assistance on supervisory cooperation from foreign authorities	Prior-year data not available			118	96	99	135	139	143

Target: Supervisory cooperation – Exceeded; SEC requests – Exceeded

Analysis: The greater than expected results can be attributed to foreign authorities becoming more aware of OIA's Supervisory Cooperation section, which came into existence in FY 2013. During FY 2015, the supervisory cooperation group handled an increased volume of requests in cross-border supervisory cooperation matters, including cross-border examinations, asset verifications and registrations during FY 2015. OIA worked to streamline its processes to provide assistance in an efficient and timely way. Note the FY 2013 figures have been corrected from previous publications.

Responsible Division/Office: Office of International Affairs

Data Source: International Program Oversight Database and Business Objects reports

PERFORMANCE GOAL 1.4.2
Number of non-U.S. regulators trained

Description: This metric shows the reach of the SEC's technical assistance programs for regulators around the world. The SEC conducts these training sessions to assist countries in developing and maintaining robust protections for investors and promoting cross-border enforcement and supervisory assistance.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of non-U.S. regulators	1,997	1,765	1,785	1,716	2,382	1,800	1,666	1,700	1,800

Target: Not Met

Analysis: Target FY 2015 was not met because several 2015 foreign programs were cancelled due to resource constraints of both the SEC and the foreign sponsoring authorities.

Plan for Improving Program Performance: OIA's Technical Assistance section will monitor resources available to foreign sponsoring authorities and the SEC. The FY 2016 and FY 2017 figures are contingent on the availability of sufficient domestic and foreign resources.

Responsible Division/Office: Office of International Affairs

Data Source: International Program Oversight Database and Business Objects reports

Strategic Goal 2: Foster and Enforce Compliance with the Federal Securities Laws

Fostering compliance with Federal securities laws is interwoven through all of the SEC's programs and is central to fulfilling the critical mission of the agency. Through disclosure reviews and examinations of broker-dealers, investment advisers, self-regulatory organizations (SROs) and other market participants, the SEC seeks both to detect violations of the securities laws and rules and to foster strong compliance and risk management practices within these firms and organizations. The SEC's Enforcement program also investigates and prosecutes violations of the law, with the aims of holding wrongdoers accountable, returning funds to harmed investors whenever possible, and building deterrence against future violations. In FY 2015, approximately $839.1 million and 2,474 full-time equivalents (FTEs) were directed at achieving results in Goal 2. Of 12 performance targets, the agency met or exceeded 10 and did not meet two.

In FY 2017, the agency is requesting a total of $964.6 million and 2,823 FTE for Goal 2. The additional resources will allow the SEC to continue addressing the disparity between the reach of the exam staff and the growing number and complexity of registered firms and building out the agency's new responsibility areas. Additionally, the Commission will be able to take prompt action to halt misconduct, sanction wrongdoers effectively, and return funds to harmed investors. In all, the agency plans to devote approximately $964.6 million to enforcing compliance with the Federal securities laws.

Strategic Objective 2.1: The SEC fosters compliance with the Federal securities laws.

Goal Leader(s): Director, Office of Compliance Inspections and Examinations

Spotlight: FY 2015 Performance Achievements

The SEC seeks to encourage within firms that participate in the securities markets a strong culture of compliance that fosters ethical behavior and decision-making. As part of its efforts to promote compliance within the industry, OCIE conducted 129 outreach and educational programs events during the year, including Compliance Outreach seminars, targeted sessions with never before examined advisers, and various other outreach initiatives with registrants and other regulators **(Performance Goal 2.1.1)**.

OCIE also works to enforce and foster compliance with Federal securities laws through its examination and inspection program. During examinations in FY 2015, the staff identified a number of areas where firms appeared not to be in compliance with Federal securities laws. In response to deficiency letters that were sent to firms by the staff, 90 percent of registrants have continued to assert that they are taking corrective action in response to all staff findings. In order to achieve this level of performance, the staff continued to make concerted efforts during the year to improve dialogue and communication with firms, including at the most senior levels **(Performance Goal 2.1.2)**.

Budgeting for the Future (FY 2017)

In FY 2017, the National Examination Program (NEP) will continue its focus on high-risk entities and activities. The additional resources requested will serve to: (1) address the disparity between the number of exam staff and the growing number and complexity of registered firms, particularly in the investment management industry; (2) continue implementation of certain legislative changes, including provisions of the Dodd-Frank and JOBS Acts; (3) enhance and expand quantitative and data analytic efforts; and (4) more effectively risk target, monitor, and examine market participants. OCIE will also enhance training and expertise of examiners in data analysis, fraud detection and prevention, technology, new products and trading strategies, and other critical areas. Also, in FY 2017, OCIE will continue its efforts to promote industry compliance efforts through initiatives such as the Compliance Outreach program **(Performance Goal 2.1.1)**.

PERFORMANCE GOAL 2.1.1
Number of industry outreach and education programs targeted to areas identified as raising particular compliance risks

Description: Targeted communication with industry participants on topics shaping the examination program is intended to enhance compliance practices and prevent violations before they occur. This metric identifies the number of major outreach efforts conducted including the SEC's national and regional compliance outreach events, published risk alerts, and other educational programs and initiatives.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of major outreach efforts	6	5	12	15	63	65	129	100	100

Target: Exceeded

Analysis: The SEC seeks to encourage a strong culture of compliance among organizations, to foster ethical behavior and decision-making. As part of its efforts to promote compliance within the industry, OCIE conducted 129 outreach and educational programs events during the year, including Compliance Outreach seminars, targeted sessions with never before examined advisers, and various other outreach initiatives with registrants, regulators, and industry groups. As part of this work, the NEP also issued six National Risk Alerts, presented at SEC Speaks and published other significant materials during the year. In addition to these efforts, staff from throughout the program participated in a number of other outreach efforts, including speaking at hundreds of industry conferences and related engagements that are not reflected in the above numbers.

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Internal tracking, although many of the events noted above are referenced in the SEC's website

PERFORMANCE GOAL 2.1.2
Percentage of firms receiving deficiency letters that take corrective action in response to all exam findings

Description: At the conclusion of examinations, the staff communicates identified deficiencies to registrants in the form of a deficiency letter. Registrants are then given a chance to respond to staff findings and often take action to remedy any problems and potential risks, including monetary compensation to clients and enhancements to disclosures, policies and procedures. Most often, registrants respond that they have corrected the deficiencies and implemented measures to prevent recurrence.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	90%	93%	92%	86%	89%	89%	90%	90%	90%

Target: Exceeded

Analysis: The SEC works to enforce and foster compliance with Federal securities laws through its examination program. During examinations in FY 2015, the staff identified a number of areas where firms appeared not to be in compliance with Federal securities laws. In response to deficiency letters that were sent to firms by the staff, the vast majority of registrants have continued to assert that they are taking corrective action in response to the staff's findings. In order to achieve this level of performance, the staff made concerted efforts during the year to improve dialogue and communication with firms, including at the most senior levels. These efforts have helped to ensure that there is a clear understanding of issues and concerns between the staff and registrants. Overall, this measure continues to show that registrants are using examination results to improve operations and compliance with Federal securities laws.

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Tracking and Reporting Exam National Documentation System (TRENDS)

Strategic Objective 2.2: The SEC promptly detects and deters violations of the Federal securities laws.

Goal Leader(s): Director, Office of Compliance Inspections and Examinations

Spotlight: FY 2015 Performance Achievements

In FY 2015, the National Examination Program continued to improve its risk assessment and surveillance capabilities, to ensure that the program is spending its limited resources on those firms presenting the highest risk. Examinations of high risk firms often take significant time to complete and are frequently of large and complex entities. Overall, the staff examined 10 percent of investment advisers in FY 2015; these firms manage more than 30 percent of the assets under management of currently registered advisers. Examination resources were also allocated during the past year to other efforts intended to improve the long-term performance of the program, including industry outreach initiatives, rule-making efforts and other program improvement efforts **(Performance Goal 2.2.1)**.

Budgeting for the Future (FY 2017)

The National Examination Program is requesting to hire 127 additional staff in FY 2017. These new positions would directly affect the proportion of registered entities that would be examined each year. Since these staff would be hired during the course of FY 2017, the coverage rates would not reach their new steady-state levels until the staff are all on board, trained, and conducting examinations for a full fiscal year. Once that occurs, the percentage of investment advisers and investment companies examined is expected to reach approximately 13 percent and 15 percent, respectively **(Performance Goal 2.2.1)**.

The National Exam Program will continue to identify and communicate potential issues to firms to ensure that compliance problems and issues are corrected quickly. In FY 2017, the SEC will continue to complete all examinations within the statutory deadline. Overall, this helps the SEC to ensure that deficiencies are promptly detected and resolved by firms **(Performance Goal 2.2.2)**.

In FY 2017, the SEC will continue to focus on improving coordination with other regulators on areas of mutual interest, both to share expertise and to address key areas of risk. In that regard, the exam program continued to conduct coordinated exams and meetings with other regulators and also maintained a number of agreements with these regulators to help ensure that information could be shared in an appropriate and timely manner **(Performance Goal 2.2.3)**.

PERFORMANCE GOAL 2.2.1
Percentage of investment advisers, investment companies, and broker-dealers examined during the year

Description: This metric indicates the number of registrants examined by the SEC or an SRO as a percentage of the total number of registrants. This metric includes all types of examinations: risk priority examinations, cause inspections to follow up on tips and complaints, limited-scope special inspections to probe emerging risk areas, and oversight examinations of broker-dealers to test compliance and the quality of examinations by FINRA.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Investment advisers	9%	8%	8%	9%	10%	10%	10%	11%	12%
Investment companies	10%	13%	12%	11%	10%	12%	15%	15%	15%
Broker-dealers (exams by SEC and SROs)	44%	58%	49%	46%	49%	50%	51%	50%	50%

Target: Investment advisers – Met; Investment companies – Exceeded; Broker-dealers – Exceeded

Analysis: Building and maintaining examination coverage of the industry helps the Commission promptly detect violations of Federal securities laws and promote compliance with such laws. The staff continued to enhance its risk assessment and surveillance capabilities to ensure that the program is spending its limited time and resources on those firms presenting the highest risk. Overall, the program exceeded expectations and completed more examinations than in any of the previous five fiscal years. In addition, the NEP engaged in other critical efforts intended to improve the long-term performance of the program, including industry outreach initiatives, rulemaking projects, and other program improvement efforts.

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Tracking and Reporting Exam National Documentation System (TRENDS) (IA, IC, and BD SEC data) and SRO Databases (BD SRO Data)

PERFORMANCE GOAL 2.2.2
Percentage of compliance exams that are timely concluded in accordance with the Office of Compliance Inspections and Examination's (OCIE) statutory deadline

Description: The staff conducts examinations each year of registered entities, including investment advisers, investment company complexes, transfer agents, and broker-dealers. The staff strives to complete its examinations and communicate findings in the most efficient and effective manner and within its statutory deadline. This metric reflects the percentage of examinations concluded within the statutory deadline.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	Prior-year data not available			100%	100%	100%	100%	100%	100%

Target: Met

Analysis: The staff's goal is to identify and communicate potential issues to firms to ensure that compliance problems and issues are corrected quickly. During FY 2015, all completed examinations were done within OCIE's statutory deadline. Overall, this performance goal helps the SEC to ensure that deficiencies are promptly resolved by firms.

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Tracking and Reporting Exam National Documentation System (TRENDS)

PERFORMANCE GOAL 2.2.3
Number of joint exams, information sharing agreements, and formal meetings with other regulators

Description: The SEC attempts to coordinate and collaborate with other regulators on areas of mutual interest. This helps to ensure that all regulators are informed of on-going risks and issues related to broad market practices as well as specific entities of mutual interest. This cooperation is critical to the exam program to ensure that certain higher risk firms and activities are addressed in the most efficient and effective manner. This metric tracks critical cooperation activities that are occurring between the SEC's exam program and other regulators.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of joint exams, active sharing agreements, and formal meetings	Prior-year data not available				391	395	442	400	400

Target: Exceeded

Analysis: The exam program continued to conduct joint/coordinated exams and meetings with other regulators, which has proved an effective method of overseeing entities that cross jurisdictional lines. The program also maintained a number of sharing agreements with these regulators to help ensure that information could be shared in an appropriate and timely manner.

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Various (including internal tracking and TRENDS)

PERFORMANCE INDICATOR (CONTEXTUAL) 2.2.1
Percentage of exams that identify deficiencies, the percentage that result in a "significant finding," and the percentage referred to the Division of Enforcement

Description: Examiners find a wide range of deficiencies during examinations. Some of the deficiencies are more technical in nature, such as failing to include all information that is required to be in a record. However, other deficiencies may cause harm to customers or clients of a firm, have a high potential to cause harm, or reflect recidivist misconduct. The latter deficiencies are among those categorized as "significant." This indicator identifies the percentage of exams that identified deficiencies, that resulted in significant deficiency findings, and that were referred to Enforcement.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage that identify deficiencies	72%	82%	80%	80%	76%	77%
Percentage that result in a "significant finding"	42%	42%	42%	35%	30%	31%
Percentage referred to the Division of Enforcement	Prior-year data not available			13%	12%	11%

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Tracking and Reporting Exam National Documentation System (TRENDS)

PERFORMANCE INDICATOR (OUTPUT) 2.2.2
Number of cause exams that result from tips, complaints and referrals

Description: Analysis of a tip can support the request for a cause exam. This indicator would identify the number of SEC cause exams that result from tips collected through outreach efforts.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of cause exams	Prior-year data not available			222	149	173

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Tracking and Reporting Exam National Documentation System (TRENDS)

PERFORMANCE INDICATOR (OUTPUT) 2.2.3
Number of rule-making initiatives assisted by the National Exam Program

Description: The examination program interacts with registrants on a regular basis and this work provides critical feedback to ensuring effective and practical rulemaking and policy efforts. This indicator tracks how frequently the examination program assists with rulemaking initiatives.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of rule-making initiatives assisted by the NEP	Prior-year data not available				30	26

Responsible Division/Office: Office of Compliance Inspections and Examinations

Data Source: Internal tracking

PERFORMANCE INDICATOR (OUTPUT) 2.2.4
Number of investigations or inquiries originating from a tip or complaint

Description: Analysis of a tip or complaint can result in the need for further enforcement investigation. The indicator identifies the volume of SEC investigations that result from tips and complaints received by the SEC.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of investigations	303	349	296	289	291	325

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE INDICATOR (OUTPUT) 2.2.5
SEC investigations in which requests for access to information were granted by the SEC to other authorities, such as SROs or other state, Federal, and foreign enforcement authorities

Description: The SEC works closely with other regulators and authorities. This measure identifies the number of investigations in which the SEC granted one or more authorities access to information concerning an investigation during the fiscal year. This may include requests for access to SEC investigative files concerning investigations that the SEC continues to pursue, as well as those in which the SEC has completed its investigation.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of investigations	492	586	515	504	501	498

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE INDICATOR (OUTPUT) 2.2.6
Requests from foreign authorities for SEC assistance and SEC requests for assistance from foreign authorities

Description: Each year, the SEC makes hundreds of requests for enforcement assistance to foreign regulators, while responding to hundreds of such requests from other nations. To facilitate this type of assistance, and encourage other countries to enact laws necessary to allow regulators to cooperate with their foreign counterparts, the SEC has entered into bilateral information sharing arrangements, as well as the Multilateral Memorandum of Understanding, an information-sharing arrangement negotiated through the International Organization of Securities Commissions (IOSCO).

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of requests from foreign authorities	457	492	450	508	541	531
Number of SEC requests	605	772	718	717	966	929

Responsible Division/Office: Office of International Affairs

Data Source: International Program Oversight Database and Business Objects reports

Strategic Objective 2.3: The SEC prosecutes violations of Federal securities laws and holds violators accountable through appropriate sanctions and remedies.

Goal Leader(s): Director, Division of Enforcement

Spotlight: FY 2015 Performance Achievements

A key part of investor protection is to quickly and appropriately sanction those who prey on investors. The Division of Enforcement strives to obtain swift and strong judgments and orders, while remaining fair. The Division has continued to implement controls and strategies to resolve actions quickly and on a favorable basis, while at the same time, it does not hesitate to file matters on a contested basis where a favorable settlement was unavailable before filing **(Performance Goal 2.3.1)**.

Filing enforcement actions in a timely manner is an important measure of the Division's effectiveness. In FY 2015, the average time between opening a matter under inquiry (MUI) or Investigation and commencing an enforcement action was 24 months. This exceeded the similar figure in the prior fiscal year. However, many of the Division's cases are complex and can take extended periods of time to develop successfully, which will negatively impact the timeliness of actions. Indeed, many of the cases filed by the Division in FY 2015 involved complex financial products, market transactions, and other types of conduct that are difficult to investigate. The Division continued to focus on complex areas of the marketplace, including emerging threats involving new trading technologies such as high-frequency and algorithmic trading, large volume trading, systemic insider trading and manipulation schemes, and financial disclosure, among other areas **(Performance Goal 2.3.3)**.

Budgeting for the Future (FY 2017)

For FY 2017, the Division of Enforcement is requesting 52 new positions. These new staff, along with new methods, initiatives, and organizational reforms, will help the program bring successful cases on a timely basis. To improve the quality and efficiency of its investigations, the SEC has placed new emphasis on data analytics, put seasoned investigators on the front lines, created specialized units focused on specific programmatic priorities, enhanced case management systems, and increased coordination efforts with other offices and divisions in the SEC and other regulators. In FY 2016, the SEC plans to obtain relief on one or more claims from approximately 92 percent of enforcement actions **(Performance Goal 2.3.1)**. The agency also plans to reduce in FY 2017 the average number months between the opening of an investigation and the commencement of an enforcement action arising out of that investigation **(Performance Goal 2.3.3)**.

PERFORMANCE GOAL 2.3.1
Percentage of enforcement actions in which the Commission obtained relief on one or more claims

Description: This metric identifies, as to all parties to enforcement actions that were resolved in the fiscal year, the percentage against whom the Commission obtained a judgment or order entered on consent, a default judgment, a judgment of liability on one or more charges, and/or the imposition of monetary or other relief.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	92%	93%	89%	93%	94%	92%	95%	92%	92%

Target: Exceeded

Analysis: In addition to victories in the specific cases the agency brings to trial, the SEC's litigation efforts also help the SEC obtain strong settlements in other cases by making clear that the SEC will go deep into litigation and to trial, if necessary, in order to obtain appropriate relief. The SEC has implemented controls and strategies to resolve actions quickly and on a favorable basis, while at the same time, it does not hesitate to file matters on a contested basis where a favorable settlement was unavailable before filing.

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE GOAL 2.3.2
Percentage of first enforcement actions filed within two years of the opening of an investigation

Description: This metric concerns the pace of investigations that lead to the filing of enforcement actions. Specifically, this metric captures the rate at which the first enforcement action arising out of an investigation was filed within two years of the opening of the investigation. If the investigation was preceded by a matter under inquiry, the metric draws on the date of the opening of the matter under inquiry. In conducting investigations, the Enforcement program continually strives to balance the need for complete, effective and fair investigations with the need to file enforcement actions in as timely a manner as possible.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	67%	61%	63%	58%	64%	65%	58%	65%	65%

Target: Not Met

Analysis: In FY 2015, the percentage of first enforcement actions filed within two years of the opening of the matter under inquiry (MUI) or Investigation was 58 percent, which is a decrease compared to the FY 2014 result (64 percent) and is the same as FY 2013 result. Timeliness in filing actions is important because it can enhance the action's deterrent impact.

Plan for Improving Program Performance: To address the issue of timeliness and efficiency in investigations, the Division is taking measures that include emphasizing timeliness in quarterly case reviews, promoting best practices regarding efficiencies in various phases of the investigative process, and conducting training on tools that expedite investigations.

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE GOAL 2.3.3
Average months between opening a matter under inquiry or an investigation and commencing an enforcement action

Description: This metric captures the average number of months between the opening of an investigation and the filing of the first enforcement action arising out of that investigation. If the investigation was preceded by a matter under inquiry, the metric draws on the date of opening of the matter under inquiry. In conducting investigations, the enforcement program continually strives to balance the need for complete, effective, and fair investigations with the need to file enforcement actions in as timely a manner as possible. While not all investigations result in the filing of enforcement actions, this metric provides information concerning the pace of investigations that do lead to such actions and supplements the previous goal, which measures the percentage of first enforcement actions filed within two years.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Months	Prior-year data not available	22	21	21	21	20	24	20	20

Target: Not Met

Analysis: In FY 2015, the average months between opening a MUI or Investigation and commencing an enforcement action was 24 months, an increase over the prior fiscal year (21). Timeliness in filing actions is important because it can enhance the action's deterrent impact. At the same time, many of the Division's cases are complex and can take extended periods of time to develop successfully.

Plan for Improving Program Performance: To address the issue of timeliness and efficiency in investigations, the Division is taking measures that include emphasizing timeliness in quarterly case reviews, promoting best practices regarding efficiencies in various phases of the investigative process, and conducting training on tools that expedite investigations.

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE GOAL 2.3.4
Percentage of debts where either a payment has been made or a collection activity has been initiated within 180 days of the due date of the debt

Description: The SEC can seek a wide range of remedies for failure to comply with the securities laws. These remedies include civil monetary penalties and disgorgement. When the remedies are imposed by the SEC or the Federal district court, payments must be made by a certain date. This metric identifies the percentage of debts where debtors have made payments or the SEC has initiated a collection activity within 180 days of the due date. Such collection activities include, among other things, demand letters, negotiation of payment plans, enforcing the payment of the debt through the courts, or other judicial remedies.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	86%	91%	92%	95%	92%	92%	95%	92%	92%

Target: Exceeded

Analysis: The Division has successfully integrated all collections functions within the Office of Collections and, as a result, exceeded the target for this performance measure.

Responsible Division/Office: Division of Enforcement

Data Source: DELPHI, HUB case management and tracking system for the Division of Enforcement

PERFORMANCE GOAL 2.3.5
Percentage of Fair Fund and disgorgement fund plans that have distributed 80 percent of the available funds for distribution within twenty four (24) months of the approval of the distribution plan

Description: In addition to other types of relief, the SEC may seek orders requiring parties to disgorge any money obtained through wrongdoing. The SEC also is empowered to seek civil penalties for violations of the securities laws. Where appropriate, the SEC has sought to return disgorged funds to harmed investors and, as a result of the Fair Funds provisions of the Sarbanes-Oxley Act and the Dodd-Frank Act, to combine amounts paid as penalties with disgorged funds, or to create a Fair Fund from penalties only, to reduce losses to injured parties and to maximize funds available for distribution. This metric identifies the percentage of distribution plans that reached a critical mass during the fiscal year and within twenty four (24) months of the approval of the distribution plan. The distribution plan includes the timeline and procedures required to return the funds to injured investors. This reflects Commission-wide efforts to implement plans to return money to investors quickly. Any funds not returned to investors are sent to the U.S. Treasury or the Investor Protection Fund established pursuant to Section 21F(g) of the Securities Exchange Act of 1934. Neither disgorgement nor penalties are used for the SEC's own expenses.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	Prior-year data not available		80%	73%	81%	80%	96%	80%	80%

Target: Exceeded

Analysis: In FY 2015, the Division exceeded the target by 16 percentage points. Going forward, the Division will continue our efforts to prioritize the timeliness and efficiency of distributing funds, which we have enhanced through such efforts as centralizing the function and implementing various process improvements.

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE INDICATOR (CONTEXTUAL) 2.3.1
Percentage of filed enforcement actions reflecting characteristics that present enhanced risk to investors and markets, as measured by the nature of the investigation, conduct, parties and impact

Description: This indicator assesses the quality of the cases filed by the Division of Enforcement. The indicator focuses on cases filed by the SEC that involve factors reflecting enhanced risk to investors and markets. Such cases may involve: (i) those identified through risk analytics and cross-disciplinary initiatives to reveal difficult-to-detect or early stage misconduct, thus minimizing investor loss and preventing the spread of unlawful conduct and practices; (ii) particularly egregious or widespread misconduct and investor harm; (iii) vulnerable victims; (iv) a high degree of scienter; (v) involvement of individuals occupying substantial positions of authority, or having fiduciary obligations or other special responsibilities to investors; (vi) involvement of recidivists; (vii) high amount of investor loss prevented; (viii) misconduct that is difficult to detect due to the complexity of products, transactions, and practices; (ix) use of innovative investigative or analytical techniques; (x) effective coordination with other law enforcement partners; and/or (xi) whether the matter involves markets, transactions or practices identified as an enforcement priority, or that advances the programmatic priorities of other SEC Divisions or Offices.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	Prior-year data not available				62%	58%

Responsible Division/Office: Division of Enforcement

Data Source: Qualitative Index Spreadsheet

PERFORMANCE INDICATOR (CONTEXTUAL) 2.3.2
Total amount distributed within the fiscal year, and the number of Fair Funds from which those distributions came

Description: In its enforcement actions, the SEC may seek to return funds to harmed investors through disgorgement of ill-gotten gains or through the Fair Funds provision of the Sarbanes-Oxley Act. This provision permits the SEC to combine amounts paid as penalties with disgorged funds, or to create a Fair Fund from penalties only, to reduce losses to injured parties. This reflects the SEC's efforts to return funds to injured investors. This indicator identifies the total amount distributed within the fiscal year, and the number of Fair Funds from which those distributions came. This indicator may increase or decrease in dollar amount and number of distribution funds based on the number of SEC enforcement actions brought involving distributions, amounts ordered and paid in those actions, and other factors. Due to the variation in reporting timelines established for each individual distribution, reported amounts are based on the agency's best available information. Reported amounts do not include those funds distributed through receiverships. Any funds not returned to investors are sent to the U.S. Treasury or the Investor Protection Fund established pursuant to Section 21F(g) of the Securities Exchange Act of 1934. Neither disgorgement nor penalties are used for the Commission's own expenses.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Amount distributed (dollars in millions)	Prior-year data not available		$815	$251	$424	$158
Number of Fair Funds	Prior-year data not available		31	22	28	34

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement Distributions Management System

PERFORMANCE INDICATOR (OUTPUT) 2.3.3
Percent of enforcement actions filed that arose out of national priority investigations

Description: The Division of Enforcement conducts many enforcement actions each year that can be characterized as high impact and of national priority. High impact or national priority investigations include those investigations which are significant for one or more of the following reasons – the matter: (i) presents an opportunity to send a particularly strong and effective message of deterrence, including with respect to markets, products and transactions that are newly developing, or that are long established but which by their nature present limited opportunities to detect wrongdoing and thus to deter misconduct; (ii) involves particularly egregious or extensive misconduct; (iii) involves potentially widespread and extensive harm to investors; (iv) involves misconduct by persons occupying positions of substantial authority or responsibility, or who owe fiduciary or other enhanced duties and obligations to a broad group of investors or others; (v) involves potential wrongdoing as prohibited under newly-enacted legislation or regulatory rules; (vi) concerns potential misconduct that occurred in connection with products, markets, transactions or practices that pose particularly significant risks for investors or a systemically important sector of the market; (vii) involves a substantial number of potential victims and/or particularly vulnerable victims; (viii) involves products, markets, transactions or practices that the Enforcement Division has identified as priority areas; and/or (ix) provides an opportunity to pursue priority interests shared by other law enforcement agencies on a coordinated basis.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	Prior-year data not available	10%	20%	15%	16%	25%

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE INDICATOR (CONTEXTUAL) 2.3.4
Criminal actions related to conduct under investigation by the SEC

Description: In some instances, conduct may involve both civil and criminal violations and may be investigated by both the SEC and the criminal authorities. This indicator identifies the number of criminal actions that are related to conduct under investigation by the SEC.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of criminal investigations	139	134	126	126	127	134

Responsible Division/Office: Division of Enforcement

Data Source: HUB case management and tracking system for the Division of Enforcement

PERFORMANCE INDICATOR (OUTPUT) 2.3.5
Disgorgement and penalties ordered and the amounts collected

Description: In addition to other types of relief, the SEC may seek orders requiring parties to disgorge any money obtained through wrongdoing. The SEC is also empowered to seek civil penalties for violations of the securities laws. In some cases, the SEC will seek to obtain large monetary sanctions even in instances where the prospects of collecting on a judgment are slight. The rationale for seeking monetary relief in these circumstances is that such relief, even when likely uncollectible, might become collectible in the future based on the defendant's changed circumstances, and also because such relief can serve to deter others from violating the securities laws. Where appropriate, the SEC has sought to return disgorged funds to harmed investors. Funds not returned to investors are sent to the Treasury or the Investor Protection Fund established pursuant to Section 21F(g) of the Securities Exchange Act of 1934. This indicator lists disgorgement and penalties ordered as a result of SEC cases in each fiscal year and the amounts collected in those actions as of the end of FY 2015. The indicator for collected amounts could change over time based on various factors.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Ordered amounts (dollars in millions)	$2,846	$2,806	$3,104	$3,424	$4,166	$4,195
Collected amounts (dollars in millions)	$1,834	$1,473	$1,168	$2,330	$2,489	$1,935

Responsible Division/Office: Division of Enforcement

Data Source: DELPHI

Strategic Goal 3: Facilitate Access to the Information Investors Need to Make Informed Investment Decisions

A strong economy and a vibrant securities market rely on investor confidence and the widespread availability of relevant information about those securities. The SEC promotes informed investment decisions through two main approaches. The first is to require that investors have accurate, adequate, and timely public access to disclosure materials that are easily understood and analyzed. The second is to implement a variety of investor education initiatives aimed at giving investors a better understanding of the operations of the nation's securities markets.

In FY 2015, the agency dedicated approximately $187.0 million and 609 FTEs toward achieving results in Goal 3. Of 12 performance targets, the agency met or exceeded eleven and did not meet one. For FY 2017, the SEC is requesting a total of $216.8 million and 674 FTEs towards achieving results in Strategic Goal 3.

