

A MESSAGE FROM THE COMMISSIONER



I am pleased to present the Social Security Administration’s fiscal year (FY) 2020 *Agency Financial Report*, which describes how we managed our resources and delivered critical services to the American people.

For 85 years, we have administered programs that make a difference in the lives of millions of people. Our mission is to deliver quality Social Security services to the public. We must continue to innovate to ensure we achieve this mission.

We have focused our efforts around three overarching Strategic Goals:

- Deliver Services Effectively
- Improve the Way We Do Business
- Ensure Stewardship

These overarching goals help drive my top priority to improve public service, particularly to reduce National 800 Number, field office, and hearings office wait times, modernize our disability policies and our information technology (IT), and increase our digital and automated service options.

Despite the operational challenges due to the coronavirus (COVID-19) pandemic, I am proud of how we responded to continue to deliver our important services. My management team and I are accountable for using our resources to ensure we are timely, accurately, and efficiently serving the public while ensuring the integrity of our programs.

RESPONSE TO THE CORONAVIRUS PANDEMIC

The COVID-19 pandemic has affected the way we provide service to the public. Our highest priority during this unprecedented time has been to provide mission-critical services while safeguarding the health of the public and our employees. We efficiently transitioned to telework to keep safe our employees and the public we serve. We are conducting most workloads through online and telephone service with limited in-office service for critical situations. We deferred certain workloads and the resulting overpayment debt collections to protect beneficiaries’ income and healthcare coverage during a critical time in the COVID-19 pandemic.

IMPROVING PUBLIC SERVICE

We met many of our goals to improve public service. We reduced wait times and busy signals on our National 800 Number. We reduced the backlog in our processing centers. We accelerated our IT modernization plans to make our services more customer-centric. Most notably, we moved closer to our goal of eliminating the disability hearings backlog in FY 2021. The hearings backlog is now at its lowest level in 18 years.

While the COVID-19 pandemic has presented new challenges, it also has driven creative solutions to provide alternate service options to the public, lessening the need for people to visit a local office. We have quickly made paper processes electronic and added online service options, such as the Medicare Part B application to address Medicare changes. We are implementing online video hearings, which allow applicants and their representatives to participate from any private location with access to a camera-enabled smart phone, tablet, or computer.

IT MODERNIZATION

In FY 2018, we initiated the [IT Modernization Plan \(www.ssa.gov/open/materials/IT-Modernization-Plan.pdf\)](http://www.ssa.gov/open/materials/IT-Modernization-Plan.pdf), which detailed how we would replace our legacy systems with updated technology that will enable us to provide more effective customer service. Over the past three years, we have made progress in fixing many of our core

technology issues. Building on this progress, we released the [IT Modernization Plan, 2020 Update](https://www.ssa.gov/open/materials/IT-Modernization-Plan-2020-Update.pdf) (www.ssa.gov/open/materials/IT-Modernization-Plan-2020-Update.pdf), which establishes a new focus on building additional online services, improving and expanding automated services available through our National 800 Number, and providing additional self-service and expedited services in our field offices. We plan to provide the public with more electronic service options to obtain our services without the need to visit a field office or speak with a teleservice representative.

CHALLENGES WE FACE

Disruptions from the COVID-19 pandemic have negatively affected pending initial disability claims, which increased significantly this year. We worked with our disability determination services partners in each of the 50 States, Puerto Rico, and the District of Columbia—all of whom had different guidelines for stay-at-home orders and re-opening guidelines—to maintain continuity of operations, but the pandemic has caused some issues beyond our control. It hindered our ability to obtain timely medical evidence and to schedule consultative exams (CE), where we send disability applicants to a medical exam if we need additional medical evidence to make a disability decision. These disruptions reduced the number of disability decisions we could issue. We are taking immediate action to mitigate the increase in pending claims and bring the backlog down, but we continue to experience disruptions in the CE process. For more information on our challenges, please refer to the *Management's Discussion and Analysis* section.

AUDIT RESULTS

I am pleased to share that for the 27th consecutive year, we received an unmodified opinion on our financial statements. Based on the results of our internal evaluations, I can provide reasonable assurance that the financial and performance information contained in this report is complete, reliable, and accurate. We also have no material weaknesses in our internal controls.

I congratulate our hard-working employees for making progress toward our goals over the past year. We continue to focus on addressing our challenges and improving our service to the public.

Respectfully,



Andrew Saul

Baltimore, Maryland
November 10, 2020

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To access this report online, please visit our [Fiscal Year 2020 Agency Financial Report webpage \(www.socialsecurity.gov/finance\)](http://www.socialsecurity.gov/finance).

INTRODUCTION

Our *Agency Financial Report* (AFR) provides financial management and high-level performance information that enables the President, Congress, and the public to assess how well we accomplished our mission, achieved our goals, and managed the financial resources entrusted to us. We organize our AFR into the following major sections:

Management’s Discussion and Analysis: The *Management’s Discussion and Analysis* section provides an overview of our mission, organization, Strategic Goals and Objectives, Priority Goals, and key fiscal year (FY) 2020 performance measures. We highlight the FY 2020 results of our key performance measures and discuss our accomplishments and plans to achieve our mission. We provide a summary of the financial impact of the coronavirus pandemic on the agency and a summary of the financial information contained in subsequent sections of the AFR. We also include a synopsis of our systems, controls, and legal compliance.

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

Other Information: The *Other Information* section includes the *Fiscal Year 2020 Inspector General Statement on the Social Security Administration’s Major Management and Performance Challenges*, as well as our Summary of Financial Statement Audit and Management Assurances tables. We also provide information on our entitlement reviews and Office of the Inspector General anti-fraud activities, civil monetary penalties, biennial review of user fee charges, real property, grant programs, and debt collection and management activities. The *Payment Integrity* report concludes this section.

Appendix: The *Appendix* includes a glossary of acronyms, a list of our agency’s top management officials, the members of the Board of Trustees, and the members of the Social Security Advisory Board.

For the 22nd year in a row, we received the Association of Government Accountants’ Certificate of Excellence in Accountability Reporting (CEAR) award. Receiving the CEAR award for our FY 2019 AFR is a significant accomplishment for a Federal agency. In addition, we received a CEAR Best-in-Class award for the presentation of performance results in our FY 2019 AFR.

