



A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



I am pleased to join Acting Commissioner Kijakazi to issue our fiscal year (FY) 2021 *Agency Financial Report* (AFR). This report highlights our accomplishments in delivering Social Security services to promote the economic security of the public, and demonstrates our commitment to making efficient use of funds the American people entrust to us.

I am proud to report that for the 28th 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 fairly our financial position and are free of material misstatement. Our independent auditors also issued an unmodified opinion on the effectiveness of our internal control over financial reporting. They determined that we had no material weaknesses yet continued to cite three significant deficiencies identified in prior years. The significant deficiencies concern internal control over certain financial information systems controls, information systems risk

management, and internal control over accounts receivable with the public (benefit overpayments).

We resolve the deficiencies identified by audits through risk-based corrective action plans to mitigate risks and strengthen our control environment. We focus on increasing cross-component collaboration by involving subject matter experts and leaders across the agency. While each year we make progress in remediating elements of these significant deficiencies, we face challenges, such as the ever-changing cybersecurity landscape in which we operate. Many elements of our remediation plans will take time to implement. Nonetheless, we remain 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 Certified Public Accountants* sections of this report.

I am pleased to announce that we received a Certificate of Excellence in Accountability Reporting (CEAR) from the Association of Government Accountants for our FY 2020 AFR. This is our 23rd consecutive year receiving this prestigious award, which is an unprecedented accomplishment in Federal financial management, and demonstrates our commitment to being good stewards of taxpayer dollars. In addition, we received a CEAR Best-In-Class award for exceptional reporting on our Coronavirus Disease 2019 (COVID-19) pandemic response in our FY 2020 AFR.

The accomplishments in this report reflect our employees' dedication. They work hard every day to ensure the success of our financial management program, while helping to carry out our mission and provide the quality of service the public expects and deserves.

For additional information on how the Office of the Chief Financial Officer contributed to accomplishing our mission, please refer to the *Financial Management Initiatives Advancing Our Mission* section beginning on the following page. We will continue to build upon our sustained commitment to financial excellence to ensure optimal stewardship of the resources we manage.

Respectfully,

Michelle A. King

Baltimore, Maryland
November 10, 2021