Strategic Objective 3.1: The SEC works to ensure that investors have access to high-quality disclosure materials that facilitate informed investment decision-making.

Goal Leader(s): Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management

Spotlight: FY 2015 Performance Achievements

An educated investing public ultimately provides the best defense against fraud and costly mistakes. The Federal securities laws place great emphasis on requiring that corporations, investments companies, and other entities provide investors with timely, clear, complete and accurate financial and non-financial information, allowing investors to make wise investment decisions. Consistent with Section 408 of the Sarbanes Oxley-Act of 2002, the SEC completed its review of disclosures made by certain public issuers, including issuers' financial statements, no less frequently than once every three years **(Performance Goal 3.1.1)**.

The SEC strives to review all significant disclosures made by registrants in Commission filings under the Investment Company Act, including initial registration statements and post-effective amendments with material changes. The SEC does not set a target for the number of filings that are reviewed in a fiscal year because the SEC does not dictate the number of filings that registrants make.

Budgeting for the Future (FY 2017)

Investors who have access to information and know what questions to ask are more likely to invest wisely, and to choose professional intermediaries that will best meet their objectives. The SEC understands that not all investors need the same information and that those needs are affected by their backgrounds, resources and goals. In FY 2017, the SEC will continue to conduct the requisite number of disclosure reviews so that investors are armed with timely and useful information they need to make informed investment decisions **(Performance Goal 3.1.1)**.

As technology and the complexity of financial instruments change, so too do the needs of modern day investors. Providing investors with information in concise, easy-to-use formats that are tailored to their needs helps investors to help themselves. In FY 2017, the Commission will continue to examine its filing review program to explore whether its disclosure requirements, review criteria, approach to comments, and professional and technology resources provide maximum impact to benefit investors.

PERFORMANCE GOAL 3.1.1
Percentage of public companies and investment companies with disclosures reviewed each year

Description: The Sarbanes-Oxley Act requires that the SEC review, at least once every three years, the disclosures of all companies and investment company portfolios reporting under the Exchange Act. These reviews help improve the information available to investors and may identify possible violations of the Federal securities laws. This metric gauges the number of public companies and investment companies reviewed each year.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Division of Corporation Finance									
Corporations	44%	48%	48%	52%	52%	33%	51%	33%	33%

Target: Exceeded

Analysis: CF exceeded its targeted level of companies reviewed in FY 2015. This review level is expected to deter fraud in public securities transactions and should help investors receive accurate material information about the companies they invest in.

Responsible Division/Office: Division of Corporation Finance

Data Source: Electronic, Data Gathering, Analysis, and Retrieval (EDGAR)/Filing Activity Tracking System (FACTS)

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Division of Investment Management									
Investment company portfolios	35%	33%	36%	34%	35%	33%	35%	33%	33%

Target: Exceeded

Analysis: Consistent with Section 408 of the Sarbanes Oxley-Act of 2002, IM strives to review disclosures made by certain public issuers, including issuers' financial statements, no less frequently than once every three years. The targeted number of annual reviews assumes that IM meets this goal.

Responsible Division/Office: Division of Investment Management

Data Source: Microsoft Office Suite Tools

PERFORMANCE GOAL 3.1.2
Time to issue initial comments on Securities Act filings

Description: The target of 30 days or less has become a de facto industry standard for the maximum time to receive initial comments.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Days	24.1 days	24.4 days	24.9 days	25.6 days	25.8 days	<30 days	26.0 days	<30 days	<30 days

Target: Exceeded

Analysis: CF achieved its goal of having an average response time for initial comments of less than 30 days. The Division's timely review allows companies to raise capital and to build offering schedules around this de facto standard.

Responsible Division/Office: Division of Corporation Finance

Data Source: Division of Corporation Finance Management Dashboards

PERFORMANCE GOAL 3.1.3
Percentage of investment company disclosure reviews for which initial comments are completed within timeliness goals

Description: For initial registration statements, the SEC's goal is to issue initial comments within 30 days after they are filed (60 days for registration statements of insurance product separate accounts and related mutual funds). The SEC also aims to comment on post-effective amendments within 45 days and preliminary proxy statements within 10 days after they are filed.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Initial registration statements	93%	92%	96%	98%	98%	85%	98%	85%	85%
Post-effective amendments	94%	94%	95%	99%	99%	90%	98%	90%	90%
Preliminary proxy statements	99%	98%	100%	98%	99%	99%	98%	99%	99%

Target: Initial registration statements – Exceeded; Post-effective amendments – Exceeded; Preliminary proxy statements – Not Met

Analysis: For FY 2015, the Division of Investment Management continued its goal of providing comments on proxy statements within 10 days of filing at least 99 percent of the time. In FY 2015, the Division missed its 10-day goal for only five of 268 filings – due largely to staff turnover.

Plan for Improving Program Performance: We note that with respect to performance goal 3.1.3 (preliminary proxy statements) in FY 2015 the Division missed its 10-day target for initial comments for five of 268 filings (1.87 percent). Because the performance goal is high (initial comments given within the 10-day target period 99 percent of the time) it takes only a handful of individual instances of missing the target to result in the performance goal being missed for the entire year. Because the target period for initial comments is short (10 days from date of filing), it can be challenging to meet the target in rare cases where we are faced with a combination of difficult conditions, such as when we receive a complicated filing during a period of heavy workload. This risk is exacerbated if the responsible office is experiencing substantial staff changes.

Nevertheless, the Division has met the 99 percent goal during most fiscal years.

Responsible Division/Office: Division of Investment Management

Data Source: Electronic, Data Gathering, Analysis, and Retrieval (EDGAR)

PERFORMANCE INDICATOR (CONTEXTUAL) 3.1.1
Total digital audience including website, social media and mobile media

Description: Digital media has become the dominant channel for investors seeking to access information. These statistics will help evaluate the extent to which investors are turning to the SEC, identify the channels they use, and quantify the amount of information they receive.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
SEC.gov page views	Prior-year data not available			3.72B	5.57B	6.37B
Social media followers	83,141	193,837	236,700	258,733	308,261	382,702
Total email/mobile subscriptions	Prior-year data not available	519,602	631,839	740,318	799,055	982,817
Total email bulletins sent	12.80M	23.97M	33.44M	40.85M	47.01M	56.45M
Total mobile bulletins sent	62,324	107,848	150,303	238,815	366,302	461,753

Responsible Division/Office: Office of Public Affairs

Data Source: Akamai Technologies, Google Analytics, GovDelivery, Hootsuite, Social Media Channels

Strategic Objective 3.2: The SEC works to understand investor needs and educate investors so they are better prepared to make informed investment decisions.

Goal Leader(s): Director, Office of Investor Education and Advocacy

Spotlight: FY 2015 Performance Achievements

Understanding the interests and concerns of investors is critical to carrying out the Commission's investor protection mission. The SEC advances this mission by regularly communicating with investors, responding to their complaints and inquiries, and providing educational programs and materials. The SEC serves thousands of investors each year who contact the SEC with investment-related complaints and questions. During FY 2015, the SEC closed out 65 percent of new investor assistance matters within seven days and 93 percent of new investor assistance matters within 30 days. The Office of Investor Education and Advocacy (OIEA) was able to achieve these levels in part by identifying and referring key investor assistance matters to the agency's Tips, Complaints and Referrals (TCR) system **(Performance Goal 3.2.2)**. During FY 2015, the SEC had 23.6 million page views of online investor education content and OIEA participated in 71 in-person events **(Performance Goal 3.2.1)**.

Budgeting for the Future (FY 2017)

In FY 2017, the SEC will continue to seek more comprehensive data about investors and build upon the Commission's investor education efforts. Working in partnership with other Federal and state agencies, financial industry associations, consumer groups and educational organizations, the SEC will develop investor education initiatives that are targeted to specific audiences that will prevent future victims of fraud **(Performance Goad 3.2.4)**.

The SEC also works to provide individual investors with useful and helpful investor education materials, including clear explanations of Commission rules, and other activities through a variety of communication channels, including social media **(Performance Goal 3.2.3)**. Through the Investor Advisory Committee and other avenues, the SEC will continue to gather information about the views and experience of a broad spectrum of investors, which will serve as an additional source of information concerning investors' priorities and perspectives on the Commission's regulatory agenda.

PERFORMANCE GOAL 3.2.1
Number of page views of online investor education content, and number of in-person events, including those with specifically targeted communities and organizations

Description: The Office of Investor Education and Advocacy (OIEA) initiates investor education campaigns on key strategies for making informed investment decisions, including publicizing online resources for researching investment professionals and investments, understanding fees, and identifying fraud. OIEA staff also participates in in-person events for investors generally and those targeted to specific investors, such as seniors, service members, and other affinity groups. This metric tracks page views of SEC online investor education materials and the number of investor events in which OIEA staff participated.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of page views (in millions)	Prior-year data not available			12.1	22.2	20	23.6	30	37.5
Number of "in-person" events	Prior-year data not available			52	51	50	71	75	80

Target: Number of page views – Exceeded; Number of "in-person" events – Exceeded

Analysis: The public's use of Investor.gov and investor education materials on SEC.gov exceeded the SEC's performance target, with particular interest in the calculators, tools, and resources for checking the background of investment professionals. OIEA exceeded its target for in-person events by identifying new outreach opportunities, including events targeting affinity groups.

Responsible Division/Office: Office of Investor Education and Advocacy

Data Source: Google Analytics, Microsoft Office Suite Tools

PERFORMANCE GOAL 3.2.2
Timeliness of responses to investor contacts

Description: OIEA serves the tens of thousands of investors each year who contact the SEC with investment-related complaints and questions. The staff aims to close out as many new investor assistance matters as possible within seven and thirty business days.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Closed within 7 days	72%	67%	54%	62%	62%	60%	65%	62%	62%
Closed within 30 days	93%	92%	93%	93%	92%	90%	93%	90%	90%

Target: Closed within 7 days – Exceeded; Closed within 30 days – Exceeded

Analysis: OIEA continued to focus its efforts on identifying and referring key investor assistance matters to the agency's Tips, Complaints, and Referrals (TCR) system and exceeded its seven-day and thirty-day targets for FY 2015.

Responsible Division/Office: Office of Investor Education and Advocacy

Data Source: Internal log using IRIS data

PERFORMANCE GOAL 3.2.3
Customer satisfaction rating of OIEA's online investor education resources

Description: This metric gauges the effectiveness, helpfulness, and usability of OIEA's online investor education resources.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Satisfaction index	Prior-year data not available			81	83	Benchmark score for Federal government websites (72)	84	TBD	TBD

Target: Exceeded

Analysis: Investor.gov's customer satisfaction scores continued to exceed Federal government benchmarks due in part to site refinements based on feedback from Investor.gov visitors.

Responsible Division/Office: Office of Investor Education and Advocacy

Data Source: ForeSee results online portal

PERFORMANCE GOAL 3.2.4
Number of new investor education materials designed specifically to help investors protect themselves from fraud

Description: Through OIEA, and often in conjunction with other organizations, the staff issues Investor Alerts and other forms of educational material that inform investors about different permutations of fraud, new investment products, and other topical issues. This metric measures the number of new investor education materials issued by OIEA.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of education materials	16	24	24	26	28	26	31	32	34

Target: Exceeded

Analysis: In FY 2015, OIEA published 31 investor alerts and bullets to exceed its goal, including joint SEC-FINRA alerts on automated investment tools and dormant shell companies and a joint SEC-Consumer Financial Protection Bureau bulletin on planning for diminished capacity and illness.

Responsible Division/Office: Office of Investor Education and Advocacy

Data Source: *www.sec.gov* and *www.investor.gov*

PERFORMANCE INDICATOR (PROCESS) 3.2.1
Number of investor testing research projects

Description: This indicator tracks the number of research initiatives used to gather feedback from investors on the usefulness of disclosures and other input on SEC rulemaking.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of projects	0	2	2	0	0	0

Responsible Division/Office: Office of the Investor Advocate

Data Source: Microsoft Office Suite Tools

PERFORMANCE INDICATOR (PROCESS) 3.2.2
Number of sets of recommendations prepared by the investor advisory committee

Description: This indicator tracks the recommendations from the Investor Advisory Committee regarding investors' perspectives and priorities.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of sets of recommendations	Prior-year data not available		0	4	4	4

Responsible Division/Office: Office of the Investor Advocate

Data Source: *www.sec.gov*

Strategic Goal 4: Enhance the Commission's Performance through Effective Alignment and Management of Human, Information, and Financial Capital

The investing public and the securities markets are best served by an efficient, well-managed, and agile SEC. In FY 2017, the Office of the Chief Operating Officer (OCOO) along with its six operational offices – the Office of Support Operations (OSO), the Office of Financial Management (OFM), the Office of Human Resources (OHR), the Office of Strategic Initiatives (OSI), the Office of Acquisitions (OA), and the Office of Information Technology (OIT) – will focus on providing organizational and infrastructure improvements necessary to effectively support the increase in the SEC's workforce detailed in this request and advance the Commission's mission. Given the immense size of the securities markets the SEC regulates, the agency's success in fulfilling its mission is highly dependent upon its ability to continually direct its resources towards the most productive uses for investors and the public. The SEC also is extremely mindful of its responsibility to maximize the impact of public funds.

In FY 2015, approximately $300.7 million and 755 full-time equivalents (FTEs) were directed at achieving results in Goal 4. Of 19 performance targets, the agency met or exceeded 17 and did not meet two. During FY 2017, the agency will continue to focus on recruiting and retaining high-performing staff, and updating the expertise of SEC employees so they are abreast of the latest developments in the industry. Furthermore, the SEC will continue to strengthen internal controls. The agency is requesting a total of $358.1 million and 885 FTEs in FY 2017 to achieve results in Strategic Goal 4.

Strategic Objective 4.1: The SEC promotes a results-oriented work environment that attracts, engages, and retains a technically proficient and diverse workforce, including leaders who provide motivation and strategic direction.

Goal Leader(s): Director, Office of Human Resources; Director, Office of Minority and Women Inclusion

Spotlight: FY 2015 Performance Achievements

The SEC's employees are its most vital strategic resource. In FY 2015, the SEC continued to refine a series of programs aimed at enhancing employee engagement and to help maintain the agency's turnover rate at well below eight percent **(Performance Goal 4.1.1)**. In order to improve the SEC's ranking in the survey of best places to work in the Federal government **(Performance Goal 4.1.4)** the agency has continued to focus on improving communications, working constructively on key issues with the National Treasury Employees Union, and other initiatives.

Budgeting for the Future (FY 2017)

The SEC is committed to being an employer of choice by consistently attracting, hiring, developing, and retaining a high-quality, diverse, and results-oriented workforce. In FY 2017, the SEC will continue to refine its programs to enhance human capital, such as rewarding high performance, promoting high employee satisfaction and updating staff skills.

In FY 2017, the SEC will continue to implement an effective training program to deepen the expertise of its employees in the rapidly evolving markets and the areas of new responsibility for the agency. The training supports employees directly involved in examinations, investigations, fraud detection, litigation, and other core mission responsibilities of the SEC. Such training can focus on new trends in the securities industry and changing market conditions, as well as analytics and forensics. It also allows staff to obtain certain specialized financial certifications and regulatory credentials, as well as the advanced continuing education credits required for maintaining legal and financial credentials **(Performance Goal 4.1.2)**.

The SEC's success at meeting its mission depends upon effective leadership at all levels. From branch chiefs to the agency's senior leadership, the SEC's leaders must motivate, manage employees effectively, and play a critical role in identifying the key areas on which staff should focus their attention to generate the greatest benefit for investors. Through leadership and employee development programs, the SEC will continue to maintain a diverse group of technically proficient leaders that can conduct their supervisory responsibilities effectively and meet the dynamic challenges of market oversight **(Performance Goal 4.1.5)**.

PERFORMANCE GOAL 4.1.1
Turnover

Description: When employee morale and engagement are high, high-performing employees tend to remain in the organization. Although turnover can fluctuate based on a variety of factors, the SEC aims to keep its turnover rate relatively low, below eight percent per year.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent turnover	5.0%	6.4%	6.58%	6.58%	5.60%	<8%	6.20%	<8%	<8%

Target: Met

Analysis: The SEC continued to maintain an attrition rate well below the FY 2015 target. In FY 2015, employee retirements increased but were largely offset by decreases in voluntary resignations and transfers to other Federal agencies.

Responsible Division/Office: Office of Human Resources

Data Source: The National Business Center at Department of Interior (DOI)

PERFORMANCE GOAL 4.1.2
Expanding staff expertise

Description: Internal training and hiring programs are designed to help the agency recruit and develop a diverse and qualified staff with the key skills, industry knowledge, and expertise to support the SEC mission. In particular, there is a need to train examiners, attorneys, economists, and other experts for subject matter expertise relevant to the marketplace and investment and trading practices. This metric tracks whether certain areas requiring significant training are being addressed. The agency will track the number of SEC staff participants in mission-focused training and development programs and will report on specific items through the use of post-course evaluations to assess the impact and results of this training on a five-point scale.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Mission-focused training attendance	Prior year data not available				16,270	17,000	17,093	17,500	17,750
Post-course evaluations of mission-focused training	Prior year data not available				4.14	4.25	4.24	4.30	4.35

Target: Mission-focused training attendance – Exceeded; Post-course evaluations of mission-focused training – Not Met

Analysis: SEC University will continue to improve upon the quality of its training programs to ensure that the learner receives the skills and knowledge to perform more effectively. This improved quality will be reflected in increased post-course evaluations. At the same time, SEC University will diversify its methods of delivery to a more blended learning approach. This will result in more learning items, at times delivered in smaller, more focused portions, aimed at specific knowledge or skill areas.

Plan for Improving Program Performance: SEC University will work closely with internal stakeholders to identify specific learning needs, and will revise the content of training materials and programs to better address these needs.

Responsible Division/Office: Office of Human Resources

Data Source: Course Attendance Identified in LEAP (Instructor-led courses only) and End of Course Evaluation Report Summary provided by Metrics that Matter

PERFORMANCE GOAL 4.1.3
Number of diversity-related partnerships/alliances

Description: Increased numbers of diversity-related partnerships or alliances with professional associations and educational organizations provide opportunities to educate students about the SEC's work and to recruit career professionals from all segments of society. The SEC will track the number of partnerships and/or alliances with diverse professional associations and educational organizations.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of partnerships/ alliances	2	10	12	13	18	15	18	18	22

Target: Exceeded

Analysis: OMWI exceeded its goal for the number of partnerships/alliances in FY 2015, by building upon its relationships with various diverse organizations and associations and by proactively seeking additional partnerships.

Responsible Division/Office: Office of Minority Women and Inclusion

Data Source: Office of Minority Women and Inclusion Internal Records and Section 342 of DFA

PERFORMANCE GOAL 4.1.4
Survey rankings

Description: Annual and other rankings, together with other metrics and indicators of Federal government agencies will be used as one kind of metric to determine the SEC's overall success in improving employee morale and employee engagement.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Best Places to Work ranking	Ranked #24	Ranked #27	Ranked #19	Ranked #15	Ranked #14	Ranked #12	Ranked #10	Ranked #9	Ranked #8
Average of employee engagement and global satisfaction index	Prior-year data not available			61%	66%	67%	68%	69%	70%

Target: *Best Places to Work* ranking – Exceeded; Average of satisfaction index – Exceeded

Analysis: In 2015, the SEC was ranked 10th out of 24 mid-sized Federal agencies. These results showed many positive upward trends in multiple categories, including Work-Life Balance (6th), Training and Development (7th), Effective Leadership – Leaders (8th), and Strategic Management (8th).

Responsible Division/Office: Office of Human Resources

Data Source: Annual Partnership for Public Service calculated ranking based on Annual Employee Viewpoint Survey (EVS) administered by OPM and Average of Employee Engagement and Global Satisfaction Index from OPM Employee Viewpoint Survey (EVS)

PERFORMANCE GOAL 4.1.5
Bench strength

Description: To maintain mission effectiveness, it is essential that attrition in the leadership ranks is quickly addressed by having a highly qualified and diverse pool of internal candidates ready to assume those critical roles. This metric is calculated as an average ratio of the number of qualified internal candidates for key leadership positions.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	Prior-year data not available				68%	85%	149%	230%	250%

Target: Exceeded

Analysis: Increase in bench strength measurement resulted from continued leadership training of the SK-14 to SK-17 population. The FY 2014 percentage is the actual and serves as the baseline. Each year we expect to send more eligible employees through leadership training which will increase the number of employees prepared to assume Senior Officer positions thus increasing our bench strength.

Responsible Division/Office: Office of Human Resources

Data Source: Course Attendance Identified in LEAP (Instructor-led courses only) and End of Course Evaluation Report Summary provided by Metrics that Matter

Strategic Objective 4.2: The SEC encourages a collaborative environment across divisions and offices and leverages technology and data to fulfill its mission more effectively and efficiently.

Goal Leader(s): Director, Office of Information Technology

Spotlight: FY 2015 Performance Achievements

The SEC's divisions and offices collaborate in a variety of ways to advance the Commission's mission. Such coordination is critical for any organization as large and complex as the SEC to bring together different perspectives, decide on the best course of action, and implement that course in the most effective way. Given the importance and complexity of the SEC's mission, it is imperative that the Commission continuously improve its ability to break down silos, share information and work jointly towards a common purpose through enhanced information technology.

In FY 2015, the SEC continued to consolidate and centralize its collaborative technologies to a commonly used enterprise set and met its target of 40 percent of the SEC's offices and divisions utilizing enterprise collaboration solutions **(Performance Goal 4.2.2)**.

Budgeting for the Future (FY 2017)

In FY 2017, information technology will continue to play a crucial role in the mission of the SEC and its ability to share information and data both internally and externally. The SEC will continue to gather a wide variety of data from corporate disclosures, equity exchange feeds, investigations and examinations, tips, complaints, and referrals, and commercial vendors. The SEC will continue to work to develop systems that will allow more of this information to be quickly shared, analyzed, and combined with other information about the same entity or individual. These efforts should save staff time, provide better information about the firms the SEC regulates, and enhance the ability to uncover hidden risks to investors **(Performance Goal 4.2.2 and Performance Goal 4.2.3)**.

The increasing size and complexity of the U.S. markets require that the SEC continue to leverage technology to improve its productivity, as well as identify and address the most significant threats to investors and eliminate downtime to SEC systems **(Performance Goal 4.2.1)**.

PERFORMANCE GOAL 4.2.1
Ensure SEC's systems and applications are available

Description: The SEC aims to enhance its computing infrastructure to eliminate downtime if systems at one site fail, among other objectives. This metric will capture the percentage of systems and applications that can fail over within eight hours.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of servers virtualized	22%	38%	79%	93%	95%	95%	95%	95%	95%
Percentage fail over within 8 hours	Prior-year data not available				100%	100%	100%	100%	100%

Target: Percentage of servers virtualized – Met; Percentage fail over within 8 hours – Met

Analysis: OIT has effectively decreased its physical footprint with the adoption of virtual servers and increased infrastructure stability. OIT expects to maintain a 95 percent rate for systems and services using virtualized servers in the future based on the current trend.

Responsible Division/Office: Office of Information Technology

Data Source: OIT Network Operations Center (NOC) – automated network monitoring tools

PERFORMANCE GOAL 4.2.2
Equip the SEC with an enhanced technology infrastructure to support enterprise infrastructure

Description: The SEC aims to promote collaboration and information sharing across the enterprise. To improve efficiency and knowledge management, the SEC will consolidate and centralize its collaborative technologies to a commonly used enterprise set by 2020. This metric will measure the percentage of the SEC's offices and divisions that utilize centralized enterprise collaboration solutions.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of enterprise solutions	10%	20%	25%	30%	35%	40%	40%	45%	45%

Target: Met

Analysis: In FY 2015, OIT successfully promoted the use of enterprise solutions, producing cost savings and efficiencies. For example, the Office reduced telecommunications cost and enhanced the agency's infrastructure through technology refresh and increased overall bandwidth. As a result of better contract management, OIT produced significant savings by changing the contract vehicle for the MI-FI data contract, and OIT achieved greater efficiency through expanded WI-FI to allow users to have secure wireless access anywhere in the SEC.

Responsible Division/Office: Office of Information Technology

Data Source: Approved software applications list

PERFORMANCE GOAL 4.2.3
Expand the SEC's video teleconferencing (VTC) capabilities to support an increasingly geographically dispersed workforce

Description: The SEC seeks to develop a state of the art video teleconference solution that allows users to conduct a video/teleconference meeting between HQ, regional offices and multiple endpoints simultaneously; collaborate and share presentation materials; and use VoIP technology to host video teleconferences from their offices/workspaces with other SEC users or conference rooms. This metric will measure the average "uptime" or availability of all VTC systems.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Availability rate for VTC solutions	Prior-year data not available			80.00%	99.99%	99.99%	99.99%	99.99%	99.99%

Target: Met

Analysis: OIT monitors the availability of the SEC's video bridges on a 24/7/365, basis as well as the number of VTC sessions which terminate abnormally (as a percentage of the total number of VTC sessions). These metrics indicate that the VTC infrastructure has a consistent 99.99 percent uptime and availability rating. The VTC infrastructure resides on the redundant network architecture, which is being monitored by various monitoring tools.

Responsible Division/Office: Office of Information Technology

Data Source: Telecommunications monitoring system

PERFORMANCE GOAL 4.2.4
Pursue continuous technology cost reductions and efficiencies

Description: Recent technology enhancements – e.g., data center consolidation, virtualization and maintenance contract reductions – are producing technical efficiencies and cost savings. This metric will measure the amount of these costs savings.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent reduction in operational run cost leveraging technology and process efficiencies	Prior-year data not available			18.7% cost reduction in steady state run costs	1% reduction in cost	1% reduction in cost	1% reduction in cost	1% reduction in cost	1% reduction in cost

Target: Met

Analysis: The one percent cost reduction is due primarily to replacing contractor support with Federal staff in the Network Operations Center. OIT anticipates these savings will continue in future years.

Responsible Division/Office: Office of Information Technology

Data Source: OIT Network Operations Center (NOC)

PERFORMANCE GOAL 4.2.5
Enhance the SEC's enterprise data warehouse infrastructure and performance

Description: The Enterprise Data Warehouse (EDW) infrastructure will enable the provisioning of data to Commission staff for search and analysis through a virtual data warehouse platform. This metric will measure the availability of EDW and data sources.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Availability rate for the EDW infrastructure components in production	Prior-year data not available				99%	99%	99%	99%	99%

Target: Met

Analysis: The implementation of the Enterprise Data Warehouse delivers enhanced business intelligence; allows users to quickly search and access critical data from a single place; enhances data quality and consistency; and provides historical intelligence by allowing users to analyze different time periods and performance trends in order to make future predictions.

Responsible Division/Office: Office of Information Technology

Data Source: OIT Network Operations Center (NOC) – automated network monitoring tools

Strategic Objective 4.3: The SEC maximizes the use of agency resources by continually improving agency operations and bolstering internal controls.

Goal Leader(s): Chief Financial Officer, Chief Operating Officer

Spotlight: FY 2015 Performance Achievements

Given the SEC's role in overseeing the securities markets, it is important that the agency maintain strong internal controls and sound financial management practices in its own operations. In FY 2015 the SEC successfully received an unqualified audit opinion with no material weaknesses or significant deficiencies **(Performance Goal 4.3.1 and Performance Goal 4.3.2)**.

Budgeting for the Future (FY 2017)

In FY 2017, the SEC will continue to maintain strong financial management practices and robust internal controls **(Performance Goal 4.3.1)**. The SEC will continue to focus on enhancing its processes and systems in its budgeting, accounting, and internal controls over operations **(Performance Goal 4.3.2)**. In addition, the SEC will continue delivering complete, concise, and meaningful information about the financial and operating performance of the agency that supports management decision-making.

As an agency of the Federal government entrusted with public funds, the SEC must always strive to enhance the value for investors it creates from every budget dollar. In FY 2017, the SEC will continue to strive to allocate the resources approved by Congress and the President towards the highest and best uses for the agency's mission **(Performance Goal 4.3.3)**. The SEC also constantly reevaluates its operations to identify cost savings and maximize their benefit.

PERFORMANCE GOAL 4.3.1
Financial audit results

Description: Under the Accountability of Taxpayer Dollars Act of 2002, the agency is required to meet all proprietary and budgetary accounting guidelines for Federal agencies and to undergo annual audits. The SEC's audits are conducted by the Government Accountability Office.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Unqualified opinion	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Material weaknesses	2	0	0	0	0	0	0	0	0
Significant deficiency	0	4	2	1	1	0	0	0	0

Target: Unqualified opinion – Met; Material weaknesses – Met; Significant deficiency – Met

Analysis: In FY 2015, GAO issued an unmodified opinion on SEC's financial statements and internal controls, which found no material weaknesses or significant deficiencies. To achieve this result, the SEC worked aggressively in FY 2015 to downgrade a previously identified significant deficiency related to accounting for disgorgement and penalties.

Responsible Division/Office: Office of Financial Management

Data Source: GAO SEC Financial Audit Report

PERFORMANCE GOAL 4.3.2
Assurance statement on internal control over operations

Description: In accordance with OMB A-123 and Section 961 of the Dodd-Frank Act, the SEC conducts an annual assessment of the effectiveness of internal controls. The SEC will continue to develop its Operational Risk program and enhance cross-organizational processes to support all division and office management assurance statements. Success is measured by the quality of risk and control assessments and management self-identification and resolution of improvement opportunities.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Unqualified opinion	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Material weakness	0	0	0	0	0	0	0	0	0

Target: Unqualified opinion – Met; Material weakness – Met

Analysis: Performance goals were met with an unqualified opinion and no material weaknesses. The Office of the Chief Operating Officer will continue to focus on enhancing management assurance reviews of internal controls over operations, including by augmenting division/office inventories of risks and controls and enhanced testing of controls.

