



A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



I am honored to join Commissioner O'Malley in presenting our fiscal year (FY) 2024 *Agency Financial Report* (AFR). This report highlights many of our FY 2024 accomplishments, illustrates our dedication to fiscal accountability and transparency, and demonstrates our commitment to achieving our mission to ensure equity and accessibility in delivering Social Security services by improving the customer experience and addressing systemic barriers to participation in our programs. We discuss our progress towards meeting these goals in the *Overview of Our Fiscal Year 2024 Goals and Results* section.

For the 31st consecutive year, we received an unmodified audit opinion on our financial statements from our independent auditors. An unmodified audit opinion confirms that our statements present our financial position fairly and are free of material misstatement. Our independent auditors also issued an unmodified opinion on the effectiveness of our internal control over financial reporting. The auditors determined that we had no material weaknesses and cited two significant deficiencies identified in prior years. The significant deficiencies concern internal controls over certain financial information systems and internal control over accounts receivable with the public (i.e., benefit overpayments).

We are working to resolve the deficiencies identified by audits through risk-based corrective action plans to mitigate risks and strengthen our control environment. We have focused on increasing cross-component collaboration by involving subject matter experts and leaders across the agency. Our independent auditors noted areas of progress we made in remediating elements of these significant deficiencies. However, we continue to face challenges, such as the ever-changing cybersecurity landscape in which we operate and the allocation of limited resources. As a result of these challenges, many elements of our remediation plans will take time to implement. Nonetheless, we are committed to continuous improvement. We provide additional information on the auditors' findings and our corrective actions in the *Analysis of Systems, Controls, and Legal Compliance* and *Report of Independent Auditors* sections of this report.

We continued an unprecedented streak in Federal Government financial reporting with our FY 2023 AFR, and for the 26th consecutive year, AGA awarded us the Certificate of Excellence in Accountability Reporting (CEAR). We are committed to excellence in financial reporting, as demonstrated by our receipt of the CEAR.

We continue to investigate ways to improve our business processes through leveraging automation and improving systems. We are focused on addressing the root causes of improper payments, improving payment accuracy, bolstering full and open competition in the acquisition and grants process, and applying sound management principles to our everyday work. These



efforts – if supported with sustained, sufficient funding – will put us on the path to significantly improve our service to the public in the coming years.

During FY 2024, the Office of the Chief Financial Officer completed the following key financial management initiatives that advanced the agency’s mission, strategic goals, and objectives:

- We improved our business processes by modernizing our legacy systems and leveraging automation. Millions of people depend on our National 800 Number Network (N8NN) representatives and automated options to answer their inquiries and complete transactions; however, over the past few years, our outdated phone system has frustrated the public, as well as our phone agents, with busy signals and dropped calls. Hiring challenges and high telephone agent attrition have also affected service and caused long waits. This year, we successfully awarded a contract enabling us to fully transition our N8NN to a consolidated platform, which improves our customers’ ability to speak with available agents and improves our efforts to lower customer hold times.
- We supported the Commissioner’s priority to make overpayment and underpayment process improvements and successfully reviewed and updated overpayment policies to change the debt recovery period from 36 months to 60 months, allowing overpaid individuals additional time to repay their overpayments.
- We partnered with the Department of the Treasury and our Office of the Chief Information Officer to reduce improper payments by providing additional days to update beneficiaries’ payment and eligibility information (e.g., death, suspension, bank account, mailing address). We estimate this saves the agency more than \$100 million annually.
- Our latest [Sustainability Scorecard](#) revealed that we reduced our greenhouse gas emissions in our facilities and operations by 69 percent, making us the third best in Government.
- We increased our onsite presence to better serve the American people, increased collaboration amongst our dedicated employees, and strengthened support and training to our frontline workers. We completed the transition to a new guard contractor to ensure the safety and security of all employees on campus. In addition, we reduced our real property footprint by over 846,000 useable square feet (USF), exceeding our target of 830,000 USF, saving the agency \$18 million annually in lease avoidance costs.
- We completed several critical milestones in support of the Central Print initiative to modernize communications and comply with U.S. Code Title 44, which requires all printing to go through the Government Publishing Office. This initiative reduces costs associated with mailing notices and eliminates the need for field office staff to print and mail notices, thus reducing task time for technicians and enabling them to focus on serving the public. Through FY 2024, we estimate that Central Print has saved the agency over 230 work years and \$28 million in print and mailing cost avoidance since the project started in FY 2022.



The accomplishments in this report are a direct reflection of our dedicated employees who are working diligently to improve service to our customers. They work every day to ensure the success of our financial management program, while helping to achieve our important mission and support our customers by delivering financial support, providing superior customer service, and ensuring their safety and security.

Respectfully,

A handwritten signature in black ink, appearing to read 'Chad Poist', with a long horizontal flourish extending to the right.

Chad Poist

Baltimore, Maryland
November 13, 2024