Responsible Division/Office: Office of the Chief Operating Officer

Data Source: SEC Financial Audit Report

PERFORMANCE GOAL 4.3.3
Timely completion of corrective action on Office of Inspector General (OIG) and the GAO audit recommendations[1]

Description: Timely completion of audit recommendations is an important SEC priority. This metric measures how well the Commission is doing in completing corrective action on OIG audit recommendations within established timeframes.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
OIG recommendations completed in less than one year	Prior-year data not available			78%	76%	76%	74%	75%	75%

Target: Not Met

Analysis: The SEC experienced a higher-than-expected proportion of corrective actions that are complex enough to take longer than one year to address.

Plan for Improving Program Performance: The OCOO will continue to receive regular reports from all SEC divisions and offices with open audit recommendations, and to hold meetings with appropriate offices to ensure timeliness of resolution decisions and corrective actions. Audit close-out will remain a priority for the SEC.

Responsible Division/Office: Office of the Chief Operating Officer

Data Source: Audit Recommendation Tracking System

1 *This measure was developed as part of the FY 2014-2018 SEC strategic planning process and is under evaluation.*

FY 2017 Budget Request by Program

Division of Enforcement

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	498	529	547
Regions	833	847	888
Total Full-Time Equivalents	**1,331**	**1,376**	**1,435**
Cost:			
Salaries and Benefits	$ 310,073	$ 345,343	$ 371,509
Non-Personnel Expenses	174,941	167,705	171,780
Total Costs	**$ 485,014**	**$ 513,048**	**$ 543,289**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
14	1,364	0	57

The SEC relies upon a vigorous enforcement program in order to protect investors and instill confidence in the integrity of the markets. The Division of Enforcement ("Enforcement" or the "Division") supports this mandate by investigating potential violations of the securities laws and, when appropriate, filing civil charges against wrongdoers in Federal district court or in administrative proceedings. Among other things, the Division can obtain monetary penalties that punish wrongdoers and deter others from committing similar violations; disgorgement of ill-gotten gains that, along with monetary penalties, may be returned to harmed investors; injunctions that prevent wrongdoers from committing additional violations of the securities laws; and bars that prevent wrongdoers from working in the industry where they could otherwise victimize again.

In FY 2015, the Division of Enforcement achieved significant results. The Division's accomplishments include groundbreaking actions spanning the spectrum of the securities laws and reaching a wide range of registrants and other market participants. In FY 2015 the SEC brought a record 507 standalone actions for violations of the Federal securities laws, as well as 300 delinquent filing and follow-on proceedings, and obtained orders for a record $4.2 billion in monetary sanctions. However, the SEC's FY 2015 numbers only tell a part of the story. The SEC's actions in FY 2015 included a number of first-of-their-kind cases, included the first action involving a private equity adviser for misallocating broken deal expenses, an underwriter for pricing-related fraud in the primary market for municipal securities, and a "Big Three" credit rating agency for misrepresenting a rating methodology.

Notwithstanding these results, the Division faces continued challenges. Accordingly, the Division is requesting 52 additional positions in FY 2017. As described in more detail below, the Division needs resources in each of three mission-critical functions. First, the Division needs sophisticated technology tools to collect and analyze market data, as well as staff to analyze that data; assess and triage tips, complaints, and referrals; pursue whistleblower submissions; and conduct preliminary inquiries of potential securities law violations. Second, the Division needs to continue devoting investigative resources to high-priority areas such as accounting and reporting fraud, market structure, and other areas. Third, to maximize the deterrent impact of enforcement actions, the Division needs additional staff to litigate the growing number of contested cases.

Challenges Facing the Enforcement Program

The Division of Enforcement faces a number of key challenges to its ability to effectively and efficiently prosecute violations of the securities laws. Some of these are discussed below.

Fragmented and complex equity markets pose unique challenges to Enforcement. In recent years, the securities markets have grown increasingly complex and opaque, with a proliferation of sophisticated tools and trading methods such as high frequency trading, complex algorithmic trading, and off-exchange trading venues. Unlawful trading strategies are becoming increasingly complex and more difficult to identify. The Division needs advanced analytical tools, as well as staff to analyze data from these tools, to ensure it keeps pace with this constantly evolving environment.

Data Analysis. Analysis of large datasets – including filings and disclosures, trading data in equities, options, municipal bonds, and other securities – is critical to effectively identifying and investigating potential misconduct. The Division expects that its improved information processing and analysis is likely to yield additional case leads through FY 2017. The Division needs commensurate staffing to review, analyze, and pursue these leads.

The Division is filing more cases and conducting more trials. The Division's caseload is growing rapidly. FY 2015 saw the most-ever standalone enforcement actions filed (507) and a substantial increase in the number of trials as compared to historical averages. As its litigation caseload increases, the Division is incurring greater expenses for experts, consultants, e-discovery, data loading, and contractor support. The Division expects the current trends in litigation activity and costs to continue, and needs sufficient resources to ensure it can continue to effectively prosecute violations of Federal securities laws, with the credible capacity to continue taking complex cases to trial if required to hold violators accountable.

Advanced technological capabilities are essential for effective investigations. Each month, the Division receives seven terabytes of electronic data in its investigations, and hosts nearly 525 TB of data related to investigations and litigation. The sheer volume of digital evidence requires ever-greater storage and processing powers – as well as additional investigators to review that mass of information. Also, in today's society, there is an ever-expanding array of technological options to conceal misconduct and encrypt the evidence of wrongdoing. As a result, the Division will need additional resources to effectively penetrate this changing landscape.

The Division prosecutes resource-intensive and highly technical areas of misconduct. Certain high-priority areas of misconduct, such as financial reporting matters, can be highly technical and resource-intensive. Having adequate resources is vital to uncovering the misconduct in a timely manner. The number of financial reporting and issuer disclosure cases brought in FY 2015 rose by 40 percent from the previous fiscal year as the SEC increased its focus on this area. Absent additional funds, the resources to conduct these types of investigations will have to be drawn from other priority areas.

The Division takes in thousands of tips per year, generating a fresh stream of case leads that deserve investigation. In FY 2015, the Division received approximately 4,000 tips, complaints, and referrals from whistleblowers. Whistleblowers can often provide high-quality information that allows the Division to more quickly and efficiently detect and investigate alleged violations of the law. Individuals who voluntarily provide the SEC with original information that leads to a successful enforcement action resulting in monetary sanctions greater than $1 million may be eligible to receive an award equal to 10-30 percent of the monies collected. In FY 2015, the Office of the Whistleblower received more tips than ever before, handled and assessed the merit of more whistleblower award claims than ever before, and recommended the award of $37 million to whistleblowers. The Division anticipates that these significant payments will further incentivize whistleblowers to come forward and submit high quality tips. In turn, the Division expects to initiate more investigations and enforcement actions against violators.

The Division's policy of requiring admissions of wrongdoing in certain cases may require additional resources. In FY 2013, the SEC changed its long-standing settlement policy, and now requires admissions of misconduct in a discrete category of cases where heightened accountability and acceptance of responsibility by a defendant are appropriate and in the public interest. By the end of FY 2015, the SEC had obtained admissions in over 30 actions, and this trend is expected to continue through FY 2017. Where admissions or other acknowledgements of wrongdoing are critical, the SEC will insist on them and, should defendants refuse, will litigate those cases.

The Division is committed to charging wrongdoing across the spectrum of securities laws violations. The Division is tasked with enforcing a wide variety of statutes and rules, some applicable only to certain types of firms such as broker-dealers, and some, such as antifraud provisions, that apply broadly to all market participants. The Division requires additional resources in order to properly address this wide range of violations and violators.

Proactive Enforcement Efforts

The Division continues to implement a range of initiatives designed to help it identify hidden or emerging threats to the markets, act quickly to halt misconduct and minimize investor harm, and maximize deterrence. These initiatives include:

- **Addressing Violations Through Resource-Saving Sweeps and Streamlined Investigations:** The Division is committed to pursuing violations of varying type and severity. For example, in early FY 2016, the SEC filed its third round of actions under its Rule 105 initiative. Rule 105 is an anti-manipulation rule intended to prevent stock price manipulation by prohibiting firms and individuals from participating in public stock offerings after selling short those same stocks. The third round of actions involved only six violators, as opposed to 24 in the first round and 20 in the second, suggesting that the initiative is having a strong deterrent effect on would-be violators.

- **Leveraging Data Tools and Analysis to Detect and Investigate Violations:** The Division has filed a number of cases filed during the past fiscal year where data tools and analysis played a significant role in their origin or investigation, a trend that Enforcement sees continuing into the following fiscal year and beyond. For example, during FY 2015, the SEC announced fraud charges against an investment advisory firm and its owner for fraudulently "cherry-picking" winning options trades, with help from DERA staff who conducted a statistical analysis to determine whether the trades at issue could have resulted from a coincidental or lucky combination of trades. To continue to bring cases like these that rely on data tools and analysis, the Division needs commensurate technology and staff.

- **Continued Focus on Market Structure, Exchanges, and Broker-Dealers:** As sophisticated trading technologies and trading venues have proliferated, Enforcement is focused on keeping pace with an ever-evolving marketplace. As an example, during FY 2015, the Commission filed significant cases against market participants – such as exchanges, ATSs, and broker-dealers – for failures in controls, failures to safeguard customer information, net capital violations, and manipulative trading, including the hacking and Avon manipulation cases.

- **Advanced Relational Trading Enforcement Metrics Investigation System (ARTEMIS):** This initiative focuses on the analysis of suspicious trading patterns and relationships among multiple traders. ARTEMIS combines about 10 billion equity and options trade records from SEC and FINRA and uses advanced analytics, created by Division staff, to rank trades based on different metrics. ARTEMIS is helpful in not only identifying new suspicious trades, but also finding previously undetected traders who might be involved in an existing investigation.

FY 2017 Request

The Division must be adequately staffed to address increasingly complex financial products and transactions, handle the increasing size and complexity of the securities markets, identify emerging threats and take prompt action to halt violations, and recover funds for the benefit of harmed investors. For FY 2017, the Division is requesting 52 additional positions. The Division will use the additional requested positions to support its three core functions – intelligence analysis, investigation, and litigation – in the following ways:

Processing and prioritizing intelligence is key to Enforcement's efforts: A strong intelligence analysis capacity is at the core of an effective enforcement program. The Division receives and analyzes approximately 15,000 tips, complaints, and referrals a year, and expects this volume to expand in the coming years. Additionally, the SEC will shortly begin receiving security-based swaps (SBS) data, as mandated by the Dodd-Frank Act. As a result, the Division needs to continue to bolster its capabilities to efficiently analyze the information so that the most promising leads can be handed off to investigative staff.

The Division also requires additional staff to conduct early-stage investigations known as "matters under inquiry" that often arise from these tips, complaints, and referrals. Accordingly, the Division is requesting 10 new positions in FY 2017 to continue to develop its data analytics function, its tips review function, and the staff to whom the most promising tips, complaints, and referrals are sent for further investigation.

Enforcement must act swiftly and decisively in investigating misconduct: The Enforcement program requires increased staffing to promptly detect complex frauds and other difficult-to-detect misconduct, whether it occurs at hedge funds, broker-dealers, or "boiler rooms"; respond to misconduct in the changing equity markets related to algorithmic trading and "dark pools"; and address large-scale insider trading and stock manipulation. Since 2012, the Division's caseload of ongoing investigations has risen 14 percent, from 1,475 to a current level of 1,677. The number of investigations opened has also risen considerably, up to 980 investigations in FY 2015, only slightly less than the previous fiscal year, which represented the highest number of new investigations in the last five fiscal years. We expect this historically high level of new matters to continue in FY 2016 and FY 2017.

Enforcement is seeking 30 new positions in FY 2017 to reinforce its investigative function. These new positions will help the Division continue progress on existing investigations and handle its increasing caseload, while quickly investigating and bringing emergency actions in cases where investors' money may dissipate if immediate action is not taken. These new staff would be applied to the areas posing the highest risk to investors and the marketplace.

The Division's ability to litigate its increased caseload is mission critical: The Division handles an expansive and sophisticated docket of litigation and trials, often against well-funded defendants. Ensuring that appropriate resources are devoted to these cases after they are filed is critical to the SEC's investor-protection efforts. Furthermore, an increasing percentage of enforcement actions have been filed as contested matters, as opposed to being fully settled at the outset. Enforcement requests 12 new positions in FY 2017 to reinforce its litigation operations nationwide. This increased allocation will enable the SEC to litigate any case where it believes admissions of wrongdoing are appropriate under its new policy, if necessary.

The Division must continue to invest in technology: The Enforcement program must continue to invest in new technologies that make our investigative and litigation staff more efficient and effective – while being mindful of overall costs and the need to keep pace with the market:

- **Enterprise Data Analytics Platform:** The Division plans to develop a centralized, dynamic, and cross-organization workspace for data analytics.
- **eDiscovery:** The Division's investigations deal with expanding amounts of data and new techniques, and we must continue to modernize our eDiscovery technologies and toolsets so we can better collect, search, categorize, and review relevant materials.
- **Forensics Lab:** Robust enforcement requires advanced data forensics resources, so it is critical that the Division continue to build out its forensics lab.
- **Knowledge Management:** The Division will continue to enhance its new intranet knowledge management portal that provides staff with an easy to navigate, fully searchable repository of content and standard templates.

Many of these technologies will have benefits for divisions and offices across the SEC. Investments made into eDiscovery, knowledge management, document management, and analytical tools and analysis platforms are readily shared agency-wide. The Division also will continue working closely with other Federal regulators and law enforcement to share investigative techniques, technologies, and capabilities when appropriate.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate[2]	FY 2017 Request[2]
Intelligence Analysis			
Investor Tips and Complaints	15,319	15,525	15,525
Matters Under Inquiry (MUIs) Opened	1,153	1,175	1,210
Full-Time Equivalents	**293**	**300**	**310**
Investigations			
Opened	980	1,000	1,030
Ongoing at End of Year[1]	1,677	1,710	1,760
Full-Time Equivalents	**732**	**757**	**789**
Proceedings			
Administrative:			
Opened	645	655	665
Pending at End of Year	797	815	840
Civil Litigation:			
Opened	162	165	170
Pending at End of Year	1,743	1,780	1,835
Full-Time Equivalents	**306**	**319**	**336**
Total Full-Time Equivalents	**1,331**	**1,376**	**1,435**

1 *"Ongoing" investigations are those in which the investigation remains active. It excludes those that are open solely because they are in litigation; those in which the SEC is seeking to collect assets and funds to satisfy outstanding judgments and debts owed to the SEC; those in which the SEC is distributing funds to harmed investors; and those that are in some other post-litigation activity. "Ongoing" investigations also exclude those that are in the process of being closed.*

2 *These estimates may be impacted by a number of factors beyond the Division's control, including, but not limited to, increases in the complexity of proceedings; higher than anticipated attrition rates; and the timing and amounts of the resources made available. Further, given the time required to bring on-board new staff after hiring levels are approved, the full effect of FY 2016 and/or FY 2017 positions will not be realized until later years.*

Office of Compliance Inspections and Examinations

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	206	233	257
Regions	719	822	895
Total Full-Time Equivalents	**925**	**1,055**	**1,152**
Cost:			
Salaries and Benefits	$ 213,304	$ 242,693	$ 266,087
Non-Personnel Expenses	71,897	72,600	75,606
Total Costs	**$ 285,201**	**$ 315,293**	**$ 341,693**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
12	1,093	12	35

The Office of Compliance Inspections and Examinations (OCIE) administers the SEC's National Examination Program (NEP). OCIE's mission is to protect investors, ensure market integrity and support responsible capital formation through risk-focused strategies that: (1) improve compliance; (2) prevent fraud; (3) monitor risk; and (4) inform regulatory policy.

The additional resources being requested are essential for OCIE to meet its objectives and fulfill the agency's mission. In particular, resources are needed to: (1) lessen the impact of the disparity between the number of exam staff and the growing number, size, and complexity of registered firms, particularly in the investment management industry; (2) examine new categories of regulated entities now registered, or to be registered, as a result of the Dodd-Frank and JOBS Acts; (3) enhance quantitative and data analytic efforts; and (4) develop mechanisms to more effectively risk target, monitor, and examine market participants.

OCIE requests an additional 127 positions to accomplish these goals. Overall, OCIE's risk-based program is designed to focus resources on those firms and practices that pose the greatest potential risk of violations that can harm investors and the markets, and those entities that introduce significant financial risks to the market. The following summarizes key observations, issues, and challenges impacting the examination program, all of which have influenced the FY 2017 OCIE staffing request.

The breadth and complexity of the SEC-regulated securities market is vast and growing: Overall, the size of the SEC regulated community continues to dwarf the size of the current examination program. OCIE anticipates that at the beginning of FY 2017 it will oversee over 26,000 market participants, including approximately 12,500 investment advisers with nearly $70 trillion in assets under management, approximately 850 investment company complexes managing nearly 11,000 mutual funds and Exchange Traded Funds (ETFs), over 4,000 broker-dealers with more than 163,000 branch offices, more than 800 municipal advisors, 18 national securities exchanges, and over 400 transfer agents. OCIE will also oversee at least eight entities that provide clearing agency functions, four of which have been deemed systemically important, as well as the PCAOB, MSRB, SIPC, and FINRA. Additionally, several new registrant categories, including security-based swap execution facilities, security-based swap data repositories, security-based swap dealers, and funding portals will likely be subject to OCIE examinations and will require additional resources

Exam coverage of the securities market remains limited: The staff examined approximately 10 percent of registered investment advisers in FY 2015 but roughly 40 percent of all registered investment advisers have *never been examined*. Significant additional resources are critical to the examination program in order to improve the examination coverage of these advisers. With respect to broker-dealers, the program is supplemented by self-regulated organizations (SRO) oversight. Although together the SEC and SROs examined at least a portion of the activities of approximately 50 percent of broker-dealers during FY 2015, regulators are examining well below one percent of the approximately 163,000 branch offices each year.

Increases in the regulatory population and complex new products and lines of business complicate oversight: The largest increase in registered entities has occurred among investment advisers. A decade ago, there were approximately 9,000 investment advisers managing $28 trillion in assets. OCIE projects these figures will grow to 12,500 advisers managing over $70 trillion in assets in FY 2017. But the increase in the number of advisers and the amount of assets are not the only factors necessitating more resources. NEP staff also faces the challenges of increased use of new and complex products by both investment advisers and broker-dealers, the increasing use of technology in areas such as high-frequency and algorithmic trading, and the growth of complex "families" of financial services companies with both broker-dealer and investment adviser affiliates.

Legislative changes are having a significant impact on the examination program: Additional staffing is needed to address responsibilities added by various legislative changes. For example, the registration of municipal advisors has added responsibility for hundreds of additional registrants with increasingly complex business lines. Other provisions in the Dodd-Frank and JOBS Acts, such as those directing the Commission to create a regulatory regime for the security-based swap market and those addressing new fundraising mechanisms, such as general solicitation and crowdfunding, will require additional staff resources in FY 2017 in order for OCIE to effectively carry out its expanded responsibilities.

Independent reviews have highlighted insufficient examination resources and recommended additional funding: In the last several years, a number of studies and reports have identified inadequate resources as being a significant impediment to examination program effectiveness. For example, a 2015 IMF review noted that the SEC's "resources to conduct examinations [of investment advisers] are limited." Likewise, the SEC's Office of the Inspector General stated in 2009 that "OCIE's staff resources have not kept pace with the growth in the number of registered investment advisers," and "we strongly encourage OCIE and the Commission to make available the necessary resources to ensure that OCIE is better able to select investment advisers and investment companies for examination and better equipped to conduct comprehensive examinations of these entities." In addition, the SEC's Office of the Investor Advocate in June 2014 stated in a report to Congress that the "SEC needs additional resources to bolster its examination program."

In light of the limited resources currently available to the examination program and the existing challenges, the Office is requesting 127 additional positions, which it intends to use to address the issues identified above, including increasing examination coverage of investment advisers, addressing new responsibilities under the Dodd-Frank and JOBS Acts, and other program improvements.

FY 2017 Request

The 127 requested positions for the National Examinations Program would be used for the following key areas of focus:

Investment Adviser/Investment Company Examination Program

The SEC plans to dedicate 102 positions to improving coverage and implementing enhancements to the examinations program pertaining to investment advisers and investment companies. As stated above, the number of registered investment advisers and their assets under management has grown steadily over the last decade, while staff resources have not kept pace with the growing responsibilities. We expect the industry growth to continue through FY 2016 and FY 2017, so that by FY 2017, OCIE estimates that there will be nearly 20-25 investment advisers per examiner. With the additional resources requested, the staff will continue efforts to improve overall coverage of investment advisers, including an emphasis on the nearly 40 percent of advisers that have never been examined.

Without these additional resources, it is likely that the coverage level of investment advisers cannot rise much above a range of 10 percent annually.

These requested positions also will be used to help improve coverage of investment fund complexes, which will be critically important given their increasing complexity. These resources will aid the NEP in addressing factors such as offerings of “alternative” investment strategies; significant growth in certain types of funds, including ETFs; and the relative riskiness of certain funds, including fixed income funds that may be impacted by rising interest rates. OCIE is undertaking an exercise to review the allocation of resources across its program areas with a goal of reallocating staff to examinations of investment advisors. This review is currently in the formative stages and will include an assessment of the potential impact of proposed reallocation.

Broker-Dealer Examination Program

The broker-dealer examination program continues to have significant and expanding responsibilities and 10 additional positions are being requested in order to hire expertise necessary to supplement existing staff and address new areas of responsibility. For example, resources in this program will be used for examinations of recently registered municipal advisors. By FY 2017, the SEC estimates that more than 800 entities will be registered as municipal advisors. OCIE will utilize a portion of the additional resources requested to examine and monitor these new registrants for compliance with recently and soon-to-be adopted rules.

The requested positions will also be used to cover several new categories of security-based swap market participants that will be required to register with the Commission, including security-based swap dealers and major security-based swap participants. In order to effectively implement the related Dodd-Frank Act provisions, OCIE is requesting additional positions in FY 2017 in order to conduct inspections of these newly registered market participants, provide information to relevant Commission personnel, and coordinate efforts with other regulators.

OCIE also expects to enhance exam procedures and techniques in FY 2017 in response to recent regulatory requirements. For example, as regulations related to crowdfunding offerings become effective, the program will need to devote additional resources and expertise to this area in order to evaluate compliance and the resulting impact to capital formation and investor protection. Further, the Volcker rule will present resource issues for broker-dealer oversight given the complexity and wide-ranging impact on broker-dealer operations and the efforts to coordinate with other financial regulators.

Finally, while the number of registered broker-dealers has decreased somewhat, in part due to consolidation in the industry, the number of broker-dealer branch offices has increased to more than 163,000. The SEC and SROs do not have sufficient resources to examine an adequate portion of these offices. Branch office activities are significant since they are a main point of contact with retail customers and present risks such as remote supervision. In light of these risks, OCIE intends to continue to dedicate resources to this area.

Clearance and Settlement Examination Program

Overall, five additional positions are being requested to enhance and expand the oversight of clearing agencies, security-based swap data repositories, and transfer agents. In recent years, both the scope and number of clearing agencies required to be examined by the SEC have grown. Examinations of these entities are complex and time consuming and require particular expertise.

The SEC is required to conduct examinations, on at least an annual basis, of securities clearing agencies that are designated as “systemically important” and for which it is the supervisory agency. These examinations are conducted in consultation with the Board of Governors of the Federal Reserve System. In addition, as security-based swap data repositories become registrants, additional staff will be needed to perform periodic examinations of those entities. These requested positions will help OCIE build a dedicated team of derivatives and clearing specialists that will be able to conduct cross-sector examinations of clearing agencies, collaborate and respond to requests for assistance from the Division of Trading and Markets and other regulators, and enhance the NEP’s clearing and credit default swap/derivatives expertise.

The additional positions also will help OCIE conduct risk-based, cause, and special examinations of transfer agents, including joint examinations with Federal banking regulators. The staff will review the services offered by transfer agents that are beyond their traditional transfer agent functions (such as stock plan administration), and review transfer agents' safeguarding of customer information and custody of shareholder funds.

Market Oversight Examination Program

Self-regulatory organizations (SROs) are critical to the SEC's oversight of the markets. In FY 2017, OCIE will conduct risk-based inspections of national securities exchanges, enhanced reviews of FINRA, and risk focused exams of FINRA District Offices. Further, security-based swap execution facilities (SEFs) are expected to be subject to examination in FY 2017, requiring additional examination staff. To fulfill these needs, OCIE would devote three additional positions to this area.

Additional Significant Examination Program Efforts

OCIE also requires additional staffing to continue other significant program-wide efforts, including its Technology Controls Program (TCP), outreach initiatives and specialized working groups as described further below.

Technology Controls Program (TCP): Technology has increased the complexity, interconnectedness, and speed of transactions, and continues to challenge market participants and regulators. In FY 2017, OCIE's TCP will conduct risk targeted exams of Regulation Systems Compliance and Integrity Entities (SCI entities), to evaluate whether they have written policies and procedures reasonably designed to ensure the capacity, integrity, resiliency, availability, and security of their SCI systems. OCIE also will seek to enhance cyber-security examinations by working with the Department of Treasury, National Security Agency, and the Department of Homeland Security. To adequately fulfill the above obligations, TCP would need to hire a significant number of information technology security professionals with specialized experiences and skills. Three additional positions are requested to further enhance the work of the TCP.

Office of Managing Executive (OME) and Office of Chief Counsel: OME supports the NEP through risk analysis and surveillance, registration, training, human capital, and information technology initiatives. Significantly, the Office of Risk Analysis and Surveillance within OME will continue to improve the risk targeting of firms and activities by helping to monitor and assess risks of all registered entities. Meanwhile, OCIE's Office of Chief Counsel will continue to provide legal and other interpretative advice to the program while also overseeing the examination program's internal compliance program. Four additional positions are requested in FY 2017 to support the functions of these groups.

Other Significant Initiatives: In FY 2017, OCIE will continue to improve its surveillance and risk assessment functions. This includes performing thousands of preliminary risk reviews that help to focus the program's limited resources on firms and industry practices posing the greatest risk to investors and the markets. OCIE anticipates that improvements in risk assessment and surveillance activities, combined with other initiatives aimed at incentivizing whistleblowers and improving the agency's tracking and monitoring of tips, complaints, and referrals, will necessitate more time spent on conducting examinations of the identified higher risk entities.

OCIE also will continue its monitoring program focused on large and complex firms that may pose significant risk to the various markets and to their customers, due to their size, complexity, and connectivity with other large firms and financial institutions. This program is designed to ensure we have an accurate and timely understanding of the key risks and controls of these firms, and to help facilitate effective, targeted examinations.

OCIE is also continuing the deployment of specialized teams focusing on particular market issues that directly affect investors and the functioning of the markets. OCIE will work to broaden the expertise and knowledge of these teams, enabling them to better identify, monitor, and assess the impact of certain risks on the industry.

In FY 2017, OCIE will continue efforts aimed at encouraging stronger industry compliance programs. These efforts include conducting OCIE's Compliance Outreach programs, which provide information and resources for compliance personnel of registered entities, issuing public reports and Risk Alerts, and speaking at conferences concerning areas of regulatory interest.

Developing Technology and Data Analytics

As technology continues to evolve and alter the way entities conduct business, it is imperative that the examination program make appropriate investments to keep pace and to more effectively conduct its activities. Continued investment in a multi-year technology and analytics plan is critically important to the success of OCIE's programs. Several of the key initiatives in this area for FY 2017 and beyond are discussed below.

Data and Quantitative Analytics: The examination program will continue to focus resources on developing tools that will help analyze large amounts of data and generate alerts and exception reports focused on high risk activities and registered entities that require additional follow-up by the staff. These tools also will improve risk assessment and surveillance efforts by providing the staff with a greater ability to monitor for trends and emerging fraud risks, ultimately enabling the staff to allocate SEC resources more effectively.

Continued Development of Comprehensive Examination Platform: In FY 2017, OCIE will continue to improve and enhance a comprehensive program tracking and examination management system. The system provides examiners with a complete repository of exam related information that allows the staff to conduct exams more effectively and analyze trends across the program.

Improvements to IT Infrastructure: In FY 2017, the examination program will continue to focus on identifying and acquiring additional tools and technologies that can be utilized in risk assessment efforts, examinations, and other related initiatives. The examination program will work with the Office of Information Technology to develop and maintain an appropriate technological infrastructure for this data, so that it can be easily accessed, analyzed, and disseminated.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate[1]	FY 2017 Request[1]
Investment Adviser Examinations	1,221	1,365	1,550
Investment Company Examinations (includes administrators)	137	135	125
Broker-Dealer Examinations	484	535	548
Transfer Agent Examinations	53	55	55
Municipal Advisor Examinations	50	62	62
Market Oversight Inspections	21	45	45
Technology Controls Program Inspections	20	100	115
Clearing Agency Examinations	6	9	7
Total Full-Time Equivalents	**925**	**1,055**	**1,152**

1 *These estimates may be impacted by a number of factors beyond the Office's control, including, but not limited to, increases in the complexity of firm's being examined; higher than anticipated attrition rates; and the timing and amounts of the resources made available. Further, given the time required to bring on-board new staff after hiring levels are approved, the full effect of FY 2016 and/or FY 2017 positions will not be realized until later years.*

Division of Corporation Finance

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**463**	**485**	**498**
Cost:			
Salaries and Benefits	$ 105,636	$ 116,099	$ 122,325
Non-Personnel Expenses	31,169	30,689	31,091
Total Costs	**$ 136,805**	**$ 146,788**	**$ 153,416**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
85	5	373	35

In support of the Commission's mission to protect investors, maintain fair, orderly and efficient markets, and facilitate capital formation, the Division of Corporation Finance (CF) seeks to ensure that investors have access to material information in order to make informed investment decisions when a company offers its securities to the public and on an ongoing basis as companies continue to provide information to the marketplace. Through its selective review program, CF reviews company filings and provides comments to address possible material noncompliance with disclosure and accounting requirements under the Federal securities laws and to enhance investor protection. CF also makes recommendations to the Commission for new or revised rules relating to the disclosure requirements for reporting companies, and provides interpretive assistance to companies on SEC rules and forms.

Filing Review Activities

In FY 2017, CF will continue its regular and systematic review of reporting companies, reviewing company reports representing a substantial portion of total market capitalization. As in past years, CF anticipates exceeding the minimum review requirement of the Sarbanes-Oxley Act of 2002. CF selectively reviews filings, including registration statements, other transactional filings, and ongoing reports made under the Securities Act of 1933 and Securities Exchange Act of 1934 to monitor and enhance compliance with disclosure and accounting requirements. These filings include those of new issuers and companies already reporting under the Exchange Act. In conducting disclosure reviews, CF concentrates its review resources on critical disclosures that appear to conflict with Commission rules or applicable accounting standards or that appear to be materially deficient in explanation or clarity.

Rulemaking and Interpretive Advice

CF recommends new rules, or amendments to existing rules, to the Commission to improve investor protection and facilitate capital formation, at times in response to statutory mandates. CF also provides interpretive guidance to companies, investors, and their advisors through issuance of staff legal and accounting bulletins, updates to the Division's financial reporting manual, no-action and interpretive letters, compliance and disclosure interpretations on the Commission's website, and responses to telephone and email inquiries. During FY 2017, CF will continue to assist the Commission, as needed, with implementing any remaining rules mandated by the Dodd-Frank Act and JOBS Act. CF will also assist the Commission in finalizing the study of the Commission's disclosure rules required by the Fixing America's Surface Transportation (FAST) Act, enacted in December 2015, and in developing recommendations arising out of that study for new or revised rules. In FY 2017, CF will also provide assistance and interpretive guidance to small businesses and other market participants related to the Commission's 2015 rules that allow for expanded access to capital through crowdfunding and under Regulation A.

FY 2017 Request

The Division requests four additional positions in FY 2017 to meet its goals and to enhance its role in promoting full, fair, and timely disclosure of information for investors. The new positions will enable CF to strengthen its core disclosure review program and meet any increased workload in capital raising or transactional filings resulting from changing market conditions, additional emerging growth companies confidentially submitting registration statements for non-public review, and additional small business Regulation A filings resulting from the Commission's 2015 rules changes. The new positions will also enable CF to fully support the Commission's rulemaking priorities, including improving the effectiveness of reporting company disclosure and implementing recommendations resulting from the Regulation S-K study required by the FAST Act of 2015. Finally, the new positions will enable CF to respond to anticipated increases in requests for assistance and interpretive guidance from small businesses, investors, and their representatives related to the rules adopted by the Commission in 2015 to allow for expanded access to capital through crowdfunding and under Regulation A.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Review			
Reporting Company Reviews	4,480	4,480	4,480
Number of New Issuer Reviews			
IPO 1933 Act	595	595	595
New 1934 Act	125	125	125
New Issuer Reviews[1]	720	720	720
Total Reviews	5,200	5,200	5,200
Rulemaking and Interpretive			
General Advice and Coordination			
No-Action Letters/Interpretive Requests	125	125	125
No-Action Letters (Shareholder Proposals)	325	320	320
Total Full-Time Equivalents	**463**	**485**	**498**

1 *Because of uncertain market and economic conditions, the Division does not project any growth in the level of transactional filings for future periods. Transactional filings above the projected levels could result in an increase in review time and a reduced number of reviews of reporting companies for the year.*

Division of Trading and Markets

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**243**	**264**	**276**
Cost:			
Salaries and Benefits	$ 57,024	$ 63,874	$ 68,343
Non-Personnel Expenses	18,103	16,546	16,966
Total Costs	**$ 75,127**	**$ 80,420**	**$ 85,309**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
132	69	75	0

The mission of the Division of Trading and Markets (TM, or the Division) is to establish and maintain standards for fair, orderly, and efficient markets, while fostering investor protection and confidence in the markets. To meet the mission requirements, TM has five functions, each focused on a specific part of the markets. These include Broker-Dealer Finance/Broker-Dealer Risk (OBDF/OBDR), Chief Counsel (OCC), Clearance and Settlement (OCS), Derivatives Policy and Trading Practices (ODPTP), and Market Supervision (OMS). In addition, the Division has two groups serving in supporting functions: the Office of Analytics and Research (OAR) and the Office of the Managing Executive (OME).

Overall, TM supervises the major market participants in the U.S. securities markets, including 18 securities exchanges (equities and options), 84 alternative trading systems (ATSs), over 4,000 broker-dealers, six active clearing agencies, over 400 transfer agents, FINRA, and securities information processors. The Division also works closely with the Office of Municipal Securities to supervise the Municipal Securities Rulemaking Board (MSRB) and municipal advisors.

The scope of the Division's supervisory responsibilities is expected to continue to increase. Since FY 2006, the number of exchanges registered with the Commission has doubled to 18. In FY 2016 and FY 2017, the Division expects to review and process registration applications by up to four more entities seeking exchange registration. The Division also anticipates that up to three new clearing agencies will register with the Commission, as well as a significant number of new registrants under the Dodd-Frank Act and the JOBS Act once registration requirements established by those laws are implemented.

The Division is responsible for more than 30 separate rulemaking initiatives under the Dodd-Frank Act. Many of these rulemakings are the first step in new ongoing supervisory and regulatory functions for the Division that will extend into FY 2017. These initiatives and functions include:

- Registration and regulation of security-based swap data repositories (SDRs), SBSDs, MSBSPs, and swap execution facilities;
- Regulatory reporting and public dissemination of security-based swap data;
- Mandatory clearing of security-based swaps;
- Application of security-based swap rules to cross-border activities and persons engaged in those activities;

- Expanded regulation and supervision of clearing agencies; and
- Ongoing implementation of final rules restricting certain proprietary trading activities of broker-dealers under the Volcker Rule, including interagency coordination of interpretations, examinations, and enforcement of the rules.

The JOBS Act also provided for "crowdfunding" brokers and funding portals, creating a need for implementation and oversight in conjunction with new rules.

As part of its ongoing duties to regulate the anti-money laundering (AML) and counter-terrorist financing (CTF) obligations of broker-dealers, TM serves on a Treasury-led task force evaluating the government's AML-CTF regime. TM also continues to represent the SEC in the U.S. delegation to the Financial Action Task Force (FATF), an intergovernmental organization that develops and promotes policies to combat money laundering and terrorist financing. The Division provides technical assistance to the Department of the Treasury, which heads the U.S. delegation to FATF on issues pertaining to the securities industry, including the upcoming evaluation by FATF of U.S.' AML-CTF efforts.

In FY 2017, TM also will face growing demands in its supervision of critical securities market infrastructure, with respect to both the implementation of new Dodd-Frank Act-related responsibilities and the expansion of its existing oversight program. The Division will expand its oversight of existing clearing agencies, particularly those that are designated as systemically important by the Financial Stability Oversight Committee (FSOC), and will continue to review their rule filings on an ongoing basis. As with exchanges, many clearing agency rule changes filed with the SEC must be handled on a significantly expedited basis under the Dodd-Frank Act. Additionally, TM will need to focus on significant industry initiatives to reform clearing agency practices with respect to disclosure of risk management information, tri-party securities lending activities, and the duration of the standard securities settlement cycle, among other matters.

The need for better trading and market information for the SEC and SROs to effectively conduct surveillance and assess market activity across a wide range of trading venues remains a priority for TM. In FY 2012, the Commission adopted a rule directing SROs to implement a consolidated audit trail that would capture order and other trade information across all markets. TM expects to continue to monitor the SROs' progress in developing the consolidated audit trail and to review and analyze the national market system plan submitted by the SROs. This effort is going to result in technology development and implementation, as well as processes in support of analysis on the consolidated audit trail data. This data is expected to become available starting in FY 2017.

OAR, working with the Division of Economic and Risk Analysis (DERA), will continue to publish both one-time and recurring reports concerning liquidity, volatility and other market characteristics, both to expand the amount of publicly available information on these topics and to establish a more sound empirical basis for future market structure initiatives. Such tools will enable TM and other SEC staff to perform regular analyses related to general market depth, order flow, and liquidity, helping to further inform the SEC's rulemaking and market oversight.

TM will continue to monitor trading in the U.S. exchange and OTC securities markets, as well as continue its analysis of the economic research on market structure issues. TM will consider initiatives to protect investors and improve the quality of markets – particularly in light of the increasing technological sophistication of the markets and the potential for excessive market volatility, among other developments. The Division will consider initiatives with respect to the OTC equity markets, including a focus on fair competition among these markets.

TM will continue to pursue initiatives to improve the market structure for trading fixed income securities, including municipal and corporate bonds. Current and ongoing initiatives include the adoption of riskless principal markup disclosure rules by FINRA and the MSRB and development of Commission rule proposals designed to improve pre-trade price transparency in these markets.

The SEC's oversight of security-based swap clearing agencies requires (1) ongoing reviews of the rulebooks and proposed rule changes of these clearing agencies; (2) reviews of their requests for exemptive orders and other relief to better harmonize the practices of the CFTC and the SEC; and (3) reviews of new clearing business initiatives as the use of security-based swaps expands. TM expects greater workload associated with SEC rules related to security-based swaps clearing, as many of the standards and the associated registrations are new.

TM will continue rulemaking efforts regarding its supervision of broker-dealers, including by conducting ongoing monitoring of broker-dealers that use value-at-risk (VaR) models to calculate net capital and assessing risks arising from broker-dealer affiliates through the Section 17(h) program. The Division also is reviewing proposals to enhance the capital and liquidity arrangements by these firms. The Division also expects to advance the last set of amendments to the rules regarding the removal of statutory references to credit ratings, as mandated by the Dodd-Frank Act.

The staff, in conjunction with the Office of Compliance Inspections and Examinations (OCIE), expects to register security based – swap dealers (SBSDs), major security-based swap participants (MSBSPs), and municipal advisors – in addition to already regulated broker-dealers on a rolling basis, monitor market developments and promulgate new rules where needed, and respond to interpretive requests. The demand on agency resources of this registration process will be especially high to the extent that firms are permitted to use VaR models to calculate regulatory capital and customer margin requirements. Currently, the Division oversees six firms subject to the Alternative Net Capital rules, and expects to add two firms to this group in FY 2016, that will require monitoring in FY 2017 and beyond.

Other areas of focus in rulemaking and otherwise include:

- Expanded regulation and supervision of transfer agents;
- Facilitation of the Equity Market Structure Advisory Committee;
- Implementation of ATS transparency;
- Market structure-related rule proposals;
- Establishing a uniform fiduciary standard of conduct for all broker-dealers and investment advisers when providing personalized investment advice; and
- Crowdfunding, including registration of crowdfunding portals, market assessment and the three-year look-back study.

TM further expects that additional responsibilities will arise based on the significant implementation efforts that will be required for the rulemaking already underway. Once implemented, each new programmatic responsibility will require incorporation into the interpretation and guidance function in order to provide response to inquiries from registered entities.

FY 2017 Request

The Division will face significant new challenges in FY 2017 regarding regulation and supervision of the U.S. securities markets. In FY 2017, the Division plans to use the seven additional positions requested to undertake new market-related responsibilities resulting from ongoing or recently completed rulemaking, as well as continuing challenges in the area of market supervision. These positions would be employed in the following areas:

Office of Clearance and Settlement: The Division would add three positions to the Office of Clearance and Settlement. One Attorney Advisor would help support international initiatives to comprehensively address risks posed by central counterparties, clearing agencies, and other financial market infrastructure. The Office also would bring on board a Financial Engineer to leverage their technical expertise in support of domestic rulemaking and international initiatives. This individual also would coordinate with peers in other stakeholder groups to ensure forward progress against goals. Finally, the Division would hire an additional Attorney Advisor to work with risk staff and other stakeholders to ensure appropriate supervision and monitoring of the 2-3 new clearing agencies and swap data repositories that are expected to register in the next year.

Office of Market Supervision: The Division requests adding a supervisory staff member to lead the effort to act upon the large number of rule filings that are submitted by national securities exchanges and FINRA and that must be acted on within strict statutory deadlines.

Office of Broker-Dealer Finance/Broker-Dealer Risk: TM would add one position to lead a new Analytics and Reporting function dedicated to monitoring internal controls and risk management practices of broker-dealers, including compliance with the new business conduct rules. Also, TM seeks to hire a staff member to improve reporting about broker-dealer finances, perform cross-firm liquidity analysis, and analyze fully the risks of the derivatives positions in the firms.

Office of Derivatives Policy and Trading Practices: TM requests a new Attorney Advisor to assist in implementing procedures for foreign regulators or market participants to apply for substituted compliance, including performing interpretive work on behalf of the Division, which would permit market participants to comply with U.S. requirements by complying with foreign requirements.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Securities Firm Supervision			
SRO Proposed Rule Changes Reviewed[1]	80	83	77
SEC Rulemaking, Exemptive Orders, and Interpretive and Other Actions	4	5	5
Interpretive, Exemptive, and No-Action Request Letters Closed[2]	34	30	30
Reviews of Potential Enforcement Actions	1,320	1,300	1,300
Registered Representative Reentry Applications Filed	23	20	20
Provision of Interpretation and Guidance and Responding to General Questions	7,300	7,300	7,300
TCRs	667	700	700
Risk Assessment of Broker-Dealers Filing Form 17-H			
Firms Assessed	50	75	100
Filings Reviewed	265	300	325
Risk Supervision of Alternative Net Capital Broker-Dealers			
Firms Assessed	6	8	8
Filings Reviewed	72	96	96
Risk Supervision of OTC Derivatives Dealers and Security-Based Swap Dealers			
Firms Assessed	4	12	12
Filings Reviewed	48	144	144
Applications Reviewed	0	8	0
Broker-Dealers			
Registrants	4,191	4,075	4,000
Registration Applications Filed	147	140	130
Registration Amendments Filed	11,703	11,000	10,500
Registrations Withdrawn or Cancelled	355	340	330
Financial Reports Filed	6,731	6,500	6,300
Security-Based Swap Dealers[3]			
Registrants	0	3	28
Registration Applications Filed	0	3	25
Major Security-Based Swap Participants[3]			
Registrants	0	0	2
Registration Applications Filed	0	0	2
Funding Portals	0	50	100
Full-Time Equivalents	**122**	**132**	**138**

(continued on next page)

1 *These data include filings, pre-filings, and amendments reviewed.*

2 *These data include requests for which a formal response was not issued, such as items that were withdrawn, but omit routine correspondence (such as routine broker-dealer financial responsibility correspondence and foreign control location letters filed under Rule 15c3-3 of the Securities Exchange Act).*

3 *These data are included because of the expanded responsibilities assigned to the Commission under the Dodd-Frank Act. The requirement for security-based swap dealers and major security-based swap participants to register with the Commission is subject to the completion of Commission rulemaking.*

WORKLOAD DATA *(continued)*

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Securities Market & Infrastructure Supervision			
SRO Proposed Rule Changes and Advance Notices Reviewed[1]	2,587	2,674	2,497
NMS & SRO Plan Amendments Filed	17	20	20
SEC Rulemaking, Exemptive Orders, and Interpretive and Other Actions	10	10	10
Interpretive, Exemptive, and No-Action Request Letters Closed[2]	9	10	10
Securities Exchanges			
Registrants	18	20	21
Registration Applications Filed	3	1	1
Registration Amendments Filed	161	180	189
Registrations Withdrawn or Cancelled	0	0	0
Alternative Trading Systems			
Registrants	84	86	86
Initial Operations Reports Filed	8	10	10
Initial Operations Report Amendments Filed	151	160	160
Cessations	10	8	8
Quarterly Reports	335	344	344
Security-Based Swap Execution Facilities[3]			
Registrants	0	0	20
Registration Applications Filed	0	0	20
Proposed Rule Changes Filed	0	0	0
Clearing Agencies (Active)			
Registrants	7	7	9
Registration Applications Filed	3	3	3
Security-Based Swap Data Repositories			
Registrants	0	2	2
Registration Applications Filed	0	2	2
Transfer Agents[4]			
Registrants	324	290	280
Registration Applications Filed	7	7	7
Registration Amendments Filed	202	201	190
Registrations Withdrawn or Cancelled	14	35	10
Annual Reports Filed	248	240	210
Large Traders			
Registrants	5,561	6,161	6,761
Registration Applications Filed	1,343	600	600
Registration Amendments Filed	2,588	2,500	2,500
Terminated or Inactive	189	400	300
Annual Reports Filed	2,879	6,161	6,761
Full-Time Equivalents	**121**	**132**	**138**
Total Full-Time Equivalents	**243**	**264**	**276**

1 *These data include filings, pre-filings, and amendments reviewed.*

2 *These data include requests for which a formal response was not issued, such as items that were withdrawn, but omit routine correspondence (such as routine broker-dealer financial responsibility correspondence and foreign control location letters filed under Rule 15c3-3 of the Securities Exchange Act).*

3 *These data are included because of the expanded responsibilities assigned to the Commission under the Dodd-Frank Act. The requirement for security-based swap dealers and major security-based swap participants to register with the Commission is subject to the completion of Commission rulemaking.*

4 *These data include only SEC-registered transfer agents and omit the approximately 100 transfer agents registered with a bank regulatory agency, which the Commission also oversees.*

Division of Investment Management

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**173**	**183**	**191**
Cost:			
Salaries and Benefits	$ 41,896	$ 46,438	$ 49,558
Non-Personnel Expenses	12,624	10,845	11,147
Total Costs	**$ 54,520**	**$ 57,283**	**$ 60,705**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
75	53	59	4

The Division of Investment Management (IM) administers the Investment Company Act of 1940 and Investment Advisers Act of 1940 and develops regulatory policy for open-end management investment companies (commonly known as mutual funds), other investment companies, and for investment advisers.

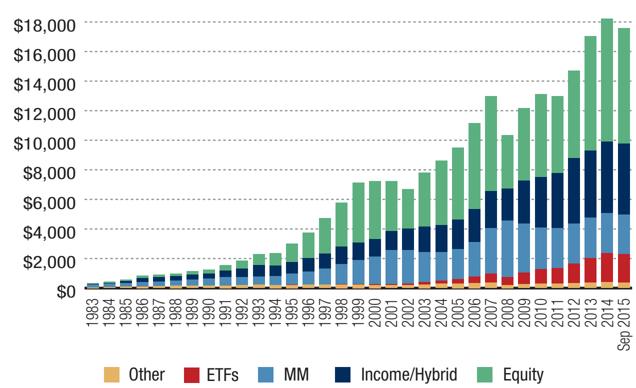
Mutual funds are the largest segment of the investment company industry, accounting for 87 percent of investment company assets. Mutual funds' assets under management have grown from $94.5 billion at the end of 1979 to $15.3 trillion at September 30, 2015, a more than 100 fold increase. Over the same period, the number of mutual fund portfolios has increased from 526 to 8,066.

New types of funds are growing in market share. Exchange-traded funds (ETFs) – open-end funds and unit investment trusts whose shares list and trade on a national securities exchange – have grown rapidly in recent years and now account for approximately $2 trillion in assets, or approximately 11 percent of the long-term U.S. open-end investment company industry, primarily in passive, index-based strategies. In June 2015, ETF trading was approximately 28 percent of total daily exchange value. Private funds have also grown significantly in number and size. In addition, many mutual funds are now engaging in alternative investment strategies, and some are making extensive use of derivatives.

In the wake of the 2008 financial crisis, there has been a significant flow of cash into bond funds accompanied by a lesser but significant flow of cash out of equity funds. From January 2009 to September 2015, approximately $1 trillion flowed into bond mutual funds while approximately $133 billion flowed out of equity funds.

GROWTH IN ASSETS OF THE INVESTMENT COMPANY INDUSTRY DECEMBER 1983 — SEPTEMBER 2015

(DOLLARS IN BILLIONS)



Note: "Other" Investment Companies include: Unit Investment Trusts and Closed-End funds.

As of October 1, 2015, there were 11,986 SEC-registered investment advisers reporting approximately $66.8 trillion in regulatory assets under management, which was an eight percent increase from the beginning of FY 2015. Approximately 60 percent of these advisers provide investment advice to individuals. Approximately 37 percent provide investment advice to private funds such as hedge funds, private equity funds, and venture capital funds with gross assets of about $10.4 trillion. In addition to registered investment advisers, the SEC also receives reports from approximately 3,047 exempt reporting advisers – advisers that are exempt from registration with the SEC because they are venture capital fund advisers or mid-sized private fund advisers – that report managing approximately $2.3 trillion in private funds.

Improved Reporting of Information about Fund Operations and Portfolio Holdings

The financial crisis highlighted the importance of the careful management of risk by funds and their advisers, including portfolio composition risks and operational risks in particular. In FY 2017, IM expects to continue to focus considerable attention on a set of initiatives to enhance investment management industry resilience to portfolio composition risk and operational risk. The initiatives are designed to:

- **Improve the data and other information used by the Commission** to understand the risks of the asset management industry and develop appropriate regulatory responses. The Commission has benefited from monthly portfolio and other information reported by money market funds, which has been used to inform policy, rulemaking, examination, and enforcement use. In FY 2015, the Commission proposed rules that are designed to modernize and consolidate certain reporting forms and require more frequent and enhanced reporting of portfolio holdings. The rules would require all mutual funds (other than money market funds), ETFs and closed-end funds to file monthly portfolio holdings information and selected volatility metrics with the Commission in a tagged format and to file a new form with census-type data. The staff expects to analyze comments and develop recommendations for the Commission to adopt and implement the rules in FY 2016 and FY 2017.

- **Ensure that registered funds enhance their fund-level controls** so they are able to identify and address risks related to their liquidity and use of derivatives.

  In FY 2015, the Commission proposed reforms to promote effective liquidity risk management throughout the open-end fund industry. The proposed reforms would require mutual funds and exchange-traded funds to implement liquidity risk management programs and enhance disclosure regarding fund liquidity and redemption practices. The proposal also would provide a framework under which mutual funds could elect to use “swing pricing.” The staff anticipates reviewing comments received and developing recommendations for the Commission to adopt and implement the rules in FY 2016 and FY 2017.

  In FY 2016, the Commission proposed a new rule that would address the use of derivatives by registered investment companies under Section 18 of the Investment Company Act. The rule is designed to enhance management and oversight of mutual fund, ETF, and closed-end fund exposure to derivatives, taking into account comments on the Commission’s 2011 Concept Release on the Use of Derivatives by Registered Investment Companies. Our staff anticipates reviewing comments received and developing recommendations for the Commission to adopt and implement the rules in FY 2016 and FY 2017.

- **Ensure that firms have a plan for transitioning their clients’ assets** when circumstances warrant. Staff is developing a recommendation to the Commission to propose requiring investment advisers to create and maintain transition plans reasonably designed to address risks related to the transition of significant numbers of clients.

- **Implement the new requirements for annual stress testing by large investment advisers and large funds**, as required by the Dodd-Frank Act. Periodic stress testing could help these firms and the Commission better understand the potential impact of stress events on the asset management industry, particularly in assessing liquidity and redemption risk. The staff is developing a recommendation that the Commission propose rules providing methodologies and reporting requirements.

Other Rulemaking Initiatives

In FY 2017, IM anticipates that additional staff time will be devoted to pursuing other rulemaking initiatives, including work towards establishing a uniform fiduciary standard of conduct for all broker-dealers and investment advisers when providing personalized investment advice about securities to retail customers, and requiring third party compliance reviews for registered investment advisers.

Exchange Traded Funds

ETFs have unique attributes that present different regulatory concerns than conventional investment companies. ETFs are rapidly growing, increasingly complex financial products whose activities raise disclosure, conflict of interest, and market structure, and other issues. In FY 2017, IM plans to continue to focus considerable attention on product innovation and potential market stresses in this area, including evaluating additional applications for exchange-traded funds that may involve novel and complex structures, trading mechanisms, and index replication methodologies.

Risk and Examinations Office

The Risk and Examinations Office (REO) manages, monitors, and analyzes industry data; engages in dialogues with senior management and boards of significant asset management firms; provides ongoing financial analysis of the asset management industry, including the risk-taking activities of investment advisers and investment companies; gathers and analyzes through its examination function operational information directly from participants in the asset management industry; and maintains industry knowledge and technical expertise for the Division. In FY 2017, REO plans to devote additional resources to expand and improve IM's monitoring and oversight of the industry, hire additional staff with industry, quantitative and computerized data analysis expertise, and implement new data analytics based on modernized data reporting.

FY 2017 Request

The SEC requests a total of seven new positons for the Division of Investment Management to implement these important policy objectives. Of these seven positions, IM requests three personnel to conduct ongoing analysis of data, including new data that would be submitted to the SEC under the initiatives described above. The new positions would be used to develop holdings, performance, and risk analytics for portfolio and other data filed by more than 15,000 investment company portfolios on new Forms N-PORT (monthly) and N-CEN (annually), if adopted. The new staff would also manage N-PORT and N-CEN data; produce and evaluate analytical reports; resolve complex data quality and data management issues; and work with filers and filing agents to resolve process, definitional, and computational issues associated with individual filings' portfolio holdings or risk metrics.

IM also requests three additional positions to monitor implementation of new liquidity, derivatives, stress testing and transition planning requirements described above, provide interpretive advice, and respond to exemptive applications requests.

Finally, IM requests one new quantitative research analyst position to support its Disclosure Review and Accounting Office (DRAO). The new position would enhance IM's risk monitoring program by (1) applying sophisticated quantitative analysis techniques to the review of disclosure filings of investment companies whose investment objectives seek to provide specified return, risk, or market volatility results through use of complex option, futures, or swaps strategies; and (2) providing subject matter expertise to DRAO in connection with the process of identifying selected comments that may be appropriate for a variety of seemingly different options, futures or swaps strategies that share similar risk/return profiles.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Industry Statistics[1]			
Investment Companies:			
Number	4,100	4,034	3,900
Portfolios and Insurance Contracts	18,835	18,919	19,300
Complexes	838	854	865
Assets ($ trillions)	17.8	17.6	18.3
Investment Advisers:			
Number	11,474	11,986	12,500
Advisers Reporting on Form PF	2,581	2,700	2,800
Assets under Management ($ trillions)	62.0	66.9	72.0
Disclosure			
Investment Company Filings:			
New Portfolios and Insurance Contracts Filed on Registration Statements	3,031	2,950	3,000
New Portfolio Disclosures and Insurance Contracts Reviewed	1,956	1,910	1,940
Existing Portfolios and Insurance Contracts Filed on Post-Effective Amendments[2,3]	31,768	31,450	31,900
Existing Portfolio Disclosures and Insurance Contracts Reviewed[3]	4,734	4,735	4,795
Portfolios and Insurance Contracts Filed on Proxy Statements	1,197	1,325	1,350
Portfolios and Insurance Contracts Filed on Proxy Statements Reviewed	1,197	1,325	1,350
Annual and Periodic Reports Filed	13,821	14,300	14,500
Annual and Periodic Reports Partially Reviewed	4,750	4,761	4,833
Total Filings	49,817	50,025	50,750
Total Filings Reviewed	12,637	12,731	12,918
Percent Reviewed	25%	25%	25%
Full-Time Equivalents	**62**	**67**	**70**
Interpretive Guidance			
Formal and Informal Requests for Guidance	1,273	1,258	1,258
Enforcement-Related Matters Reviewed	521	700	750
Exemptive Relief Requests Concluded	321	325	325
Full-Time Equivalents	**58**	**62**	**64**
Rulemaking			
Full-Time Equivalents	**31**	**34**	**34**
Risk and Examinations			
Full-Time Equivalents	**22**	**20**	**23**
Total Full-Time Equivalents	**173**	**183**	**191**

1 *Industry statistics are reported as of the beginning of the fiscal year while workload indicators are reported as of the end of the fiscal year.*

2 *Included in post-effective amendments are open-end, closed-end, and unit investment trust portfolios.*

3 *With respect to post-effective amendments, historically, over 90 percent of open-end and closed-end portfolios that contain material changes in disclosure or in fund operations are reviewed. Amendments to UIT portfolios, because of their repetitive nature, generally are not reviewed.*

Division of Economic and Risk Analysis

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**133**	**154**	**163**
Cost:			
Salaries and Benefits	$ 30,890	$ 37,904	$ 40,863
Non-Personnel Expenses	21,389	30,444	31,186
Total Costs	**$ 52,279**	**$ 68,348**	**$ 72,049**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
68	57	23	15

The Division of Economic and Risk Analysis (DERA) integrates sophisticated analysis of economic, financial, and legal disciplines with data analytics and quantitative methodologies in support of the SEC's mission. The Division's expertise supports a spectrum of SEC activities including: policymaking, rulemaking, enforcement, examination, and data processing and risk analytics.

As part of the policy decision-making process, DERA uses rigorous data analytics to produce high-quality analyses that address the economic issues associated with the regulation of the financial markets and enforcement of Federal securities laws. These analyses typically involve qualitatively analyzing the potential economic impacts of a particular regulatory action, collecting and quantitatively analyzing market data, evaluating pertinent academic literature, and/or conducting follow-up monitoring or review of market impacts. DERA economists conduct studies mandated by Congress and the Commission that support the Commission in crafting policies and regulations. Economists also often develop and execute independent analysis of salient economic issues and identify and summarize current academic literature, which is frequently used to suggest or support Commission actions.

In addition to its role in the rulemaking process, DERA also performs the following functions:

- Working with Office of Compliance Inspections and Examinations (OCIE) on developing new models, methods, and tools in support of a risk-based inspections program designed to help allocate resources effectively in review and examination of regulated entities;
- Providing analyses in support of the enforcement program, including to detect market abuse and other violations, calculate ill-gotten gains, and determine penalties and disgorgement;
- Conducting in-depth and data-driven studies on investors, other market participants, and financial markets to inform the Commission on a variety of topics, such as descriptive studies of current market conditions, analyses of the potential effects of policy choices, and reviews of the effects of recently implemented rules;
- Developing a framework for the analysis of public and private financial data to proactively track market trends, new products and new product reviews, and innovative financial practices;

- Identifying, evaluating, and recommending ways staff can use data, including interactive data, as well as providing expertise in analytical and quantitative research and support;
- Building relationships with a broad range of external financial experts, whether in academia, the private sector, or other agencies, in order to remain current on new market developments and the latest in financial research; and
- Sharing knowledge through the development and publication of research which focuses on matters of significance to the SEC.

DERA assists in the Commission's efforts to identify, analyze, and respond to risks and trends, including those associated with new financial products and strategies. Because of the range and nature of its activities, DERA serves the critical function of promoting cross-agency collaboration that takes advantage of the agency's broad range of expertise. DERA continues to amplify its expertise by bringing on board a small cadre of academics under Intergovernmental Personnel Agreements (IPAs) and experts under the Special Government Employees authority. These individuals work closely with DERA's Financial Economists and actively contribute to the Division's mission functions and activities.

FY 2017 Request

The FY 2017 request focuses on expanding DERA's core expertise and capacity in the following crucial areas:

Economic Analysis and Research: The majority of DERA's staff provide economic analyses and conduct robust research in support of Commission rulemaking and policy development. Many of these staff also conduct research to enhance the Division's awareness and understanding of significant financial market issues and potential solutions to identified market failures and risks. There is a continued demand for this expertise analyses across the SEC. In FY 2017, one new Financial Economist position is requested to focus on Commission considerations of Exchange Traded Funds and Products. The incumbent will have strong programming and empirical analysis skills and expertise in financial economics sufficient to work on highly complex cases involving policy issues.

Data Analytics, Technical Support, and Risk Assessment: DERA provides data analytics, technical support, and risk assessment to help focus the agency's resources on matters presenting the greatest perceived risks in litigation, examinations, and registrant reviews. DERA will continue working with staff throughout the SEC to develop analytical approaches and tools to help inform policy, monitoring, and surveillance activities. These efforts include continued responsibility for management of the SEC's Tips, Complains and Referral (TCR) system. For FY 2017, a total of four new positions are requested to further enhance DERA efforts in this area. Specifically, the Division is requesting two Financial Economists, one Research Associate, and one IT Specialist.

Program Support: The Office of Chief Counsel (OCC) delivers extensive legal advice and support for DERA's mission essential functions and activities. Also, the OCC provides guidance and counsel to the Chief Economist and staff regarding legal issues implicated by the Division's broad mandate. The FY 2017 request includes one new attorney adviser to support DERA's work across the SEC.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Reviews of Commission Rules[1]	71	78	82
Reviews of SRO Rules	52	54	56
Regulatory Flexibility Analyses[2]	47	50	53
Advice on Regulatory, Enforcement, and Risk Assessment Issues	3,555	3,660	3,845
Interactive Data Compliance Monitoring[3]	9,475	9,250	9,030
Interactive Data Programs Supported[4]	10	13	13
Total Full-Time Equivalents	**133**	**154**	**163**

1 *Inflationary factors are five percent and 10 percent for FY 2016 and FY 2017 respectively.*

2 *Includes: (i) all initial and final Regulatory Flexibility Analyses or certifications included in a proposing or adopting release, as required by the Regulatory Flexibility Act; and (ii) all rule reviews conducted consistent with the Regulatory Flexibility Act's requirement to review rules within 10 years of publication.*

3 *A program where filings containing interactive data are subjected to a risk-based analytical review process to assess compliance with Commission rules. The workload data represents the population of filers subject to these procedures.*

4 *The number of programs or data sets subject to current, pending or contemplated Commission requirements to be provided in interactive data format. DERA staff supports these programs in a number of ways including: taxonomy development and maintenance, technology infrastructure development, rule writing support, implementation guidance, and technical support.*

Office of the General Counsel

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**135**	**145**	**150**
Cost:			
Salaries and Benefits	$ 33,391	$ 37,312	$ 39,540
Non-Personnel Expenses	10,345	9,623	9,772
Total Costs	**$ 43,736**	**$ 46,935**	**$ 49,312**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
27	88	5	30

The General Counsel serves as the chief legal officer of the Commission and heads the Office of the General Counsel (OGC). OGC provides independent legal analysis and advice to the Chair, Commissioners, and operating divisions on all aspects of the Commission's activities. OGC also defends the Commission in Federal district courts, represents the Commission in appellate matters and *amicus curiae* filings, and oversees the SEC's bankruptcy program.

In FY 2017, OGC anticipates continued work on initiatives to reform the existing regulatory structure for the securities markets and the financial services industry. OGC also expects to continue to provide technical assistance to Congress and other financial regulatory agencies on numerous legislative initiatives and other matters, as well as continue to respond to Congressional inquiries.

FY 2017 Request

OGC is seeking two positions for FY 2017, of which one is for OGC's Legal Policy Group and the other for the Office's General Litigation Group. These two positions would assist in the following areas:

Legislative Activity and Technical Assistance: In FY 2017, efforts to strengthen the framework for financial regulation likely will involve continued legislative activity, for which OGC will be tasked to provide ongoing technical assistance to Congress and other financial regulatory agencies. OGC also expects to prepare and review written testimony for congressional hearings, and prepare and review responses to Congressional correspondence. The high level of Congressional interest in the SEC's mission, organization, and activities has resulted in the need to provide large volumes of documents in response to specific Congressional inquiries. In FY 2017, Congressional and public interest in the Commission is expected to remain high.

Rulemaking Activities: OGC expects to advise the divisions and offices on a continued high number of rulemaking initiatives to implement the Dodd-Frank Act, as well as other rulemaking initiatives such as rules designed to: improve transparency and investor protection; facilitate capital raising in small offerings; improve practices in the asset-backed securities markets; and address market structure developments.

Investigations Support: In FY 2017, OGC anticipates increased workload related to a larger number of enforcement actions and the high volume of enforcement cases against attorneys practicing before the Commission who may have engaged in unethical or improper conduct. This workload also will be affected by the increase in whistleblower complaints received from outside sources. OGC also anticipates that the volume of labor and employee relations matters requiring

OGC assistance will rise with the size of the SEC's workforce, and OGC expects to receive an increase in the number of Freedom of Information Act (FOIA) requests and appeals in FY 2017.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Appellate Cases:			
Open Matters	161	159	167
Adjudicatory Matters:			
Pending Beginning of Year	44	57	62
Received	52	55	55
Completed	46	50	50
Pending End of Year	57	62	67
Legislation:			
Testimony	6	20	20
Correspondence with Congress and Others	116	180	180
Legislative Analysis and Technical Assistance	412	380	380
Other[1]	122	110	110
Advisory Services:			
SEC Statutes			
Analysis of Enforcement Memoranda	2,090	2,050	2,200
Review of Rulemaking and Other Projects	538	600	630
Review of Articles and Speeches	349	280	300
Non-SEC Statutes			
FOIA – Internal Appeals	492	500	505
Personnel Matters	204	275	300
Procurement Matters	700	730	740
Labor Matters	25	25	25
Attorney Misconduct Investigations	341	370	370
Other (Subpoenas)	57	60	60
Corporate Reorganization:			
Petitions Involving Public Investor Interest	60	62	63
Chapter 11 Cases: Appearances			
Filed	42	43	44
Closed	10	10	10
Chapter 11 Cases: Monitored			
Filed	18	19	19
Closed	12	12	12
Disclosure Statement Reviews	50	60	65
Disclosure Statements Commented On	28	35	40
Total Full-Time Equivalents	**135**	**145**	**150**

[1] *"Other" consists of a variety of projects, including attending congressional hearings and monitoring legislation.*

Other Program Offices

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters			
Office of Chief Accountant	45	48	50
Office of Investor Education and Advocacy	39	41	44
Office of International Affairs	49	53	55
Office of Administrative Law Judges	14	13	13
Office of the Investor Advocate	5	8	9
Office of Credit Ratings	37	45	48
Office of Municipal Securities	6	7	8
Total Full-Time Equivalents	**195**	**215**	**227**
Cost:			
Salaries and Benefits	$ 46,384	$ 53,894	$ 58,178
Non-Personnel Expenses	16,437	17,755	18,250
Total Costs	**$ 62,821**	**$ 71,649**	**$ 76,428**

This section of the SEC's request includes chapters that describe the responsibilities and activities of the agency's smaller program offices, including:

Office of Chief Accountant: Establishes accounting and auditing policy and works to improve the professional performance of public company auditors to ensure that financial statements used for investment decisions are presented fairly and have credibility.

Office of Investor Education and Advocacy: Serves investors who complain to the SEC about investment fraud or the mishandling of their investments by securities professionals, ensures the views of retail investors inform the Commission's regulatory policies and disclosure programs, and works to improve investors' financial literacy.

Office of International Affairs: Advances international regulatory and enforcement cooperation, promotes converged high regulatory standards worldwide, and facilitates technical assistance programs in foreign countries.

Office of Administrative Law Judges: Adjudicates allegations of securities law violations.

Office of the Investor Advocate: Provides assistance to investors in resolving significant problems they may have with the SEC or with self-regulatory organizations (SROs), and identifying areas in which investors would benefit from changes to Federal laws or to SEC regulations or SRO rules.

Office of Credit Ratings: Administers the rules of the Commission with respect to the practices of nationally recognized statistical rating organizations (NRSROs) in determining ratings; protects the users of credit ratings; promotes accuracy in credit ratings issued by NRSROs; and ensures that such ratings are not unduly influenced by conflicts of interest.

Office of Municipal Securities: Administers the rules of the Commission with respect to the practices of municipal securities brokers and dealers, municipal advisors, and investors in, and issuers of, municipal securities. The office also coordinates with the Municipal Securities Rulemaking Board (MSRB) on rulemaking and enforcement actions.

Office of the Chief Accountant

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**45**	**48**	**50**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
18	16	16	0

The Office of the Chief Accountant (OCA) is responsible for establishing and interpreting accounting policy to enhance the transparency and relevancy of financial reporting for investors. OCA works to improve the professional performance of public company auditors to ensure that financial statements used for investment decisions are presented fairly and have credibility. OCA leads the SEC's efforts to oversee accounting standard-setting by the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB), and auditor oversight and standard-setting by the Public Company Accounting Oversight Board (PCAOB).

In FY 2015, OCA engaged in further outreach and analysis regarding possible paths forward for incorporating IFRS into the U.S. financial reporting system for U.S. issuers. Furthermore, OCA focused on implementation of the new converged accounting standard on revenue recognition.

In addition, in FY 2015, OCA coordinated with the PCAOB as the Commission considered revisions to audit committee disclosures and the PCAOB moved forward with its project to improve transparency through disclosure of the engagement partner and other participants in the audit.

OCA also continued to support the Commission in reviewing PCAOB inspection findings and processing requests for review, evaluating new PCAOB auditing standards and interpretations and overseeing other PCAOB matters. In addition to these areas of focus, in 2015, OCA, with the assistance from staff from the Office of Compliance Inspections and Examinations, planned and began preparing for an inspection of a PCAOB program area, to be conducted in FY 2016.

In FY 2016, OCA plans to conduct the inspection of a PCAOB program area described above. OCA also plans to continue to oversee the PCAOB's efforts to improve audit quality by revising its standard-setting process, with a focus on improving its timeliness in this regard. Given the growth of the PCAOB in recent years and the expansion of its authority, OCA will need to increase its PCAOB oversight efforts. Such efforts may include this type of review of PCAOB program areas as appropriate. In addition, OCA will continue to monitor FASB/IASB standard setting and transition activities for new standards for revenue recognition, leasing, consolidation, financial instruments, and credit losses.

FY 2017 Request

OCA requests at two additional positions in FY 2017 to support planned initiatives, goals and objectives. OCA's primary initiatives, goals and objectives include the oversight of the FASB/IASB standard setting and transition activities for new, comprehensive standards on revenue recognition, leasing, financial instruments and credit losses. Additionally for oversight of the PCAOB, support for other division and office rule-making through consultation on significant accounting and auditing matters, provide accounting and auditing training and advice to CF in the context of their filing review program and to ENF in the context of enforcement of the federal securities laws, and executing OCA-led rulemaking and policy initiatives.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Rulemaking Initiatives	40	40	44
U.S. Standard-Setting Projects/Issues Monitored	82	82	82
International:			
Consultations with Foreign Regulators on Accounting Interpretations/Compliance	44	58	58
IASB Standards/Interpretations Monitored	139	139	139
International Auditing and Independence Standards Monitored	12	14	15
SEC and IOSCO Rulemaking/Policy/Other Statements Issued	1	3	1
Registrant Contacts:			
Written Correspondence/Resolution of Accounting Issues	140	140	140
Consultation on Potential Enforcement Investigations	305	330	350
102 (e) Reinstatement Applications Processed	21	21	21
Member appointments to PCAOB, Financial Accounting Foundation, and FASB	6	6	6
Quality Reviews of Accounting Firms Conducted by PCAOB Subject to SEC Oversight	293	287	300
Rules Adopted by PCAOB and Approved by SEC	2	2	5
Auditing Standards/Interpretations Issued by PCAOB and Approved by SEC	6	13	15
Independence Inquiries	412	475	500
Inspection of PCAOB programs	0	1	1
Public Awareness, Outreach and Market Research Initiatives	45	46	48
Total Full-Time Equivalents	**45**	**48**	**50**

Office of Investor Education and Advocacy

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**39**	**41**	**44**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
0	0	44	0

The Office of Investor Education and Advocacy (OIEA) seek to provide individual investors with the information they need to make sound investment decisions. OIEA administers two primary programs to promote this mission: assisting individual investors with complaints and inquiries about the securities markets and market participants, and conducting educational outreach to individual investors. OIEA also helps to inform Commission policy by advising the Commission and Commission staff on various issues from the perspective of the individual investor, including with respect to rulemakings, Investor Advisory Committee recommendations, and through IOSCO's Committee on Retail Investors.

Each year, OIEA has contact with millions of individuals through its investor assistance and education programs. OIEA assists investors who contact the SEC with questions or to complain about the perceived mishandling of their investments by investment professionals and others. Through its investor education program, OIEA produces and distributes educational materials, leads educational seminars and investor-oriented events, and partners with other Federal agencies, state regulators, consumer groups, and self-regulatory organizations on financial literacy initiatives. OIEA plays an important role in the Commission's key initiatives aimed at protecting investors, including helping senior citizens and military families guard against securities fraud.

Research indicates that many individuals are not taking key steps to protect their money from investment fraud, including researching the background of an investment professional before investing. In FY 2016, OIEA plans to launch a public service campaign pilot focused on helping individuals protect themselves from investment fraud, including raising awareness about Investor.gov. The Office expects that this campaign will drive increased traffic to Investor.gov which will in turn significantly increase the number of investor inquiries and questions received by the Office going forward, including in FY 2017.

FY 2017 Request

The Office is seeking two new positions to expand its investor assistance efforts. The Office estimates it will respond to an increased level of investor assistance requests compared to previous years. These positions are needed to address this increasing workload, maintain response times for investor contacts and improve quality assurance.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Investor Assistance			
Total Investor Assistance Matters Closed[1]	19,509	22,000	25,000
Percentage of Investor Assistance Matters Closed Within:			
Seven Days	65%	62%	62%
30 Days	93%	90%	90%
Full-Time Equivalents	**29**	**30**	**33**
Investor Education[2]			
Page Views on OIEA Web Pages	23,600,000	30,000,000	37,500,000
In-Person Investor Events	71	75	80
Direct Mailing Campaign	6,700,000	10,000,000	10,000,000
Number of investor alerts and bulletins issued	31	32	34
Full-Time Equivalents	**10**	**11**	**11**
Total Full-Time Equivalents	**39**	**41**	**44**

1 *Includes files relating to complaints, questions, and other contacts received from investors.*

2 *OIEA's workload items have been streamlined to highlight the office's key investor education activities. Publications distributed, number of joint alerts and bulletins issued, and Divisions' initiatives supported have been deleted. The number of investor alerts and bulletins also has been moved to the investor education activity, thereby eliminating the need for a separate listing of OIEA's legal and policy activities.*

Office of International Affairs

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**49**	**53**	**55**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
15	20	6	14

The Office of International Affairs (OIA) advances the SEC's mission by promoting international enforcement and supervisory cooperation, developing and implementing strategies to further SEC policy interests in the regulation and oversight of cross-border securities activities, managing and executing the SEC's participation in international regulatory bodies, engaging in regulatory dialogues with our international counterparts, and providing technical assistance to strengthen partnerships with foreign authorities.

OIA has four primary functional areas:

- Enforcement Cooperation
- Regulatory Policy and Relationships with Foreign Counterparts
- Supervisory Cooperation
- Technical Assistance.

Enforcement Cooperation

Investigative and Litigation Support: OIA staff assists the SEC's Division of Enforcement with hundreds of requests for international assistance each year, particularly in the area of coordination of parallel proceedings with foreign securities and law enforcement authorities. This assistance is provided through all stages from investigation, through litigation, to the conclusion of the matter. OIA assists Enforcement with efforts to freeze and repatriate assets held in foreign nations and provides guidance to foreign counterparts in their efforts to secure the proceeds of fraud present within the U.S.

International Enforcement Policy: OIA actively participates in multilateral efforts to enhance international enforcement cooperation, representing the SEC on multiple International Organization of Securities Commissions (IOSCO) committees and steering groups. OIA coordinates with foreign counterparts to develop policies relating to enforcement matters, and to promote international cooperation among securities regulators in their respective investigations and cases.

Regulatory Policy and Relationships with Foreign Counterparts

OIA supports the SEC's prominent role in international bodies of securities regulators such as IOSCO and the Financial Stability Board (FSB). Through these entities, the SEC addresses international regulatory issues by developing international guidance, recommendations and standards, and assessing the implementation of foreign financial market reforms and their ramifications for U.S. investors. The SEC is involved in multiple IOSCO policy committees, working groups and task forces, and influences IOSCO's contributions to the FSB. For example, the SEC is working with IOSCO to develop a toolbox of approaches for regulating market conduct.

OIA will also continue to work with the Office of the Chief Accountant in managing the SEC's representation in the International Financial Reporting Standards Foundation Monitoring Board, as well as monitoring the Public Company Accounting Oversight Board's inspection of registered foreign audit firms.

In FY 2017, OIA anticipates that the pace of regulatory action in other jurisdictions will increase, particularly in the European Union. OIA will inform and advise the Commission and staff about these developments with the goal of promoting opportunities for converged approaches to high quality regulatory standards.

OIA also coordinates and participates in bilateral dialogues with foreign counterparts on securities markets issues. OIA also participates in dialogues led by the Treasury Department, including the U.S.-EU Financial Markets Regulatory Dialogue, NAFTA Financial Services Committee, U.S.-EU Financial Services Committee, US-China Strategic and Economic Dialogue, and U.S.-India Financial Regulatory Dialogue.

Supervisory Cooperation

The OIA supervisory cooperation group focuses on four areas: (1) assisting other SEC divisions and offices in the supervision of cross-border regulated entities by facilitating cooperation with foreign counterparts, including conducting on-site examinations abroad and addressing cross-border registration issues; (2) responding to requests from foreign counterparts in supervisory matters; (3) developing and implementing supervisory memorandum of understandings (MOUs) aimed at facilitating cooperation in the oversight of cross-border regulated entities; and (4) providing subject matter expertise on multilateral projects involving supervisory cooperation issues.

Supervisory cooperation activities are expected to increase in the future as the Offices of Compliance Inspections and Examinations (OCIE) and Credit Ratings (OCR) continue to expand their examination programs, generating additional demand for international cooperation. Moreover, the demand for supervisory MOUs with foreign regulators will grow as regulators look to share information and exchange views in cross-border supervisory matters.

Technical Assistance

OIA provides technical assistance to foreign securities regulators through a number of activities, such as conducting the annual Institute for International Enforcement and the International Institute for Market Development; holding training programs for foreign regulatory and law enforcement counterparts; providing assessments or "peer reviews" of other entity's regulatory oversight regimes; and handling special projects including foreign visits to the SEC and arranging for foreign authorities to accompany SEC staff on examinations.

FY 2017 Request

OIA is requesting one new position for the international enforcement cooperation and assistance section, to enable the enforcement cooperation team to more effectively respond to Division of Enforcement and foreign requests for assistance in the area of investigation and litigation support.

OIA is also seeking a new position in the regulatory policy area, due to the increasing number of projects undertaken by the international organizations in which the Commission participates, a heightened level of bilateral engagement with foreign authorities, and an increased intensity of multilateral assessment processes which will begin as more international standards are developed by standard-setting bodies.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
SEC Enforcement Division Requests to SEC OIA for International Assistance[1]	929	897	946
Responses to Foreign Requests for SEC Enforcement Assistance[2]	531	570	570
Number of International Regulatory and Law Enforcement Officials Trained[3]	1,666	1,700	1,800
SEC Requests for Supervisory Cooperation Assistance[4]	135	139	143
Responses to Foreign Requests for SEC Supervisory Cooperation Assistance[5]	113	116	120
International Regulatory Initiatives[6] (including regulatory initiatives)	132	140	150
Total Full-Time Equivalents	**49**	**53**	**55**

1 *OIA's FY 2017 projection uses a linear trend line analysis of the results for the last five years.*

2 *As with the Division of Enforcement's Requests to OIA, OIA's FY 2017 projection for Responses to Foreign Requests uses a linear trend line analysis of the results for the last five years.*

3 *The FY 2016 and FY 2017 figures are contingent on the availability of sufficient domestic and foreign resources.*

4 *OIA projects a three percent increase in the number of requests for supervisory cooperation assistance from SEC staff, including the Office of Compliance Inspections and Examinations, the Office of Credit Ratings, and the Division of Trading and Markets.*

5 *OIA projects a three percent increase in the number of foreign requests for the SEC assistance in supervisory matters.*

6 *The Regulatory Policy Unit revised its workload tracking system in FY 2015 to improve reporting consistency. For this purpose, the Regulatory Policy Unit tracks bilateral and multilateral engagements for the Chair, Commissioners, and OIA senior staff that the Regulatory Policy Unit coordinates and supports. The Regulatory Policy Unit also supports staffs throughout the agency on internal projects with international aspects and international projects that are not quantified in this tracking mechanism.*

Office of Administrative Law Judges

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**14**	**13**	**13**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
0	13	0	0

The Office of Administrative Law Judges (OALJ) supports the mission of the SEC by conducting administrative hearings and issuing initial decisions from Commission Orders Instituting Proceedings.

Administrative Law Judges serve as independent adjudicators. Under the Administrative Procedure Act and the Commission's Rules of Practice, administrative law judges conduct public hearings at locations throughout the United States in a manner similar to non-jury trials in the Federal district courts. Among other actions, they issue subpoenas, hold prehearing conferences, and rule on motions and the admissibility of evidence.

FY 2017 Request

In FY 2017, OALJ anticipates the Commission will institute and order public hearings in 230 proceedings, although the exact number and specific nature of these cases is unknown. This estimate reflects the increasingly heavy and complex caseload the Office has experienced in recent years. OALJ requests one attorney to help in addressing this caseload.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Proceedings Inventory:			
Pending Disposition Beginning of Year	96	90	80
Ordered for Hearing	226	230	230
Disposed	232	240	240
Canceled Before Hearing	56	60	60
Canceled After Hearing	0	0	0
Initial Decision Issued	176	180	180
Pending Disposition End of Year	90	80	70
Total Full-Time Equivalents	**14**	**13**	**13**

Office of the Investor Advocate

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**5**	**8**	**9**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
6	0	3	0

The Office of the Investor Advocate (OIAD) is required by Section 915 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and was established during FY 2014. The Office is responsible for, among other things, identifying areas in which investors would benefit from changes to Federal laws, SEC regulations, or the rules of self-regulatory organizations (SROs), and for providing assistance to investors in resolving significant problems they may have with the SEC or SROs.

Investor Advocacy: Consistent with the requirements of Section 915 of the Dodd-Frank Act, the Office is responsible for identifying problems that investors have with financial service providers and investment products; analyzing the potential impact on investors of proposed regulations and rules; identifying areas in which investors would benefit from changes in SEC regulations or SRO rules; and proposing changes in regulations, legislation, or administration of programs that may mitigate problems identified. The additional position requested in FY 2016 will provide counsel to the Investor Advocate on matters arising out of the Division of Corporation Finance.

Reports to Congress: The Office is responsible for submitting two reports to Congress per year. A Report on Objectives is due not later than June 30 of each year, and its purpose is to set forth the objectives of the Investor Advocate for the following fiscal year. A Report on Activities is due no later than December 31 of each year, and it describes the activities of the Investor Advocate during the immediately preceding fiscal year. Among other things, the Report on Activities must summarize the most serious problems encountered by investors during the reporting period, identify any Commission or SRO action that was taken to address those problems, and recommend, as appropriate, any administrative and legislative actions to resolve problems encountered by investors.

Ombudsman: The Investor Advocate is required by Section 919D of the Dodd-Frank Act to appoint an Ombudsman who will act as a liaison between the SEC and any retail investor in resolving problems that retail investors may have with the SEC or SROs. The Ombudsman must also review policies and procedures and make recommendations to encourage the investing public and other interested persons to submit questions to the Investor Advocate regarding compliance with the securities law. The Ombudsman is also required to establish safeguards to maintain the confidentiality of communications between these persons and the Ombudsman. The Ombudsman must evaluate the effectiveness of this program and submit semiannual reports to the Investor Advocate for inclusion in the reports to Congress.

Investor Advisory Committee: The Investor Advocate serves as a member of the Investor Advisory Committee, which is authorized by Section 911 of the Dodd-Frank Act, as codified under Section 39 of the Exchange Act. This committee advises and consults with the SEC on regulatory priorities and protection of investors. The Office of the Investor Advocate provides support and assistance to this advisory committee to assist it with fulfilling its statutory mission.

FY 2017 Request

OIAD requests one additional attorney in FY 2017 to counsel the Investor Advocate on matters arising out of the Division of Investment Management, as well as to provide operational support to the Investor Advisory Committee (IAC).With this additional staff member, the Office will have an attorney assigned to review and evaluate rulemakings in each of the major SEC rulemaking divisions. These attorneys function as OIAD's subject-matter experts on issues related to their assigned divisions. In addition, they provide valuable assistance to the IAC on any issues related to their areas of expertise.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Investor Advocacy:			
SEC Rulemakings Reviewed	7	12	30
SRO Rulemakings Reviewed	12	83	100
Policy Recommendations[1] to SEC, SROs, or Congress	5	6	8
Outreach Events/Speeches	16	18	12
Ombudsman:			
Investor Inquiries[2]	499	625	800
Matters Opened	499	625	800
Matters Closed	394	575	750
Outreach Events/Speeches	8	12	16
Investor Advisory Committee Support:			
In-Person Committee Meetings	4	4	4
Subcommittee Meetings/Briefings	30	36	30
Total Full-Time Equivalents	**5**	**8**	**9**

1 *This includes only formal written recommendations of the Investor Advocate, not informal policy recommendations or advocacy. Pursuant to Exchange Act Sec. 4(g)(7), the Commission is required to respond to formal recommendations within 90 days.*

2 *This includes all complaints, questions, and other contacts from investors. ["Investor Inquiries" and "Matters Opened" are the same number for our purposes – we do not distinguish between the two. Every "Investor Inquiry" generates a "Matter Opened." The 499 "Investor Inquiries" and "Matters Opened" for FY 2015 represent the number of initial matters (initial complaints, questions, and other contacts) from investors. Follow-on matters (repeated calls/emails, duplicate requests, additional questions on the same matter, etc.) are not included in the 499]*

Office of Credit Ratings

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**37**	**45**	**48**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
11	34	2	1

The Office of Credit Ratings ("OCR" or the "Office") is charged with administering Commission rules with respect to the practices of nationally recognized statistical rating organizations (NRSROs). These rules are aimed towards promoting accuracy in credit ratings issued by NRSROs, ensuring that credit ratings are not unduly influenced by conflicts of interest, and helping to ensure that firms provide greater disclosure to investors. In support of this mission, OCR conducts policy oversight of NRSROs and conducts examinations.

OCR is responsible for presenting recommendations to the Commission on policy and rulemaking with respect to NRSROs, consulting with other SEC divisions and offices as appropriate. OCR also works to: (1) implement rules pertaining to NRSROs; (2) develop recommendations on requests for Commission exemptive relief from the rules; (3) prepare responses to requests for staff "no-action" relief from the rules; and (4) formulate staff guidance and other interpretive positions.

Examination of NRSROs for compliance with the Federal securities laws and Commission rules accounts for the majority of OCR's workload. The Dodd-Frank Act requires that OCR conduct an examination of each NRSRO at least annually, in eight review areas prescribed by the Act.

OCR also conducts special targeted examinations based on particular issues and to follow-up on tips, complaints, and NRSRO self-reported incidents. OCR employs a risk-based approach to exam planning, identifying different risks for different NRSROs so that resources are prioritized and appropriately focused on areas of higher risk. The examinations of the larger or more complex NRSROs are staffed with a quantitative analyst to provide analytical support directly alongside the examination teams. The Office also participates in discussions with international regulators of the globally-active credit rating agencies to determine potential areas of focus for domestic NRSRO examinations.

OCR's annual examinations in FY 2016 will include a comprehensive review of NRSROs' compliance with the comprehensive new rules and rule amendments. OCR expects that the FY 2017 examinations will include a significant amount of testing and follow-up to ensure that the NRSROs are complying with the new rules. OCR will further review registrants' technological initiatives, cybersecurity governance, and risk assessment processes relating to access rights, data loss prevention, vendor management, training, and incident response. In addition, OCR will further evaluate credit models quantitatively and qualitatively and will initiate specialized examinations to conduct sweeps and targeted examinations as appropriate.

When necessary, OCR's examinations will result in a referral to the Division of Enforcement. Since June 2012 when OCR was formed, there have been three settled enforcement matters against NRSROs.

Separate from the examination function, the NRSRO monitoring and constituent monitoring functions within OCR are responsible for gathering, analyzing, and assessing data and identifying trends across the industry. This information may be useful for examination scoping, determining and communicating best practices for NRSROs, and guiding the direction for future policy activities or rulemakings related to NRSROs. As part of the monitoring activities, OCR meets with NRSRO boards of directors (including a separate discussion with the independent directors) to engage them in broader policy discussions. OCR also holds meetings with investors, issuers, arrangers, industry trade groups and other market participants.

The OCR monitoring function is also responsible for:

- reviewing applications for registration as an NRSRO and applications to register for an additional asset class or classes, and then developing recommendations for the Commission;
- reviewing the annual and periodic updates submitted by existing registrants on Form NRSRO;
- reviewing the NRSRO Employment Transition Reports for former employees of NRSROs; and
- receiving tips from NRSROs that are reported pursuant to Section 15E(u) of the Securities Exchange Act.

FY 2017 Request

For FY 2017, the SEC is requesting two additional Securities Compliance Examiners positions for OCR. These new positions will establish a dedicated team to focus on specialized, targeted examination work and to be responsive to market events that require immediate attention. OCR's risk assessments identify different risks for different NRSROs, and many of the identified issues require follow-up through targeted examination work on an expedited basis. This specialized examination team will bolster OCR's examination function and allow OCR's other examiners to focus on the statutorily-mandated, annual examinations of each NRSRO.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Annual Examinations and Other Examination Compliance Activities	20	30	23
Studies, Reports and Related Matters	7	8	8
Regulatory and Legislative Initiatives	1	12	12
Orders and No-Action Letters	3	10	10
Monitoring Meetings	46	46	50
Form NRSRO – Initial Applications and Annual Certifications	47	47	47
Enforcement/TCR	40	44	48
International Activities	38	43	45
Business Processes	30	35	37
Total Full-Time Equivalents	**37**	**45**	**48**

Office of Municipal Securities

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**6**	**7**	**8**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
4	2	2	0

The Office of Municipal Securities (OMS) was created in FY 2012 as an independent office that reports directly to the SEC Chair, as required by Sec. 979 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). OMS is responsible for overseeing the $3.7 trillion municipal securities market and administering the Commission's rules pertaining to municipal securities brokers and dealers, municipal advisors, investors in municipal securities, and municipal issuers. OMS also coordinates with the Municipal Securities Rulemaking Board (MSRB) on rulemaking and enforcement actions.

OMS coordinates the SEC's municipal securities activities, administers SEC rules relating to the municipal securities market, oversees MSRB rulemaking, informs the Commission on current market issues, advises the Commission on policy matters relating to the municipal securities market, and provides technical assistance in the development and implementation of major SEC initiatives in the municipal securities market. OMS assists other SEC offices and divisions, including the Office of Compliance Inspections and Examinations (OCIE) and the Division of Enforcement (ENF), on a wide array of municipal securities matters. OMS monitors current developments and emerging risks in the municipal securities market and communicates its observations and conclusions to other SEC offices and divisions and other regulators for possible regulatory responses. OMS's workload is anticipated to grow due to the expanding responsibilities of OMS and the offices OMS directly supports, such as OCIE and ENF.

OMS has significant responsibilities derived from the implementation of Sec. 975 of the Dodd-Frank Act, which amended the Exchange Act to require the registration of municipal advisors with the SEC and provided for their regulation by the MSRB. OMS continues to implement the final rules adopted in FY 2013 for municipal advisor registration by monitoring and improving the SEC's registration system for municipal advisors, participating in the review of municipal advisor registrations, reviewing and processing MSRB rule filings related to municipal advisor regulation, advising OCIE regarding inspections and examinations of municipal advisors, coordinating with the MSRB and FINRA to assure fair and uniform application of new rules applicable to municipal advisors, and providing interpretive guidance to those market participants who may be required to register as municipal advisors.

In addition, OMS acts as the Commission's liaison to the MSRB, FINRA, the Internal Revenue Service's (IRS) Office of Tax-Exempt Bonds, and a variety of investor and industry groups and regulators on municipal securities issues. OMS interacts closely with the MSRB and is responsible for reviewing and processing all MSRB rule filings. OMS communicates with the MSRB Chairman, Board and staff concerning MSRB activities, market developments, and potential improvements of MSRB systems that either collect information for regulators or provide information to the public. OMS will continue to lead semiannual meetings with the MSRB and FINRA regarding the municipal securities market, as required by the Dodd-Frank Act; meet with MSRB and

FINRA staff regularly; meet with IRS staff pursuant to the SEC's memorandum of understanding with the IRS; and coordinate with other regulators as needed. OMS also will continue to work closely with the municipal securities industry to educate state and local governmental officials and conduit borrowers about the Commission's rules and to foster a thorough understanding of the Commission's policies among all market participants.

FY 2017 Request

OMS is requesting one new attorney position to support the office's responsibilities mandated by Sec. 979 of the Dodd-Frank Act. Specifically, the additional staff position will support OMS's considerable responsibilities to implement the new regulatory regime for municipal advisors as described above.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
SRO Proposed Rule Changes Reviewed[1]	16	16	18
SEC Rulemaking and Interpretive Actions	0	2	3
Interpretive, Exemptive, and No-Action Request Letters Closed	0	1	1
Reviews of Potential Enforcement Actions	15	17	20
Congressional, Governmental, Industry, and Public Correspondence and Inquiries[2]	800	800	900
Public Awareness and Market Outreach	28	30	35
Municipal Advisors[3]			
Registrants	666	750	800
Registration Applications Filed	421	134	100
Registration Amendments Filed	539	1,000	1,120
Registrations Withdrawn or Canceled	35	50	50
Total Full-Time Equivalents	**6**	**7**	**8**

1 *This data includes filings, pre-filings, and amendments reviewed.*

2 *This data combines correspondence and telephone/Internet inquiries.*

3 *This data reflects the expanded responsibilities assigned to the Commission for oversight of municipal advisors (firms and sole proprietors) by the Dodd-Frank Act. In addition, approximately 4,000 natural persons engaged in municipal advisory activities were registered on Form MA-I in FY 2015.*

Agency Direction and Administrative Support

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters			
Agency Direction			
Office of Executive Staff	43	40	41
Office of Public Affairs	10	12	14
Office of the Secretary	20	23	24
Subtotal	73	75	79
Administrative Support			
Office of the Chief Operating Officer	25	16	18
Office of Financial Management	97	101	102
Office of Information Technology	165	174	181
Office of Human Resources	117	121	131
Office of Acquisitions	58	58	58
Office of Support Operations	99	102	105
Office of Strategic Initiatives	0	15	15
Office of the Ethics Counsel	15	16	16
Office of Minority and Women Inclusion	8	8	9
Office of Equal Employment Opportunity	11	11	11
Subtotal	595	622	646
Total Full-Time Equivalents	**668**	**697**	**725**
Cost:			
Salaries and Benefits	$ 146,729	$ 173,738	$ 184,600
Non-Personnel Expenses	125,380	121,566	123,835
Total Costs	**$ 272,109**	**$ 295,304**	**$ 308,435**

This section of the FY 2017 request details the SEC's agency-wide executive activities, operations and administrative functions and covers the following areas:

- **Agency Direction:** Includes the Chair and Commissioners' offices, Office of the Legislative and Intergovernmental Affairs (OLIA), Office of Public Affairs (OPA), and Office of the Secretary.
- **Office of the Chief Operating Officer:** Provides executive leadership in directing the management and coordination of the SEC's core mission support activities.
- **Office of the Ethics Council:** Administers the Commission's Ethics Program and interprets the SEC's Supplemental Ethics Rules as well as Federal Government-wide ethics laws, rules and regulations.
- **Office of Minority and Women Inclusion:** Develops standards for all agency matters relating to diversity in management, employment, and business activities.
- **Office of Equal Employment Opportunity:** Ensures that employees and applicants for employment have equal opportunity in employment.

Agency Direction

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters			
Office of Executive Staff	43	40	41
Office of Public Affairs	10	12	14
Office of the Secretary	20	23	24
Total Full-Time Equivalents	**73**	**75**	**79**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
17	9	43	10

Agency Direction is comprised of the Commissioners and their staff, as well as the Office of Legislative and Intergovernmental Affairs (OLIA), the Office of Public Affairs (OPA), and the Office of the Secretary (OS). The Chair's Office oversees all aspects of agency operations, as well as the review and approval of enforcement cases and formal orders of investigation and the development, consideration, and execution of the agency's substantive policy and rulemaking agenda. Matters such as the proposal or adoption of new rules and the consideration of enforcement cases are performed by the Chair and the Chair's staff as well as the agency's four other Commissioners and their staffs.

OLIA serves as the liaison between the SEC and Congress and is responsible for responding to requests from Congress for information related to agency programs and legislation affecting the SEC or its mission. OLIA also coordinates the testimony of SEC officials when the agency is asked to testify at Congressional hearings. OPA coordinates and facilitates the agency's external and internal communications with the media, the general public, and SEC staff. OS reviews all documents issued by the Commission, schedules and coordinates Commission meetings, prepares and maintains records of Commission actions, and advises the Commission and staff about practice and procedure.

Office of Legislative and Intergovernmental Affairs

OLIA is the SEC's point of contact for matters relating to Congress. Among other things, OLIA:

- coordinates testimony and witness preparation for SEC officials appearing at Congressional hearings;
- responds to requests by Members of Congress and their staff for meetings, briefings, and technical assistance on legislation and other matters affecting the SEC or its mission;
- responds to requests from Members of Congress and their staff for information concerning the operations and activities of the Commission; and
- assists in responding to Congressional correspondence.

In FY 2017, OLIA expects to coordinate the provision of technical assistance on legislation impacting the SEC or its mission or in response to Congressional requests for assistance, as well as to assist SEC witnesses in testifying before Congressional committees. OLIA also expects to provide information to Congress in response to oversight requests.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Commission Meetings	92	93	98
Calendar Items	616	630	650
Seriatim Actions	479	490	500
Congressional Testimonies	6	9	9
Chair's and Congressional Correspondence	1,493	1,690	1,690
Total Full-Time Equivalents	**43**	**40**	**41**

Office of Public Affairs

The Office of Public Affairs (OPA), under the direction of the Chair, is responsible for coordinating the SEC's external and internal communications with the media, the public, and SEC staff. OPA distributes news and information that informs the public and staff about the agency's efforts to protect investors; promote fair, efficient and orderly markets; and facilitate capital formation.

OPA manages development of and creates written and graphic content for all of the agency's digital platforms, including SEC.gov – which received more than 6.3 billion page views in FY 2015. In FY 2016 OPA will continue to expand our digital efforts to meet increasing demand. Significant undertakings will include the launch of a new internal communications platform, a new EDGAR search interface, and a new, mobile-friendly public website for researching investment professionals. The Office will also continue to respond to media inquiries, write and edit news releases and other materials, and facilitate media interactions with agency officials to promote understanding of the agency's work in an increasingly dynamic marketplace.

FY 2017 Request

In FY 2017, OPA will work to continue to provide effective, transparent and timely communication with investors, market participants and other stakeholders. Especially as Americans are increasingly using mobile devices to access news, information, and services, the Office intends to place a continuing high priority on leveraging the Internet and other digital communication platforms and tools to communicate the SEC's achievements and priorities. Leveraging technology will also help increase staff efficiency, productivity, and effectiveness by facilitating the access, sharing, and analysis of information. Accordingly, OPA requests one additional position in FY 2017 to help provide strategic direction to our digital communication efforts, including continuous evaluation of our performance in a hyper-changing digital landscape to maximize our opportunities while minimizing duplication or redundancy.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
News Releases and Statements	295	200	200
Email and Mobile Bulletins	7,674	8,000	8,200
Social Media Posts[1]	6,227	6,500	6,800
Total Full-Time Equivalents	**10**	**12**	**14**

[1] *Includes social media posts from various SEC Offices and Divisions that include SEC Twitter accounts, SEC Facebook accounts, and Flickr, YouTube, Pinterest, and LinkedIn SEC accounts. See www.sec.gov/news/socialmedia.shtml*

Office of the Secretary

The Office of the Secretary (OS) reviews all documents issued by the Commission, schedules and coordinates Commission meetings, prepares and maintains records of Commission actions, and advises the Commission and staff about practice and procedure. OS directly supports the Commission staff, maintains the SEC's website and Intranet, and receives and tracks filings in administrative proceedings.

OS is comprised of two branches:

(1) **Legal and Operations:** This branch handles all of the processes by which the Commission considers matters under its purview. Legal and Operations staff review all SEC documents submitted to and approved by the Commission and ensure their appropriate online and/or print publication. The branch receives and tracks documents filed in administrative proceedings, requests for confidential treatment, and comment letters on rule proposals, and monitors compliance with the Government in the Sunshine Act. In addition, members of this Branch provide advice to the Commission and the staff on questions of practice and procedure.

(2) **Web Operations:** This Branch manages the public website's design and information architecture; publishes the content to the public website; processes all comment letters submitted by the public to the agency; serves as "webmaster" in communicating with the public about SEC.gov; and develops, implements, and manages tools, such as RSS feeds, to improve the dissemination of information on SEC.gov. The staff of the Branch of Web Operations works with the Office of Public Affairs to manage the Web content management system and to improve the user experience on the agency's website.

In FY 2016, OS expects to implement the first phase of a system to allow the intake of electronic filings from parties to administrative proceedings, to serve parties with Commission and ALJ orders, and to internally distribute filings electronically. The system, when fully complete, will provide a searchable public docket. Also in FY 2016, OS expects to release an initial update modernizing the internal system that manages information about Commission meetings, tracks Commission votes on action memoranda, monitors and processes seriatims, and tracks advice memoranda. In FY 2017, after implementation of these new systems, OS expects to consolidate and replace several antiquated internal systems, including the replacement of the current legacy administrative proceedings tracking system.

OS has consistently increased workload due to work produced by other offices and divisions. For example, in FY 2015, the Legal and Operations Branch experienced an 11 percent increase in releases processed and a 45 percent increase in administrative proceeding documents processed over FY 2014. Similarly, in FY 2015, the Web Operations Branch published approximately seven percent more documents to the public website than in the previous fiscal year. Furthermore, the agency's rulemaking agenda and enhanced enforcement program will have a significant impact on OS in FY 2016 and FY 2017, as all enforcement actions, examination reports, and rulemakings flow through OS.

FY 2017 Request

OS requests one additional position in FY 2017 to meet the additional workload placed on OS from the increased activities of other divisions and offices in both FY 2016 and FY 2017. This additional staff member will be necessary to process the releases, notices, orders and other documents produced.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Releases Processed	5,217	5,700	6,300
Public Comment Letters Processed	231,717	250,000	275,000
SEC Web Pages Viewed (in millions)[1]	N/A	N/A	N/A
Searches on SEC Website (in millions)	9,355	10,300	11,500
Documents Posted on Website	5,755	5,900	6,100
Administrative Proceedings Items Processed	6,815	7,500	8,250
Service of Process – Administrative Proceedings	12,161	13,400	14,700
Total Full-Time Equivalents	**20**	**23**	**24**

Note: *The SEC Library organization was moved from the Office of the Secretary to the Office of the Chief Operating Officer in FY 2015 in a Congressionally-approved reprogramming action.*

1 *This metric is no longer reported by the Office of the Secretary. The Office of Public Affairs reports page views of SEC.gov.*

Office of the Chief Operating Officer

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters			
Office of the Chief Operating Officer	25	16	18
Office of Financial Management	97	101	102
Office of Information Technology	165	174	181
Office of Human Resources	117	121	131
Office of Acquisitions	58	58	58
Office of Support Operations	99	102	105
Office of Strategic Initiatives	0	15	15
Total FTE	**561**	**587**	**610**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
4	0	11	595

The Office of the Chief Operating Officer (OCOO) develops, coordinates and provides strategic leadership and operational oversight of the SEC's core mission support activities and compliance with the GPRA Modernization Act of 2010 and other requirements imposed by Congress and the Executive Branch.

In FY 2015, the Office of the Chief Operating Officer (OCOO), and the offices that comprise it, embraced a **new vision:**

> ***To be an exemplary service and support organization with a proven reputation as a valued partner that enables the SEC to perform its critical work on behalf of investors.***

The vision is supported by four "pillars," or guideposts marking the route to becoming an exemplary service and support organization:

- Create an Energizing Work Environment
- Increase Public Trust Through the Highest Standards of Integrity and Accountability
- Deliver Extraordinary Solutions and Services for our Customers
- Be Excellent in All We Do.

Accordingly, the OCOO's mission is accomplished by the coordinated activities of its six mission support offices:

- **Office of Financial Management (OFM):** Responsible for directing the SEC's financial management, formulation and execution of its budget, monitoring resource utilization, developing and maintaining financial systems, and managing financial statements and reporting.
- **The Office of Information Technology (OIT):** Responsible for developing and executing the agency's enterprise IT strategy and programs, including application development, infrastructure operations and engineering, user support, program management, capital planning, information security, and enterprise architecture.

- **The Office of Human Resources (OHR):** Responsible for the SEC's strategic management of its human capital, including the capacity to recruit, train, develop, reward and retain a talented, multifaceted workforce. OHR collaborates closely with the National Treasury Employees Union on labor relations issues.

- **The Office of Acquisitions (OA):** Responsible for executing and overseeing the SEC's acquisition strategy, including contract administration and management, compliance with procurement policies, and acquisition workforce certification, training and support.

- **The Office of Support Operations (OSO):** Responsible for managing the agency's Freedom of Information and Privacy Act (FOIA) requests and official records. OSO also conducts activities that support the physical safety and security of the SEC's Federal and contractor staff, and strategic management of the agency's facilities, space, office supplies, transportation, mail distribution and in-house print operations and publications.

- **The Office of Strategic Initiatives (OSI):** Responsible for providing specific senior level focus on identified functions and programs requiring modernization or transformation and which have strategic value to the carrying out of the SEC's mission. OSI is also responsible for the governance, oversight and management of the ongoing investments in information sources, both physical and electronic, as well as data used by the agency in support of its analytics.

Additionally, the OCOO has a small, core staff that performs specialized activities and functions to further enable the six mission support offices to successfully carry out the SEC's mission.

In FY 2017, OCOO remains on track to meet the following strategic objectives defined in the SEC's Strategic Plan:

- Promote a results oriented work environment that attracts, engages, and retains a technically proficient and diverse workforce, including leaders who provide motivation and strategic direction.

- Encourage a collaborative environment across divisions and offices and leverages technology and data to fulfill its mission more effectively and efficiently.

- Maximize the use of agency resources by continually improving agency operations and bolstering internal controls.

In order to accomplish its mission, the OCOO is focused on delivering direct and robust support in five specific areas:

- **Operational risk and internal control:** OCOO will continue to improve the management of operational risk by applying a rigorous and consistent process for all divisions and offices to identify, assess, manage and report operational risks and institute effective internal controls. The OCOO will continue to support all divisions and offices through direct technical assistance as well as oversee business process re-engineering initiatives throughout the agency.

- **Audit Coordination and Follow-up:** OCOO will continue to manage communications between the SEC and audit organizations and support the timely completion of corrective action on audit recommendations.

- **Internal communications:** OCOO will continue to lead internal communication efforts that promote high rates of employee awareness and participation in agency-wide initiatives and programs.

- **Small Office Managing Executive support:** OCOO will continue to support small offices throughout the Agency by providing administrative and management support, enabling those offices to focus on their specific missions.

- **Project and program management:** OCOO will continue to enhance project management standards and best practices throughout the agency by providing leadership, tools, and guidance to project managers.

FY 2017 Request

In FY 2017, OCOO will need to maintain the same staffing levels in four of the five focus areas articulated above and will seek to increase the Small Office Managing Executive support area by one position. This additional position will support the increase from five to six offices benefiting from Small Office Managing Executive Support and will also support a number of planned Small Office technology initiatives.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Percentage of Management Assurance Statements providing an Unqualified Opinion	100%	100%	100%
Number of operational controls managed through the Operational Risk Management Program	550	560	570
Number of audits facilitated	36	30	30
Number of projects and operational activities supported	118	110	110
Number of SharePoint sites/pages created and/or administered	16	20	23
Number of SEC Today articles, reminders, and daily emails distributed	2,867	2,740	2,800
Number of digital signage slides and announcements	600	625	650
Total Full-Time Equivalents	**25[1]**	**16**	**18**

1 *The Office of Strategic Initiatives (OSI) was formalized within the Office of the Chief Operating Officer in FY 2016, therefore lowering OCOO's FTE between FY 2015 and FY 2016.*

Office of Financial Management

The Office of Financial Management (OFM) is responsible for the SEC's financial and budgetary operations. OFM maintains the agency's financial systems and prepares financial statements and reports; manages the formulation and execution of the SEC's annual Budget; coordinates the agency's performance and cost reporting; and oversees internal controls over financial reporting.

In FY 2015, OFM reevaluated its business processes and bolstered controls related to the timely recording of court judgments impacting the financial statements. OFM is also in the early stages of implementing a disgorgement and penalty sub-ledger system which will allow for significantly more automation and reporting in the area of disgorgement and penalties. SEC also participated in the Federal government-wide deployment of a new travel system.

During FY 2016 and FY 2017, OFM will concentrate on further improving other systems that support the SEC's financial processes and controls. OFM will continue efforts to modernize the systems supporting filing fees and property and equipment. In addition, OFM will work to replace the system supporting the SEC's budget execution and formulation functions. Finally, the SEC is in the early stages of building a financial data mart, which when completed will integrate data from various systems for more comprehensive financial and management reporting.

FY 2017 Request

OFM expects to complete the build-out of the Internal Controls Branch in FY 2017 and has therefore requested one additional position. Management's self-assessment of internal controls was previously a fully outsourced function. Given the emphasis on management self-assessing its own controls, OFM has been gradually transitioning to an in-house assessment function, and this additional staff member will allow the Office to finish that transition.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Accounting and Finance			
Quarterly/Annual Financial Statements Issued[1]	36	36	36
Financial Transactions Analyzed[2]	6,376,672	7,140,000	7,990,000
Analysis and Reconciliation Reports Prepared[3]	6,417	6,500	6,600
Full-Time Equivalents	**85**	**88**	**89**
Planning and Budget[4]			
Number of External Budget Meetings Attended	32	24	24
Number of Conference Requests Approved	103	93	93
Percent of Reserve Fund Letters Delivered to Congress on Time	100%	100%	100%
Full-Time Equivalents	**12**	**13**	**13**
Total Full-Time Equivalents	**97**	**101**	**102**

1 *This workload metric includes the five required financial statements - the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and the Statement of Custodial Activity - on a quarterly and annual basis (20 statements total); and the four Investor Protection Fund financial statements as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act on a quarterly and annual basis (16 statements total). This metric does not include the government-wide financial statements.*

2 *This workload metric captures all financial transactions processed in the financial system and analyzed by SEC staff.*

3 *This workload metric accounts for all analysis and reconciliation reports prepared during the review of transactions processed by the FSSP.*

4 *The workload items for Planning and Budget have been added, beginning in FY 2015.*

Office of Information Technology

Information Technology (IT) plays a critical role in the mission of the SEC and its ability to share information and data both internally and externally. The increasing size and complexity of U.S. markets require that the SEC continue leveraging technology to streamline operations and increase the effectiveness of the agency's programs, building on the progress made over the past several years in modernizing technology systems. In FY 2017, the Office of Information Technology (OIT) will continue its leadership role in the SEC's application development, infrastructure operations and engineering, user support, IT program management, capital planning, security, and enterprise architecture.

OIT leads the agency's efforts to develop systems that will allow a wide variety of data and other information from a variety of sources, including corporate disclosures, equity exchange feeds, investigations and examinations, tips, complaints, and referrals, and commercial vendors, to be gathered, shared, analyzed, and joined with other information about the same entity or individual. Data management and analysis is critical in identifying and assessing potential risk to investors and the U.S. financial markets. The continued growth in the size and technological complexity of the U.S. markets requires that the SEC leverage technology to facilitate its critically important quantitative and data analytic efforts.

Information technology is an increasingly vital function to the SEC in modernizing filing practices, disseminating the vast quantity of regulatory filings, managing the large number of internal business processes and work products, and protecting the Commission's information assets. Since FY 2013, online searches for Electronic Data Gathering Analysis Retrieval (EDGAR) filings have more than tripled from 3 million to 9.4 million at the end of FY 2015. OIT requires additional resources to keep pace with the increasing demand and to better execute technology initiatives in support of the SEC mission.

In FY 2017, OIT will pursue IT investments that focus on improving the agency's ability to analyze data to uncover potential violations of the securities laws; improving agency business processes, including in Enforcement and Examinations; improving the usability of agency information for the public; and further strengthening our information security program to counter advanced persistent threats and enhance monitoring of SEC systems. Specific projects include efforts to:

- Enhance data analytics and reporting – to provide a Web-based solution that will enable SEC registrant disclosures to be analyzed much more quickly and comprehensively;
- Improve the eXtensible Business Reporting Language (XBRL) Distribution System for EDGAR users, to help facilitate the submission and use of this key data;
- Enhance the SEC's quantitative research infrastructure by offering a scalable, multi-tier solution to identify and analyze key risks in the securities markets;
- Address new reporting requirements included in Commission-approved rulemaking;
- Bolster the document management system by adding an automated records management system to facilitate compliance with Federal records management statutes;
- Leverage the data produced by business intelligence tools that enhance the agency's ability to track key performance indicators;
- Implement enhanced data analytical systems for investment adviser data;
- Strengthen cybersecurity and continuous monitoring; and
- Continue the agency's focus on cloud technology

Reserve Fund

In FY 2017, the SEC intends to continue using its Reserve Fund to fund large, multi-year, mission-critical technology projects. The SEC plans to use the Fund for the following programs:

- Data Analytics;
- EDGAR Enhancements;
- EDGAR Redesign;
- Enforcement, Litigation, and E-Discovery;
- Examination Management;
- SEC.gov modernization;
- TCR enhancements; and
- Business process improvements.

These key priorities will enhance the SEC's ability to improve service to registrants and the public, integrate and analyze large amounts of data, and improve SEC business and operational processes.

The multi-year effort of overhauling EDGAR will create a new, modernized system that will, among other things, meet requirements for real-time system updates, reduce filer burden by providing simplified search and filing options based on filer experience (i.e., professional or novice), improve data capture by moving to structured formats for various SEC forms that will reduce the burden of producing and consuming the data, and limit the long-term costs of operating and maintaining the system.

In FY 2017, OIT will help the Division of Enforcement develop systems supporting its efforts in early detection of violations of securities laws, investigations, and litigation. Investments planned for FY 2017 for the Enforcement program include:

- expanding an enterprise document management system for users in Enforcement and throughout the agency, and possible integration with other legacy systems;
- enhancing a large file transfer capability to permit the electronic transmittal of data directly from entities to replace the current mode of submitting data devices;
- modernizing the current tools used to collect Blue Sheets trade data from market participants;
- expanding the Division of Enforcement's e-discovery approach, to include an early assessment of documents and the consolidation of e-discovery into a single solution; and
- expanding the enterprise data analytics platform to better detect large scale trading abuse.

For FY 2017, OIT will assist the Office of Compliance Inspections and Examinations in the modernization of its primary business systems, such as enhancing the examination management platform, implementing advanced analytics tools and operations such as the High-Frequency Analytics Lab (HAL), supporting the Technology Controls Program's (TCP) testing center and registrant auditing system, and deploying a Registrant Tracking Solution. These tools will provide OCIE staff with a greater ability to detect trends and emerging fraud risks, with the goal of enabling the SEC to allocate and direct examination resources more effectively.

FY 2017 funding will also support enhancements to the system that manages Tips, Complaints and Referrals (TCRs), aimed towards providing a more capable and user-friendly system with increased flexibility, configurability, and adaptability. The enhancements will provide flexible and comprehensive intake, triage, resolution tracking, searching, and reporting functionalities with full auditing capabilities.

OIT will build on the enterprise-wide platform to rapidly automate business process workflows to streamline communication, reinforce accountability, and adapt to changing business needs and legislative requirements while minimizing costs due to manual errors and inefficiency.

FY 2017 Request

The eight OIT positions requested will provide technology support in the following areas: cloud and outsourcing management (2), business and technical analysis (1), information security/monitoring (1), infrastructure management (1), platform management (2), and program and project management (1). Specifically, the cloud and outsourcing management positions will serve as experts in engineering and managing data management initiatives related to data quality, and data integration focusing on enterprise architecture, transitioning to cloud computing and data management. The business and technical analysis position will perform duties related to managing and providing oversight of contracts and conducting contract initiation activities, evaluating proposals and leading technical evaluation panels. The information security/monitoring position will perform continuous monitoring across the Commission and assist system owners in remediation activities and maintain metrics to demonstrate overall risk profile compared to set thresholds. The infrastructure management and support position will perform duties related to receiving, processing, and disposal of IT property and equipment, to include administration of the IT property management database. The platform management positions will focus on developing technologies that are scalable, secure and fit with the overall enterprise standards. The program and project management position will function as the Portfolio Manager for Enforcement.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
EDGAR Filings, Disclosure and Review			
Online Searches for EDGAR Filings (in millions)[1]	9,354	9,240	14,000
Number of Electronic Filings Received (in millions)[2]	1.8	2.0	2.2
Internal Process Improvements and Employee Productivity			
User Requests for Helpdesk Assistance	119,084	140,000	145,000
Amount of Network-Based Storage (Terabytes)[3]	17,360	19,200	21,500
Network Users	6,589	6,750	6,750
Information Security and Disaster Recovery			
Percentage of Major Systems Certified and Accredited	100%	100%	100%
Filer Technical Support			
Technical Support Internet and E-mail Inquiries	241	400	440
Technical Support Telephone Inquiries	17,325	19,000	20,000
Total Full-Time Equivalents	**165**	**174**	**181**

1 *In FY 2017, N-Port is expected to generate a significantly increased number of filings.*

2 *This workload metric includes both the live and test files received. The peak record received is 21,000 filings for one day and 3,400 for one hour.*

3 *It is currently unknown how much of a storage impact changing to a Virtual Desktop environment will have. Estimates on specific growth are currently not available and may be adjusted once there is a better understanding of the virtual platform requirements.*

Office of Human Resources

The Office of Human Resources (OHR) provides operational and consulting services in the areas of recruitment, staffing, organizational development, leadership and employee development, compensation and benefits administration, position management and classification, workforce planning, and labor relations.

In FY 2015, OHR achieved significant success in meeting goals established in its recruitment and hiring action plan. OHR implemented a series of enhancements that streamlined the hiring process and significantly reduced the hiring timeline and increased the Office's marketing and outreach activities via social media outlets.

Also in FY 2015, OHR automated previously labor-intensive, manual processes to improve efficiencies for multiple OHR programs. In addition to the deployment of these automation tools, OHR also developed and began deployment of a comprehensive, single-source repository for all personnel data. OHR will continue to develop and implement organizational changes to reengineer, streamline, and automate its internal processes.

To further enhance the SEC's recruitment goals, the OHR will finalize the SEC Workforce Plan in FY 2016. The Workforce Plan will enhance the SEC's ability to maximize current use of talent by identifying, reducing and eliminating competency gaps or deficiencies to ensure the agency has the right talent in the right place at the right time. Also, the OHR staff will continue to conduct human capital reviews with the SEC divisions and offices. These reviews provide an overview of the status of various aspects of human capital activities, including long and short-term trends; use of various OHR programs and services; and areas where organizations may want or need additional assistance from OHR. Additionally, OHR will continue to implement agency-wide action plans for improving employee engagement and satisfaction as measured by the Federal Employee Viewpoint Survey (EVS).

SEC University (SECU) continued to build upon its suite of e-learning, training, and educational resources covering securities market structure and trading issues, legal and accounting skills, investor protection, regulatory oversight, management strategies, and other areas needed for effective operations.

FY 2017 Request

To ensure fulfillment of strategic objectives, OHR is requesting an increase of 11 positions in FY 2017. The eleven positions will support the recruitment, development and retention of a competent, high-performing and diversified SEC workforce in the following areas: (2) recruitment and staffing, (2) benefits administration, (2) leadership and professional development, (2) organizational development, (2) labor relations and performance management and (1) payroll and business program management.

The recruitment and staffing positions will support the SEC hiring process in attracting highly-talented and technically proficient workforce as the agency continues to grow in size. The SEC provides a cadre of benefits programs to enhance the workforce and increase retention, the benefits positions will perform duties related to the administration, management, and oversight of various benefit programs.

The positions in organizational development and leadership development will continue to support the agency in developing a dynamic and innovative workforce and promoting leadership and knowledge management. The focus in these areas will concentrate on current and future employee skill and competency needs to ensure the agency has access to the knowledge and skills necessary to respond to market changes and agency requirements.

The labor relations and performance management positions will assist with managing union employee matters and the implementation of an agency-wide performance management system. The payroll and business program management position will provide support to the payroll program including time and attendance along with performing duties related to managing the business operations of OHR.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Personnel Actions Processed[1,2]	27,906	29,300	30,800
Recruitment Actions[3]	739	780	820
Training Sessions Held[4]	1,070	1,050	1,050
Number of Training Session Attendees	31,369	31,000	31,000
Studies, Reviews, and Policies Issued[5]	445	570	620
Total Full-Time Equivalents	**117**	**121**	**131**

1 *FY 2015 data reports personnel actions completed.*

2 *FY 2016 projections are based solely on FY 2015 personnel actions completed and five percent growth in personnel actions each fiscal year, with rounding. FY 2017 projections reflect anticipated five percent growth, with rounding.*

3 *FY 2015 numbers are a count of vacancy announcements plus excepted appointments made without a posting. For FY 2015 this includes 585 postings (includes 49 students postings) and 154 excepted appointments without postings. FY 2016 projections reflect recruitment actions required for new FTE and replacement of attrition.*

4 *FY 2015 data is the total number of actual instructor-led training sessions held by SEC. In prior years, self-directed on-line learning and individual external training were included in the calculation methodology of this workload item.*

5 *Data for studies, reviews and policies issued includes human resource policies issued, and reports and studies completed by the Human Capital Strategy Groups. Projections assume a 10 percent growth in workload. This workload item no longer includes employee relations cases or the Employee and Labor Relations Group. Data pertaining to employee relations cases are captured under the Office of the General Counsel.*

Office of Acquisitions

The Office of Acquisitions (OA) is responsible for procuring all goods and services, except real property and employee training, for the SEC. OA provides oversight of the Government Purchase Card program and certification programs for Contracting Officer's Representatives and Program Managers. OA is responsible for maintaining the on-site contractors' database, closing out contracts, and the implementation and enforcement of specific Congressional legislation, Executive mandates, and other directives relating to procurement.

OA reports detailed information on expenditures and assures contract-related data is properly reported to Federal systems and SEC financial systems. OA tracks and reports a broad range of information, in addition to financial data, required by the SEC for its financial reporting. Examples include the Buy American Act information; awards by Congressional District, state, vendor, business type, and competition information; and small business and other data necessary to ensure transparency and accountability with respect to numerous Federal programs.

In FY 2016, OA plans to further strengthen internal controls over the contractual aspects of financial reporting by implementing an Electronic Contract File Project which, when fully implemented, will result in greater ability to analyze contract information, facilitate telework, and reduce space footprint for paper files. The project will improve operations by enabling simultaneous access to documents by multiple users, reduce paper usage, improve records management efficiency and ensure all pertinent records are included in the official contract file. OA's SharePoint site is also undergoing a redesign to improve usability. In FY 2017, OA plans on continuing the Contracting Officers' Representative (COR) Improvement Initiative which is to create a more comprehensive COR Program that will provide efficient and functional control, transparency, and management of the COR program across the SEC. OA also will continue to enhance training and monitoring for the Program/Project Management programs.

OA's workload continues to increase as the Office expands its contract administration functions and as the volume and complexity of contract awards increases. In FY 2017, OA will continue to seek savings in operations by:

- reducing the proportion of cost reimbursement, time and materials, and labor-hour contracts by converting to firm fixed price contracts, where appropriate;
- improving acquisition planning for recurring contracts to manage costs through review and adjustment of labor categories, where appropriate;

- seeking further discounts from GSA schedule vendors for awards made under the Multiple Award Schedule program;
- improving Strategic Sourcing through education and planning; increasing use of Enterprise Agreements and/or Longer Term Vehicles; and improving communication of existing vehicles to customers;
- pursuing improvements in acquisition planning early in the project life cycle;
- improving service contract assessments to achieve maximum value and efficiency, as well as proper balance between Federal and contracted positions;
- reducing expired contract liability and returning funds to SEC for re-allocation; and
- strengthening contract administration efforts such as invoice and quality reviews.

OA plans to continue to improve its oversight and reporting functions, including those related to the Acquisition Requisition Management System (ARMS) and the Small Business Program. OA will also continue to monitor and track Management Assurance controls and will manage the SEC's Contract Review Board, which reviews large dollar procurement actions to make sure the most effective contracting approach is taken. Based on current initiatives, it is likely that OA's workload will continue to increase, especially as we work to improve contract administration; however, OA will continue to drive internal operational efficiency and does not anticipate the need for additional staff.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Procurement Actions (Contracts and Purchase Orders)	2,844	2,930	3,020
Total Value of Contracts with Business Funded by SEC	$ 424,670,158	$ 436,960,000	$ 450,070,000
Additional Value of Interagency Agreements Obligated (In Dollars)	$ 35,661,045	$ 36,730,000	$ 37,830,000
GPC Cardholders Audited	113	110	110
Closeout Actions Processed	467	460	470
Dollars Recovered for Reuse (Closeouts & ULO De-obligations in Dollars)	$ 25,547,346	$ 24,870,000	$ 25,620,000
CORs Managed	407	410	410
Small Business Actions Processed	1,810	2,340	2,340
Dollars Spent with Small Business	$ 247,303,429	$ 316,250,000	$ 316,250,000
Percent Small Business Dollars (23% Federal-wide Minimum Goal)	59.40%	55%	55%
Multi-Agency Collaborative Actions	692	710	730
Multi-Agency Contract Value Awarded (In Dollars)	$ 170,824,490	$ 175,950,000	$ 181,230,000
Total Full-Time Equivalents	**58**	**58**	**58**

Office of Support Operations

The Office of Support Operations (OSO) offers a variety of programs to manage the agency's facilities and assets. OSO is responsible for the processing of requests under the Freedom of Information and Privacy Acts (FOIA), the management of all agency records in accordance with the Federal Records Act, maintaining the security and safety of SEC facilities, and managing property and equipment and overall building operations.

Office of FOIA Services (OFS): OFS is responsible for responding to requests for non-public records and public records not available on the SEC website under the Freedom of Information and Privacy Acts. OFS expects the large volume of FOIA requests to continue, as public and Congressional interest in the agency's mission and activities remains high. Over the past two years, SEC's FOIA requests have increased 17.5 percent on average. OFS estimates it will receive and process about 18,000 FOIA requests in FY 2017.

Office of Records Management Services (ORMS): ORMS maintains SEC records schedules and develops policies and procedures under the Federal Records Act and other records requirements. ORMS also coordinates the retrieval of non-active records from storage facilities and handles requests for certified copies of agency records. ORMS will implement electronic management of both permanent and temporary email records in FY 2017 in compliance with the Presidential Memorandum on Managing Government Records (M-12-18). Finally, ORMS is leading the agency's effort to modernize records management practices by automating processes that impact how electronic information is maintained, managed, and safeguarded.

Office of Security Services (OSS): The OSS is responsible for physical and personnel security, emergency management, safety, Continuity of Operations (COOP), HSPD-12, and National Security programs for the SEC. OSS also initiates and adjudicates background investigations for new personnel, as well as staff that need a higher security clearance. In recent years, OSS has established a risk assessment and management program, which includes security assessments at both headquarters and the regional offices. The Emergency Management, Safety and COOP Branch manages a wide variety of programs, including the ongoing training requirements for SEC staff.

Office of Building Operations (OBO): OBO is responsible for publishing, printing and mail operations, facilities management, and construction and leasing services. In FY 2017, OBO will continue overseeing all activities required at each SEC location to provide agreed-upon tenant improvements. OBO will continue ensuring that costs and schedules are on target and buildings provide functional, usable space which meets applicable building codes and agency functional requirements.

Since 2011, the President has made it a priority for Federal tenants to optimize their real estate assets. Consistent with this objective, OBO will continue working with the General Services Administration in devising new approaches to increase space utilization across the SEC's real property portfolio.

FY 2017 Request

OSO is requesting three new positions in FY 2017. The first position will support the Physical Security Operations Branch to ensure the safety and security of SEC personnel and assets at the eleven Regional Offices, two data centers, and SEC Headquarters Office. Specifically, this position will be responsible for continuing the risk assessment and management program, remediating identified vulnerabilities, and enhancing regional office security systems.

OSO requests a second staff member for the Personnel Security Operations Branch (PERSEC) to assist with processing and adjudicating background investigations for SEC staff and supporting compliance with new requirements from the Office of Personnel Management and Office of the Director of National Intelligence. Finally, OSO requests an additional Security Specialist to help the SEC meet relevant continuity requirements.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Records Management – Official Certs	3,768	4,520	5,650
Records Management – Document Requests	1,391	1,100	1,300
FOIA Requests Carried Forward From Prior FYs	1,298	1,800	2,300
New FOIA/PA Requests Received	16,898	17,400	17,900
FOIA/PA Requests Completed	16,207	16,700	17,200
Security Services – Interim Suitability Determinations Made	2,815	3,000	3,300
Security Services – HSPD-12 Credentials Issued	3,281	3,550	3,800
Security Services – HSPD-12 Credential Certificates Updated	1,337	1,400	1,400
Print Production (Millions of Pages)	3.5	5	4
Total Full-Time Equivalents	**99**	**102**	**105**

Office of Strategic Initiatives

The mission of the Office of Strategic Initiatives (OSI) is to provide specific senior level focus on identified functions and programs requiring modernization or transformation and that have strategic value to the SEC's mission. OSI is also responsible for the governance, oversight and management of the SEC's ongoing investments in information sources, both physical and electronic, as well as data used by the agency in support of its analytics.

OSI is comprised of two Branches, the Information Services Branch (which includes the library) and the Information Portal Branch (which includes the SEC intranet, the Insider). The Information Services Branch is responsible for managing 151 data and information contracts in support of the SEC's divisions/offices. Because of this function, OSI chairs the Data Working Group and the Information Services Working Group, each of which provides programmatic oversight of the agency's associated ongoing investments in these areas. The Information Portal Branch is responsible for establishing a new information portal for SEC staff, which will help facilitate knowledge management within the agency.

The Office is also responsible for specific strategic programs assigned to it by the COO, such as the EDGAR Redesign (ERD) program. ERD is a multi-year program which will define and deliver a modern electronic delivery solution and replace the existing EDGAR system. OSI also chairs the cross-agency ERD Governance Board, which provides agency input and oversight to this key strategic initiative.

FY 2017 Request

OSI requests one additional position for creating effective content to support the information services function as well as manage the evolving information content for the virtual library. The Information Services Branch will need a content management person well versed in creating and identifying content written and multi-media content appropriate for its information and knowledge management functions.

WORKLOAD DATA

Activity	FY 2015 Actual[1]	FY 2016 Estimate	FY 2017 Request
Public Reference – Visitors	—	1,000	1,000
Library Password Management – Active Passwords	—	28,000	34,000
Library Acquisitions – Contracts Managed	—	166	190
Library Reference – In-Depth Research Requests	—	250	275
Library Reference – Quick Reference Requests	—	1,880	2,340
Information Portal Branch			
Number of Insider Hits	—	110M	114M
Requests for Content Changes	—	2,500	3,000
Creating New Content	—	3,000	3,500
EDGAR Redesign			
Governance Board Meetings	—	12	12
Advisory Committee Meetings	—	24	24
Corp Fin ’33 & ’34 Act Meetings	—	30	45
Investment Management Meetings	—	12	24
ERD Technical & Functional Requirements Sessions	—	240	320
Total Full-Time Equivalents	**—**	**15**	**15**

[1] *The Office of Strategic Initiatives (OSI) was established in FY 2016.*

Office of the Ethics Counsel

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**15**	**16**	**16**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
0	0	0	16

The Office of Ethics Counsel (OEC) is responsible for administering the Commission's Ethics Program and for interpreting the SEC's Supplemental Ethics Rules as well as Federal Government-wide ethics laws, rules and regulations. OEC provides independent legal analysis and advice to the Chair, Commissioners, and divisions and offices on ethics issues. In addition, the OEC Compliance team manages personal trading requests for staff Commission-wide in compliance with the SEC Supplemental Ethics Rules and provides training and counseling on personal trading questions. OEC is also the SEC's liaison with the United States Office of Government Ethics.

OEC expects its workload and responsibilities to increase as the overall workforce of the SEC increases and as the number of enforcement matters increases.

FY 2017 Request

The Office is requesting a new position for an experienced ethics attorney in FY 2017 to support its mandated ethics and compliance functions, including administering the Personal Trading and Compliance System; managing the financial disclosure program; and providing advice, counseling and training to the increasing numbers of SEC staff.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Ethics Counseling Inquiries[1]	6,946	7,640	8,400
Review of Public Financial Disclosure Forms[2]	318	350	380
Commission Memoranda Review[3]	1,200	1,320	1,450
Review of Confidential Financial Disclosure Forms[4]	3,476	3,820	4,210
Clearance of 8b Requests[5]	200	220	240
Pre-clearance of Requests for Trading[6]	28,088	30,900	34,000
Employees Trained in Ethics[7]	4,522	4,970	5,470
Review of SEC Forms 682 Financial Disclosure Forms[8]	474	520	570
Total Full-Time Equivalents	**15**	**16**	**16**

1 *Assisting current and former employees with questions regarding ethics law, rule and regulation.*

2 *Review of the OGE 278 forms of senior officials, including 278-T forms.*

3 *Reviewing all internal Commission Action memoranda to assist with conflict review.*

4 *Review of OGE 450 forms of SEC staff.*

5 *Analysis and processing of requests by former SEC employees to represent a party before the SEC.*

6 *Analysis, under supplemental regulations, of requests by SEC staff to purchase or sell securities.*

7 *Employees who received face to face or computer based training from OEC staff.*

8 *Review of the SEC Form 682 for onboarding employees.*

Office of Minority and Women Inclusion

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**8**	**8**	**9**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
0	0	0	9

The Office of Minority and Women Inclusion (OMWI) is responsible for all matters related to diversity in management, employment and business activities at the SEC as required by Section 342 of the Dodd-Frank Act. The responsibilities of the Office include developing standards for equal employment opportunity and the diversity of SEC's workforce (including senior management), facilitating increased participation of minority-owned and women-owned businesses in SEC's programs and contracts, and assessing the diversity policies and practices of entities regulated by the SEC.

Diversity in SEC's Workforce: Workforce diversity and inclusion continue to be an integral part of OMWI's operations. Developing and implementing strategies to ensure that the SEC attracts a diverse, qualified talent pool at all levels of the organization, including the senior level, will be a priority. A key component of OMWI's outreach and recruitment strategy will be to engage SEC staff, including the SEC Employee Resource Groups, Diversity Councils (one in headquarters and four in regional offices), managers and supervisors and regional offices.

In FY 2017, OMWI will explore strategies to address any residual triggers and barriers to equal employment opportunity that exist in the SEC's workforce. To enhance multicultural competencies over time, training also will be a key component of OMWI's diversity and inclusion strategy. OMWI will administer both instructor-led and on-line diversity and inclusion workshops to train our workforce on emerging issues relating to diversity. Finally, OMWI will continue to expand its partnerships and alliances, sponsorships, recruitments efforts, and outreach consistent with the requirements of Section 342.

Diversity of SEC's Contracting and Business Activities: In FY 2017, OMWI will continue to promote the fair inclusion of minority-owned and women-owned businesses in the Agency's business activities. Outreach, advocacy and education are the core components of the SEC's supplier diversity program. OMWI will attend business opportunity events to attract diverse suppliers, provide technical assistance to minority-owned and women-owned businesses on navigating the SEC contracting process, and offer internal training on the supplier diversity program to SEC staff involved in contracting activities. Additionally, OMWI, in collaboration with the Office of Acquisitions (OA), plans to host vendor events to promote a wider pool of potential suppliers and to educate potential businesses of future contract opportunities.

In FY 2015, OMWI finalized the "good faith effort" (GFE) contract standard that requires contractors to demonstrate the fair inclusion of minorities and women in their workforce, as required by Section 342(c)(1) of the Dodd-Frank Act. By FY 2017, OMWI will have formalized the policies and procedures for monitoring contractor compliance with the GFE contract requirement, and will be conducting reviews to evaluate the fair inclusion of women and minorities within the workforce of existing contractors (and, as applicable, of subcontractors).

Diversity Policies and Practices of SEC Regulated Entities: In FY 2015, the SEC, along with the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Consumer Financial Protection Bureau (the Agencies) issued an interagency policy statement establishing joint standards for assessing the diversity policies and practices of the entities they regulate (Joint Standards).

The Joint Standards provide a framework for regulated entities to create and strengthen their diversity policies and practices. The Joint Standards contemplate that regulated entities will conduct voluntary self-assessments of their diversity policies and practices at least annually, and submit information pertaining to their diversity assessments to their primary federal financial regulator.

In FY 2017, OMWI expects to continue: (1) developing a self-assessment tool for the SEC's regulated entities that could be used as an instrument for providing information pertaining to diversity assessments to OMWI; (2) meeting with industry trade organizations and advocacy organizations to solicit their views on the form and content of a self-assessment tool and information collection instrument; (3) participating in educational events hosted by industry trade organizations to publicize the Joint Standards and encourage the submission of self-assessments of diversity information to OMWI; and (4) monitoring progress and trends in the financial services industry regarding diversity and inclusion in employment and contracting, and identifying and highlighting successful policies and practices.

Annual Report to Congress: OMWI is responsible for preparing an annual report to Congress describing the Office's activities with respect to diversity in the Agency's workforce and business activities. This includes successes and challenges in operating minority and women outreach programs, hiring qualified minorities and women employees, and contracting with minority-owned and women-owned businesses. The report also includes quantitative information related to the SEC's contracting activities (e.g., total amounts paid to contractors during the past year, and percentage of that amount paid to contractors that are minority-owned or women-owned). Because data analytics continues to be an important aspect of the SEC's diversity goals and objectives, OMWI developed additional metrics that enhance the SEC's ability to monitor and track equal employment access, diversity and inclusion.

FY 2017 Request

Data analytics continues to be an important aspect of the Agency's diversity goals and objectives. In FY 2017, OMWI requests one additional Data Analyst position, based on a projected increase in workload as all of the mandatory requirements of DFA Section 342 are implemented. These include contractors' compliance with the good faith clause and regulated entities' compliance with the Interagency Policy Statement. Implementation will require OMWI to conduct detailed analyses and reporting of data provided by external entities. The additional position also will augment the current data analytics that OMWI performs for all divisions and offices by expanding OMWI's capabilities to produce predictive analyses that will inform strategic initiatives. Finally, the position also will support continuous monitoring and performance evaluation for all of the Agency's diversity and inclusion initiative.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Reporting Requirements and Data Analyses[1]	94	70	110
Diversity and Inclusion Programs[2]	76	90	100
Diversity and Inclusion Training[3]	13	15	15
Roundtable or Public Meetings[4]	2	2	4
Vendor Outreach[5]	65	60	60
Targeted Advertisement Sources[6]	203	145	145
Diversity Standards and Policies[7]	4	8	1
Good Faith Effort Contract Reviews[8]	N/A	35%	70%
Total Full-Time Equivalents	**8**	**8**	**9**

1 *These figures encompass customized analysis and/or assessments related to workforce and supplier diversity, in addition to OMWI's Annual Report to Congress, the Annual Federal Equal Opportunity Recruitment Plan (FEORP) and the Annual Equal Employment Opportunity Status Report (MD-715).*

2 *OMWI's Diversity and Inclusion programs involve external stakeholders and include participation in conferences, meetings, career fairs or other events to develop diverse pipelines for employment and business opportunities at the SEC. These programs also include all Special Emphasis Observances, which are authorized by Public Laws and Presidential Proclamations.*

3 *OMWI continues to develop a variety of instructor-led and online training opportunities to enhance cultural awareness and inclusiveness for all levels of the SEC's workforce.*

4 *OMWI plans to host roundtable discussions in order to provide information and technical assistance to industry representatives on the Interagency Policy establishing standards for Assessing the Diversity Policies and Practices of Regulated Entities. In addition, OMWI, in collaboration with the U.S. Small Business Administration and SEC divisions and offices, will host public meetings pursuant to Title VII of the JOBS Act.*

5 *The SEC facilitates one-on-one meetings with vendors via OMWI-hosted Vendor Outreach Days. These forums allow interested businesses, including minority-owned and women-owned, 8(a) certified, small, small disadvantaged, women-owned small, service-disabled veteran-owned and HUBZone certified businesses to exchange information on their capabilities and services/goods and to receive technical assistance.*

6 *Targeted advertisement sources utilized to attract diverse talent to apply for current vacancies that are open to the public.*

7 *Workload in the area of developing and integrating statutorily mandated diversity standards and policies necessary for sustainable supplier and workforce diversity practices.*

8 *The workload item addresses the percentage of eligible contractors reviewed for compliance with the contract requirement that they make a good faith effort to include minorities and women in their workforce. This workload item has been added beginning in FY 2016.*

Office of Equal Employment Opportunity

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**11**	**11**	**11**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
0	0	0	11

The Office of Equal Employment Opportunity (OEEO) empowers employees to perform the SEC's mission by fostering equality of opportunity in all aspects of employment from hiring to separation. SEC employees come from diverse backgrounds and, as Federal employees, are entitled to a workplace where employment decisions are made without regard to race, color, sex, age, religion, national origin, disability, or genetic information. OEEO is organized in four primary functions: Compliance, Reporting, Barrier Analysis, and Mission Support.

The Compliance function focuses on the processing and resolution of individual complaints of discrimination where the alleged discrimination has already occurred, as well as the prevention of illegal harassment. The Compliance function also provides content for EEO-related training.

The Reporting function focuses on producing annual and quarterly reports regarding the SEC's equal employment opportunity (EEO) program to internal and external stakeholders, including Congress and the Equal Employment Opportunity Commission (EEOC), which provides oversight of EEO programs across the Federal government.

The Barrier Analysis function focuses on identifying any systemic discrimination that may be occurring in the workplace. This function analyzes quantitative and qualitative data to determine whether a SEC policy, practice, procedure, or condition limits employment opportunities for members of particular demographic groups and makes recommendations to eliminate any identified barriers. The SEC has committed to conducting eight barrier analyses from 2015 to 2017. In support of this function as well as OEEO's other functions, in FY 2015 OEEO added the capability to analyze and report on large sets of employment data, e.g., applicant flow data. Data analytics has increasingly become important for OEEO to accomplish its mission.

The Mission Support function operates as the "business office" of OEEO to ensure OEEO can complete its mission. Mission support functions include acquisitions, staff administration, budgeting, all internal reporting, and program management. OEEO's goal is to ensure that SEC employees have a fair and equitable working environment that will support them in their efforts to protect investors and maintain the integrity of the securities markets.

FY 2017 Request

OEEO is requesting a new position to be filled by a data analyst. Data analytics have become increasingly important to OEEO in conducting barrier analyses, preparing internal and external reports, improving operational efficiencies, and enhancing internal controls. As discussed in OIG Audit Report No. 528, statutory and regulatory requirements mandate that the SEC conduct barrier analyses and submit workforce data tables to the EEOC annually. The new data analyst will analyze data to support the agency's ongoing barrier analysis program, as well as its reporting and compliance functions.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Compliance[1]	314	315	315
Reporting	10	10	10
Barrier Analysis[2]	804	800	800
Mission Support[3]	598	600	600
Employee Resource Groups[4]	46	N/A	N/A
Total Full-Time Equivalents	**11**	**11**	**11**

1 *This calculation includes – Informal complaints, formal complaints, harassment inquires, acknowledgement letters, final agency decisions, final orders, EEOC uploads – hearings and appeals, mediations, facilitated discussions, new and review of compliance policy and procedures, and other substantive inquiries and referrals from the IG, and questions about EEO matters that are raised and not pursuant to 29 CFR 1614.*

2 *This calculation includes – Documentation reviewed and analyzed by OEEO for purposes of the Barrier Analyses listed (Resumes, OHR case files, internal and external policies and procedures, EEOC Letters, SOP's, Best Practices, Executive Orders, Pay Matrix documentation, etc.). This number also includes implementation of Barrier Analysis recommendations, monitoring progress, meetings, SOP/Policy Development, data pulls, charts, reports, and data analysis required for Barrier Analysis.*

3 *This calculation includes – MD-715 Report analytics, No Fear Act analytics, all other non-Barrier Analysis related data analytics, substantive meetings internally with the HCAC, OMWI, OGC and OHR, external meetings; contract related activity – invoice activity, performance meetings, service contract checklists, contract closeout activity, replacement of contractor personnel and other COR and contract administrative duties; budget – calls, reports and justifications; and the review of policies/procedures that do not fall into any other major function of OEEO.*

4 *This function was moved to OMWI and will be reported by OMWI starting FY 2016.*

Office of the Inspector General

(DOLLARS IN THOUSANDS)	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Full-Time Equivalents:			
Headquarters	**35**	**47**	**53**
Cost:			
Salaries and Benefits	$ 7,664	$ 10,724	$ 12,279
Non-Personnel Expenses	3,307	4,038	4,222
Total Costs	**$ 10,971**	**$ 14,762**	**$ 16,501**

FY 2017 FTE BY SEC STRATEGIC GOAL

Goal 1	Goal 2	Goal 3	Goal 4
Establish an Effective Regulatory Environment	Foster and Enforce Compliance with Federal Securities Laws	Facilitate Access To Information Investors Need	Align and Manage Resources
0	0	0	53

The Office of Inspector General (OIG) is an independent office that conducts audits of programs and operations of the SEC and investigations into allegations of misconduct involving the SEC's programs and operations. The mission of the OIG is to detect fraud, waste, and abuse and to promote integrity, economy, efficiency, and effectiveness in the SEC's programs and operations. The rapid pace of significant internal and external changes impacting the work of the SEC drives the work of the OIG. The OIG supports the efforts of Congress and the SEC to fulfill their responsibilities and achieve their goals and objectives with respect to oversight of the securities industry and investor protection.

In Fiscal Year (FY) 2017, the OIG will continue to focus on improving agency programs and operations through audits, evaluations, and reviews. The Office also will enhance staff and agency integrity by investigating allegations of misconduct involving the SEC's programs and operations. The OIG's workload remains high and the Office expects both its investigative and audit teams to maintain active workloads through FY 2017.

The Dodd-Frank Act imposed significant new responsibilities on the SEC as a whole and, as a result, on the OIG. In particular, Section 966 of the Dodd-Frank Act required the OIG to establish an OIG SEC Employee Suggestion Program (ESP). Under that program, SEC employees may submit to the OIG suggestions for improving the SEC's work efficiency, effectiveness, and productivity, as well as the SEC's use of its resources. SEC employees may also submit through the ESP allegations of waste, abuse, misconduct, or mismanagement within the SEC. During FY 2017, the OIG will continue to monitor, track, and analyze information received through the ESP, and produce the required annual report to Congress on the ESP. In addition, the OIG will operate a program for recognizing employees who make suggestions, through the ESP, that result in increased work efficiency, effectiveness, or productivity of the SEC, or reduce waste, abuse, misconduct, or mismanagement, as provided for by the Dodd-Frank Act.

There also has been an increase in the coordination of OIG activities to strengthen the oversight of the Federal financial regulatory structure. For example, the SEC Inspector General (IG) currently serves on the Council of Inspectors General on Financial Oversight (CIGFO), which was established by Section 989E of the Dodd-Frank Act. The OIG's participation on CIGFO requires additional resources to provide effective oversight. In particular, the OIG will be required in FY 2017 to prepare a section of CIGFO's annual report to Congress. That section of the report will highlight the concerns and recommendations in the OIG's ongoing and completed work, focusing on issues that might apply to the broader financial sector. CIGFO may also task the SEC OIG to conduct other audit or review activities on CIGFO's behalf.

The increase in agency staff requested in FY 2017 will result in the need for more OIG oversight. To continue effective oversight, the OIG will need additional personnel to accommodate this increased workload. In FY 2017, the OIG plans to add four positions, consisting of one Attorney, one Auditor, one Special Agent and one Investigative Analyst/ Criminal Research Specialist.

Specifically, as the OIG grows and expands its functions, the OIG will need to build an Office of Chief Counsel, which will include attorneys who provide legal advice and support to all OIG components, including the Office of Audits, the Office of Investigations, and the Office of Management Support. It is essential that sufficient legal staff is available to review all OIG products for legal soundness and accuracy consistent with the requirements of the IG Act (as amended). Also, the OIG will add an investigative analyst or criminal research specialist to assist the OIG's criminal investigators in gathering data from multiple sources to ensure investigations are thorough and complete. The Auditor and Special Agent are requested to accomplish the core mission of the OIG.

Regulatory Requirement

The Inspector General Reform Act of 2008 (Pub. L. 110-409), amended the Inspector General Act of 1978 (5 U.S.C. app. 3). Section 6(f)(1) of the Act requires that each IG submit a budget estimate and request each fiscal year to the head of the agency to which the IG reports, specifying the following:

- The aggregate amount of funds requested for the operations of the OIG.
- The portion of that amount requested for OIG training, including a certification from the IG that the amount requested satisfies all OIG training requirements for that fiscal year.
- The portion of that amount necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

As required by the Act, the SEC OIG submits the following information for the OIG's budget estimate and request for FY 2017.

- The aggregate budget request for the operations of the OIG is $14,700,700.
- The OIG budget request incorporates a sufficient aggregate amount of funds for the operations of the OIG. The OIG training needs have traditionally been partially funded out of the agency's training budget. We estimate FY 2017 OIG specialized training costs of $197,500. The IG certifies that the aggregate amount of the request satisfies all training requirements for the OIG for FY 2017 and also any assessment required to support CIGIE.
- The estimated amount of the SEC OIG's contribution to CIGIE is 0.30 percent of the budget request, 2017 or $43,970.

WORKLOAD DATA

Activity	FY 2015 Actual	FY 2016 Estimate	FY 2017 Request
Audits/Evaluations[1]			
Pending Beginning of Year	6	4	6
Opened	11	14	13
Completed	13	12	13
Pending End of Year	4	6	6
Total Full-Time Equivalents	**35**	**47**	**53**

[1] *The total FTE above represents the entire OIG Organization. However, the workload data above only includes the Office of Audits. The Investigative workload of the Office of the Inspector General (OIG) is not included in the workload table because it would be inappropriate to speculate on the number of investigations the OIG would need to conduct during a given time period.*

THIS PAGE LEFT BLANK

Other Information

Major Management Priorities, Challenges and Risks

As markets, products, and participants that the SEC oversees and regulates increase in size and complexity, the agency's mandate to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation becomes more challenging. To maximize the use of the SEC's resources for the agency's mission, the agency continually strives to allocate its time and funds towards the highest and best uses. As the agency turns from rule writing to implementation and enforcement of the Dodd-Frank Act and JOBS Act, agency resources need to stretch further to cover the statutory expansions in the SEC's jurisdiction. The SEC also constantly must reevaluate its operations to identify risks and ensure the agency is operating most efficiently to achieve agency priorities.

In light of these challenges, the SEC has developed its FY 2017 budget request with five main management priorities in mind:

- Increasing examination coverage of investment advisers and other key entities who deal with retail and institutional investors;
- Further leveraging cutting-edge technology to permit the SEC to better keep pace with the entities and markets we regulate;
- Protecting investors by expanding our enforcement program's investigative capabilities and strengthening our ability to litigate against wrongdoers;
- Strengthening the SEC's economic and risk analysis functions; and
- Hiring experts capable of permitting the agency to fulfill its expanded rulemaking and oversight responsibilities.

These priorities are discussed in further detail in the Executive Summary and in relevant chapters of this report.

Management Challenges

The SEC's FY 2015 Annual Financial Report (*www.sec.gov/about/secpar/secafr2015.pdf*), Other Information Section, provides a summary of the most serious management and performance challenges facing the SEC as identified by the Office of the Inspector General (OIG). The AFR provides details on current actions being taken to address these challenges.

The following table describes how the resources requested for FY 2017 will help address the challenges identified by the Inspector General.

Management Challenge Identified by the Inspector General	How the FY 2017 Budget Addresses the Challenge
Regulatory Oversight	The President's Budget Request for the SEC in FY 2017 seeks additional staff to allow the SEC to accomplish several key and pressing priorities, including bolstering examination coverage for investment advisers and other key areas; continuing the agency's investments in the technologies needed to keep pace with today's high-tech, high-speed markets; strengthening our enforcement program's efforts to detect, investigate, and prosecute wrongdoing; and enhancing the agency's oversight of the rapidly changing markets and ability to carry out its increased regulatory responsibilities.

(continued on next page)

Management Challenge Identified by the Inspector General	How the FY 2017 Budget Addresses the Challenge *(continued)*
Information Security	In FY 2017, the SEC will continue ongoing efforts to continuously strengthen its cyber security posture and protect information stored, processed, and transmitted by SEC information systems. In today's threat landscape, agencies must possess advanced protocols and capabilities to proactively defend against sophisticated data breaches and cyber intrusions. The SEC will continue efforts to enhance its continuous monitoring program consistent with the federal government's Information System Continuous Monitoring (ISCM) methodology. Continuous monitoring is a critical capability in assessing the security posture of an environment and maintaining a situational awareness of weaknesses and vulnerabilities, thereby reducing the risk of security incidents. The SEC plans to leverage ISCM in integrating an Ongoing Authorization approach consistent with guidance from the National Institute of Standards and Technology. This approach will help the SEC build upon its organization-wide risk management process and better ensure information security risk can be managed more effectively, to include risks presented by shared services and externally-operated systems. Additionally, the SEC plans to focus on bolstering its capability to rapidly respond to unauthorized or anomalous user activity through enhancing its security logging and analysis mechanisms.
Acquisition Management	In FY 2017, the Office of Acquisitions (OA) will use its resources to continue the Contracting Officers' Representative (COR) Improvement Initiative, aimed towards providing greater efficient and functional control, transparency, and management of the COR program across the SEC. OA also will also continue to enhance training and monitoring for the Program/Project Management programs, as a tool to ensure that significant investments are appropriately managed and controlled.
Financial Management	The annual financial audit for FY 2015 found that the SEC had no significant issues in its internal controls over financial reporting. However, the SEC will continue to press ahead with efforts to strengthen and automate controls. For example, we will continue developing our monitoring program, to self-assess and proactively address any control weaknesses that may arise. During FY 2016 and FY 2017, the Office of Financial Management (OFM) also will concentrate on further improving systems that support the SEC's financial processes and controls, such as those pertaining to disgorgements and penalties, filing fees, and asset management. Finally, OFM expects to complete the build out of the Internal Controls Branch in FY 2017.
Human Capital Management	The SEC is committed to consistently attracting, hiring, developing, and retaining a high-performing and diverse workforce. To further enhance the SEC's recruitment goals, the Office of Human Resources (OHR) plans to finalize the SEC Workforce Plan in FY 2016. In FY 2017, OHR will conduct periodic reviews to assess whether the plan aligns with current agency workforce and succession planning efforts. Overall, OHR's FY 2017 allocation will further the strategic management of the SEC's human capital by attracting and retaining a diverse and talented workforce, administering programs to enhance employee engagement and leadership development, implementing advanced technologies to enhance and streamline work processes, and establishing policies and procedures to ensure compliance with Federal regulations and negotiated agreements. Also, in FY 2017, the SEC is requesting one additional position for the Office of Minority and Women Inclusion (OMWI) to support the continuous monitoring and performance evaluation for all of the Agency's diversity and inclusion initiatives, as well as one data analyst for the Office of Equal Employment Opportunity (OEEO) to assist in conducting barrier analysis, preparing internal and external reports, improving operational efficiencies, and enhancing internal controls.

Operational Risk Management

The SEC has further enhanced operational effectiveness via an agency-wide Operational Risk Management program. Risk management processes and procedures are being institutionalized and consistently applied within all operating units, to ensure that internal operating risks are identified, analyzed, and managed at all levels of the organization. The Operational Risk Management Oversight Committee (RMOC) provides oversight of the development and implementation of operational risk policies, frameworks, and methodologies, and it provides leadership and monitoring of agency-wide operational risks. In FY 2016 and FY 2017, the SEC expects to make adjustments to its risk management practices based on upcoming guidance from the Office of Management and Budget, as appropriate.

Cross Agency Collaboration

Working with partners across regulatory boundaries, market segments, and national borders furthers the SEC's ability to protect investors; maintain fair, orderly, and efficient markets; and facilitate capital formation. The SEC values these partnerships and understands that these collaborations are critical for the SEC to meet its strategic goals. Examples of these collaboration efforts are discussed below.

Strategic Goal 1

To establish an effective regulatory environment, several SEC divisions and offices regularly collaborate with both internal and external partners.

For example, the SEC participates in international regulatory organizations such as the Financial Stability Board (FSB) and the International Organization of Securities Commissions (IOSCO). Through these entities, the SEC addresses international regulatory issues by developing international guidance, recommendations and standards, and assessing the implementation of foreign financial market reforms and their ramifications for U.S. investors. The SEC is involved in multiple IOSCO policy committees, working groups and task forces, and influences IOSCO's contributions to the FSB. For example, the SEC is working with IOSCO to develop a toolbox of approaches for regulating market conduct. These organizations also issued papers in FY 2015 related to, among other topics, cross-border regulation, credit rating agencies, and methodologies for determining non-bank, non-insurance systemically relevant entities.

The SEC also participates in bilateral dialogues with foreign counterparts on securities markets issues, including dialogues led by the Treasury Department such as the U.S.-EU Financial Markets Regulatory Dialogue, NAFTA Financial Services Committee, U.S.-EU Financial Services Committee, US-China Strategic and Economic Dialogue, and U.S.-India Financial Regulatory Dialogue. In FY 2017, the SEC anticipates that the pace of regulatory action in other jurisdictions will increase, particularly in the European Union, and the SEC will continue to explore opportunities for converged approaches to high quality regulatory standards. Moreover, the demand for supervisory MOUs with foreign regulators will grow as regulators look to share information and exchange views in cross-border supervisory matters.

In FY 2014, the SEC and four other regulatory agencies adopted a common rule to implement Section 619 of the Dodd-Frank Act, known as the "Volcker Rule." The Division of Trading and Markets continues to work closely with these agencies to coordinate their implementation of the common rules, including collaboration on responses to interpretive questions, collection of metrics data, and examining and supervising affected firms. This close partnership enables the Commission to fulfill its statutory mandate to issue and implement rules under Section 619 in coordination with the other rulemaking agencies. Interagency coordination also reduces the potential costs to affected firms that could arise from diverging interpretations of the common rule. Partners within the SEC include the Division of Investment Management, Division of Corporation Finance, Division of Economic and Risk Analysis, Office of Compliance Inspections and Examinations, and Office of the General Counsel. Other Federal agencies involved in this project include the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Commodity Futures Trading Commission.

The Division of Corporate Finance (CF) ensures the SEC's compliance with Section 941 of the Dodd-Frank Act, which requires the SEC to partner with other Federal financial regulators to jointly prescribe regulations on risk retention for securitizers in asset-backed securities transactions. After the agencies jointly adopted the final rules on risk retention in October 2014, CF staff collaborated with the other agencies to provide interpretive guidance on the rules, as appropriate. CF also consults with other Federal agencies on implementation of credit risk retention rules. These agencies include the Federal Reserve Board (FRB), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Department of Housing and Urban Development (HUD), Federal Housing Finance Agency (FHFA), and the Department of the Treasury. Furthermore, CF routinely participates with Federal banking regulators on accounting issues in accordance to Section 241 of the Gramm-Leach-Bliley (GLB) Act which requires the SEC to consult and coordinate with the appropriate Federal banking agencies before issuing comments to banks regarding loan loss allowances.

The Office of the Chief Accountant leads the SEC's efforts to oversee accounting standard-setting by the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB), and auditor oversight and standard-setting by the Public Company Accounting Oversight Board (PCAOB). In addition, OCA, together with the Office of International Affairs, will continue to manage the SEC's representation in the International Financial Reporting Standards Foundation Monitoring Board.

Strategic Goal 2

To foster and enforce compliance with the Federal securities laws, the SEC works closely with other agencies and foreign governments.

The Division of Enforcement (ENF) collaborates with a number of criminal authorities. For example, the Division, the U.S. Department of Justice, and the U.S. Attorney's Offices frequently collaborate on individual cases and broad sweeps or task forces through access grants to their respective investigative files. The Division also collaborates with the Federal Bureau of Investigation (FBI) on individual matters and through a Memorandum of Understanding to embed several Agents and Intelligence Analysts from the FBI's Economic Crimes Unit into the Division's Office of Market Intelligence (OMI) for the purpose of information sharing and combatting securities fraud by leveraging each other's resources and expertise.

ENF also coordinates with other Federal agencies, routinely exchanging tips, complaints and referrals and sharing information and intelligence. The Division primarily coordinated in this regard with the U.S. Department of Justice, the U.S. Attorney's Offices, and the Federal Bureau of Investigation, but also coordinates with other Federal and state agencies including, among others, the Consumer Financial Protection Bureau, the Commodity Futures Trading Commission, the Department of Education, the Department of Labor, the Federal Trade Commission, the Internal Revenue Service, the Financial Crimes Enforcement Network, and the Office of the Comptroller of the Currency.

The Office of Compliance, Inspections and Examinations (OCIE) is responsible for the oversight of broker-dealers and does so through many coordinated efforts with the Financial Industry Regulatory Authority (FINRA). The SEC and FINRA have regular contact to discuss strategic initiatives, examination coordination, risk assessment efforts, rule-making issues, industry risks, etc. This type of coordination is ultimately intended to make oversight of broker-dealers more effective and to improve compliance within the industry. As an example, the two agencies coordinate to formally present Compliance Outreach Seminars. Additional SEC offices, particularly the Division of Trading and Markets, are involved heavily in this coordination as well.

OIA staff assists the SEC's Division of Enforcement with hundreds of requests for international assistance each year, particularly in the area of coordination of parallel proceedings with foreign securities and law enforcement authorities. OIA assists Enforcement with efforts to freeze and repatriate assets held in foreign nations and provides guidance to foreign counterparts in their efforts to secure the proceeds of fraud present within the U.S.

OIA actively participates in multilateral efforts to enhance international enforcement cooperation, representing the SEC on multiple International Organization of Securities Commissions (IOSCO) committees and steering groups. OIA coordinates with foreign counterparts to develop policies relating to enforcement matters, and to promote international cooperation among securities regulators in their respective investigations and cases. In addition, OIA coordinates with the Division of Enforcement and the CFTC on joint and parallel investigations of possible violations of U.S. securities and commodities and futures laws where international issues exist. OIA also works with the Department of Justice and foreign law enforcement agencies on joint and parallel investigations of possible violations of U.S. securities laws where international issues exist.

Strategic Goal 3

The SEC frequently works with other entities to facilitate access to the information investors need to make informed investment decisions.

For example, the Office of Investor Education and Advocacy (OIEA) is an active member of IOSCO Committee 8, the primary mandate of which is to conduct IOSCO's policy work on retail investor education and financial literacy. On May 6, IOSCO published results of the Committee's survey on anti-fraud messaging, which described strategies used by securities market regulators to educate individual investors about how to protect themselves against investment fraud. OIEA led the project working in coordination with various IOSCO members.

OIEA also worked with FINRA to issue two Joint Investor Alerts: "Dormant Shell Companies – How to Protect Your Portfolio from Fraud" and "Automated Investment Tools". These alerts warn investors about aggressively promoted "penny" stocks that may be stocks of companies that have no or nominal business operations or non-cash assets for an extended period of time, and gave the public information on automated investment tools.

CF and OMWI staff also work with the Small Business Administration (SBA) to develop outreach events to educate the public about the changes made by the JOBS Act.

Strategic Goal 4

To enhance the Commission's performance through effective alignment and management of human, information, and financial capital the Commission's administrative offices often work collaboratively with other agencies. Below are just a few examples of activities the SEC participates in to help further enhance the effectiveness of our core operations.

The Office of Human Resources is developing a Financial Rotation Program in collaboration with Treasury, FDIC, CFPB, Federal Reserve and CFTC. This program will provide an opportunity for front line employees to be able to share knowledge and best practices across the financial community. OHR also participates in quarterly discussions to benchmark the benefits and worklife program offerings among the FIRREA agencies. The shared goal is to benchmark program areas, understand each other's organizational climate, and explore best practices. Participants include the FDIC, the CFTC, the Federal Housing Finance Administration, the OCC, NCUA, and the Farm Credit Administration

The Project Management Office (PMO) within the Chief Operating Officer's Office (COO) participates in a roundtable with the CFTC and the CFPB. The purpose of the roundtable is to build relationships between Project Management Office (PMO) staff across Federal agencies, to share lessons learned in PMO development and project delivery, to establish a forum for partnership and idea-sharing, and to help each pursue excellence in mission delivery within our respective organizations. The Office of Risk Management (ORM), also within the COO, participates in another roundtable called the Program Management Community of Practice. Collaboration activities include sharing best practices; comparing risk management technology; benchmarking program maturity; and sharing tools, templates, and methodologies with other risk management professionals across Federal agencies.

The Office of Information Technology is another office at the SEC that routinely works with other agencies. For example, OIT is involved in a project with GSA called GSA Networkx. The goal of this project is to provide a flexible, responsive and cost effective vehicle for telecommunications and data services from the nations' telecommunication providers. OIT also works with the National Telecommunications & Information Administration (NTIA) within the Department of Commerce (DOC) so the SEC may have use of DOC/NTIA's radio frequencies, assesses interference concerns, and assure spectrum efficiency.

Evidence Building

Internal and external evaluations play a significant role in monitoring and improving SEC program performance. Through objective measurement and analysis, agency managers determine the extent to which programs are achieving mission objectives allowing them to direct SEC resources accordingly. In FY 2015, there were nine Government Accountability Office (GAO) reports and eleven Office of Inspector General reports related to agency operations. Beyond this, examples of reviews and evaluations that the agency has initiated and plan to continue include:

- The agency initiated and advanced broad-based reviews of core agency programs involving equity market structure and the effectiveness of its public company disclosure rules to protect investors and promote capital formation. These initiatives will continue in FY 2017.

- The Division of Trading and Markets will continue to explore options to improve the market structure for trading fixed income securities, including municipal and corporate bonds. Current and ongoing initiatives include the adoption of riskless principal markup disclosure rules by FINRA and the Municipal Securities Rulemaking Board (MSRB), development of best execution guidance for the corporate and municipal bond markets, and development of SEC rules designed to improve pre-trade price transparency in these markets.

- In FY 2017, the Division of Investment Management (IM) will continue to focus on a set of initiatives to enhance investment management industry resilience to portfolio composition risk and operational risk.
- Through customer satisfaction surveys and other research, the Office of Investor Education and Advocacy and the Office of the Investor Advocate will seek additional information regarding the behavior of individual investors, the types of information they need and use when making investment decisions, and the usefulness of SEC's investor education programs and materials.
- The SEC reviews performance goal data on a quarterly basis through the Chair's Quarterly Operating Report (CQOR), which was created to establish a performance measure monitoring process for the agency. Once per quarter, the SEC's Performance Improvement Officer and the Chair's Office review the status of performance goals and indicators and determine whether the agency is on target for achieving the performance goals for the fiscal year. The report includes the quarterly result for each performance goal or indicator and the progress achieved towards meeting the target for the fiscal year. The SECs quarterly review process is in line with OMB and Performance Improvement Council recommendations for frequent data-driven reviews.

While the SEC is not required to comply with OMB Memorandum M-14-06, the agency is supportive of the aims to make greater use of existing administrative data where possible. The SEC is already implementing activities that are consonant with the guidance outlined in the Memorandum. Examples of such activities are highlighted below.

- The SEC's Division of Economic and Risk Analysis (DERA) established the Quantitative Research and Analytic Data Support (QRADS) program, with a formal governance committee to manage the flow of SEC data/analytic projects.
- The SEC manages a website to provide investors and others with the ability to interactively explore a range of new market metrics and access empirical research and analyses that further inform the broader public debate on market structure. The website is located at *www.sec.gov/marketstructure*. It serves as a central location for the SEC to publicly share evolving data, research, and analysis as the agency continues its review of equity market structure. The data and related observations address the nature and quality of displayed liquidity across the full range of U.S.-listed equities – from the lifetime of quotes and the speed of the market to the nature of order cancellations.

Hyperlinks to Other Information and Resources

SEC Strategic Plan for 2014-2018 . . . . *www.sec.gov/about/sec-strategic-plan-2014-2018.pdf*

FY 2015 Agency Financial Report *www.sec.gov/about/secafr2015.shtml*

Prior Year Congressional Budget Justifications . . . . *www.sec.gov/about/secreports.shtml*

SEC's Investor.gov . . . . *www.investor.gov*

SEC Office of the Whistleblower . . . . *www.sec.gov/whistleblower*

SEC Enforcement Actions . . . . *www.sec.gov/spotlight/enf-actions-fc.shtml*

The Laws that Govern the Securities Industry . . . . *www.sec.gov/about/laws.shtml*

Glossary of Terms and Acronyms . . . . *www.sec.gov/fast-answers*

THIS PAGE LEFT BLANK

Appendices

Appendix A: SEC Divisions and Offices

Headquarters Offices

SEC HEADQUARTERS
100 F Street, NE
Washington, DC 20549

OFFICE OF THE CHIEF OPERATING OFFICER
Jeff Heslop, Chief Operating Officer
(202) 551-2105

OFFICE OF THE GENERAL COUNSEL
Anne Small, General Counsel
(202) 551-5100

DIVISION OF CORPORATION FINANCE
Keith F. Higgins, Director
(202) 551-3110

DIVISION OF ENFORCEMENT
Andrew Ceresney, Director
(202) 551-4500

DIVISION OF INVESTMENT MANAGEMENT
David Grim, Director
(202) 551-6720

DIVISION OF ECONOMIC AND RISK ANALYSIS
Mark Flannery, Director
(202) 551-6600

DIVISION OF TRADING AND MARKETS
Stephen Luparello, Director
(202) 551-5500

OFFICE OF ACQUISITIONS
Vance Cathell, Director
(202) 551-8385

OFFICE OF SUPPORT OPERATIONS
Barry Walters, Director/Chief FOIA Officer
(202) 551-8400

OFFICE OF ETHICS COUNSEL
Shira Pavis Minton, Director
(202) 551-7938

OFFICE OF FINANCIAL MANAGEMENT
Kenneth Johnson, Chief Financial Officer
(202) 551-4306

OFFICE OF HUMAN RESOURCES
Lacey Dingman, Director
(202) 551-7500

OFFICE OF INFORMATION TECHNOLOGY
Pamela Dyson, Director
(202) 551-7095

OFFICE OF THE INSPECTOR GENERAL
Carl W. Hoecker, Inspector General
(202) 551-6061

OFFICE OF INTERNATIONAL AFFAIRS
Paul A. Leder, Director
(202) 551-6690

OFFICE OF THE INVESTOR ADVOCATE
Rick Fleming, Investor Advocate
(202) 551-3302

OFFICE OF INVESTOR EDUCATION AND ADVOCACY
Lori Schock, Director
(202) 551-6500

OFFICE OF THE SECRETARY
Brent Fields, Secretary
(202) 551-5400

OFFICE OF THE CHIEF ACCOUNTANT
James Schnurr, Chief Accountant
(202) 551-5300

OFFICE OF COMPLIANCE INSPECTIONS AND EXAMINATIONS
Marc Wyatt, Director
(202) 551-6200

OFFICE OF CREDIT RATINGS
Thomas Butler, Director
(212) 336-9080

OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY
Alta G. Rodriguez, Director
(202) 551-6040

OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS
Timothy Henseler, Director
(202) 551-2010

OFFICE OF MINORITY AND WOMEN INCLUSION
Pamela A. Gibbs, Director
(202) 551-6046

OFFICE OF MUNICIPAL SECURITIES
Jessica Kane, Director
(202) 551-5680

OFFICE OF PUBLIC AFFAIRS
John Nester, Director
(202) 551-4120

OFFICE OF ADMINISTRATIVE LAW JUDGES
Brenda P. Murray,
Chief Administrative Law Judge
(202) 551-6030

Regional Offices

ATLANTA REGIONAL OFFICE
Rhea Kemble Dignam, Regional Director
950 East Paces Ferry Road NE, Suite 900
Atlanta, GA 30326
(404) 842-7600
e-mail: atlanta@sec.gov

BOSTON REGIONAL OFFICE
Paul Levenson, Regional Director
33 Arch Street, Floor 23
Boston, MA 02110
(617) 573-8900
e-mail: boston@sec.gov

CHICAGO REGIONAL OFFICE
David Glockner, Regional Director
175 W. Jackson Boulevard, Suite 900
Chicago, IL 60604
(312) 353-7390
e-mail: chicago@sec.gov

DENVER REGIONAL OFFICE
Julie K. Lutz, Regional Director
1961 Stout Street, Suite 1700
Denver, CO 80294
(303) 844-1000
e-mail: denver@sec.gov

FORT WORTH REGIONAL OFFICE
David R. Woodcock, Jr., Regional Director
Burnett Plaza
801 Cherry Street
Suite 1900, Unit 18
Fort Worth, TX 76102
(817) 978-3821
e-mail: dfw@sec.gov

LOS ANGELES REGIONAL OFFICE
Michele Wein Layne, Regional Director
444 South Flower Street, Suite 900
Los Angeles, CA 90071
(323) 965-3850
e-mail: losangeles@sec.gov

MIAMI REGIONAL OFFICE
Eric I. Bustillo, Regional Director
801 Brickell Avenue, Suite 1800
Miami, FL 33131
(305) 982-6300
e-mail: miami@sec.gov

NEW YORK REGIONAL OFFICE
Andrew M. Calamari, Regional Director
Brookfield Place
200 Vesey Street, Suite 400
New York, NY 10281
(212) 336-1100
e-mail: newyork@sec.gov

PHILADELPHIA REGIONAL OFFICE
Sharon Binger, Regional Director
One Penn Center
1617 John F. Kennedy Boulevard
Suite 520
Philadelphia, PA 19103
(215) 597-3100
e-mail: philadelphia@sec.gov

SALT LAKE REGIONAL OFFICE
Karen L. Martinez, Regional Director
351 S. West Temple
Suite 6.100
Salt Lake City, UT 84101
(801) 524-5796
e-mail: saltlake@sec.gov

SAN FRANCISCO REGIONAL OFFICE
Jina L. Choi, Regional Director
44 Montgomery Street, Suite 2800
San Francisco, CA 94104
(415) 705-2500
e-mail: sanfrancisco@sec.gov

Appendix B: Verification and Validation of Performance Data

The SEC's programs require accurate data to properly assess program performance and to make good management decisions. The SEC performs data verification and validation to evaluate whether data has been generated according to specifications, satisfy acceptance criteria, and is appropriate and consistent with its intended use. Data verification is a systematic process for evaluating a dataset compared to a series of standards regarding its completeness, correctness, and consistency, using the methods and criteria defined in the project documentation. Data validation follows the data verification process and uses information from the project documentation to ascertain the usability of the data in light of its objectives and to ensure that results obtained are scientifically defensible.

The SEC ensures that the performance data presented in this report is complete, reliable and accurate based upon the following assessment steps:

(1) The agency develops performance measures through its strategic planning process.

(2) The SEC's divisions and offices perform steps to ensure that data used in the calculation of performance measures is accurate and reliable, including adequately documenting:

- the sources of the underlying data elements, and the procedures used to gather the data;
- the procedures used to obtain assurance as to the accuracy and reliability of the data; and
- the data definitions for reference, as well as the measure calculations.

(3) The divisions and offices calculate and report the performance measures to the Office of Financial Management, and the measures are approved by division directors and office heads. This process ensures that the data used in the calculation of performance measures is accurate and reliable and that internal control is maintained through the approval process.

This report was produced through the energies and talents of the SEC staff. To these individuals we offer our sincerest thanks and acknowledgment. To comment on this report, please send an e-mail to *performanceplanning@sec.gov.*

U.S. SECURITIES AND EXCHANGE COMMISSION

100 F Street, NE, Washington, DC 20549