



FINANCIAL MANAGEMENT INITIATIVES ADVANCING OUR MISSION

Our Chief Financial Officer also serves as the Performance Improvement Officer. This dual role provides oversight to the full life cycle of agency initiatives and goals – from the development of the *Agency Strategic Plan*, which drives budget decisions and annual performance plans, to the financial management of resources and performance reporting. The following are key financial management initiatives that advance this mission and the agency’s mission, Strategic Goals, and Objectives:

Debt Management

Remittance Modernization to Improve Service Delivery: The Office of the Chief Financial Officer (OCFO) is leading our remittance modernization efforts. Historically, our remittance process was a largely manual paper workload handled by our Mid-Atlantic Program Service Center (MATPSC). The MATPSC remittance process requires a method of payment (check, money order, or debit or credit card) and a corresponding payment coupon necessary to update a debtor’s record. In fiscal year (FY) 2021, we implemented several significant improvements to our remittance process, which are improving how people interact with us.

- **Pay.gov:** In January 2021, we partnered with the Department of the Treasury’s (Treasury) Pay.gov team to implement our first online repayment option for Old-Age, Survivors, and Disability Insurance beneficiaries and Supplemental Security Income (SSI) recipients to repay benefit overpayments via credit or debit card and an automated clearing house (ACH) (i.e., a checking or savings account). In FY 2023, we processed 464,000 remittances and collected nearly \$94 million through Pay.gov, slightly more than collected in FY 2022.
- **Lockbox Service:** Also, in January 2021, we partnered with Treasury to use U.S. Bank, a financial agent for Treasury, to implement a lockbox service to assist with our paper remittance processing efforts. In February 2021, we began routing some of our paper remittances to the lockbox for processing. In FY 2023, we expanded the lockbox service to include additional SSI remittances. In FY 2023, the lockbox service processed approximately 216,000 remittances, worth over \$54 million recovered through the lockbox service.
- **Online Bill Pay:** In July 2021, we implemented Online Bill Pay (OLBP), allowing overpaid individuals to make a one-time or recurring ACH draft from a bank account using a personal computer or mobile phone. Prior to this implementation, OLBP remittances defaulted to paper checks. In FY 2023, we processed over 41,000 remittances through this service, which is over twice as many as FY 2022, and collected over \$4 million through OLBP.

These remittance channels, combined with our previously implemented Social Security Electronic Remittance System, now process 65 percent of our remittances, an increase of five percent over FY 2022.

Public Service

Allocated Funding to Achieve Net Staffing Gains Amid High Attrition: In FY 2023, we received a \$785 million increase over our FY 2022 funding level. With the increase, we made significant progress in rebuilding our workforce after experiencing a 25-year staffing low in FY 2022. We implemented a variety of strategies focused on recruiting and retaining employees in hard-to-fill positions, including obtaining direct hiring authority to increase the efficiency and speed of identifying, selecting, and on-boarding highly qualified candidates. Through these efforts, we increased our workforce by over 3,100 employees in FY 2023. As a result of net hiring gains and the effort of our dedicated employees, we were able to process almost 6.7 million retirement claims, nearly 2 million disability claims, handle about 30 million calls to our National 800 Number, and complete over 550,000 continuing disability reviews and 2.5 million SSI redeterminations.

Efficiency

Compassionate And REsponsive Service Plan: In FY 2023, as a result of our Compassionate And REsponsive Service plan, we reduced the hearings backlog to the lowest level in over 20 years. In FY 2023, we received \$55 million in dedicated funding to reduce the hearings backlog. Over the last seven years, Congress has provided \$550 million in special funding dedicated to address the hearings backlog. From budget planning, execution, and reporting, to providing ongoing medical and vocational contractual support for hearings cases, OCFO remains engaged to improve the hearings process.

Reduce Property Footprint: OCFO continues to identify opportunities to improve the use of space in our non-public facing facilities, while simultaneously reducing costs. In FY 2023, we completed our relocation of employees and equipment from our Security West leased facility onto our headquarters campus. This project, which we completed over a year ahead of schedule, will yield \$17 million in annual lease cost savings. Additionally, we completed relocating approximately 90 percent of our employees from leased space in Falls Church, Virginia, to existing leased space in Washington, DC. Once we fully vacate this facility and terminate our occupancy agreement in September 2024, we will realize \$10 million in annual lease cost savings. Lastly, we collaborated with the General Services Administration (GSA) and our regional staff to return space at the Columbia Center in Seattle, Washington, resulting in \$3.9 million in annual lease cost savings. We continue to work with GSA and our regional staff to evaluate our space needs.

Robotic Process Automation: Over the last few years, OCFO has implemented several robotic process automations (RPA) that have resulted in significant time savings. In FY 2022, OCFO built and implemented an RPA that closes out awards made under Federal Acquisition Regulation (FAR) Part 13 with no remaining balance. Award closeout is required by FAR when the period of performance is completed. Previously, this was a labor-intensive task normally performed by contracting officers and contract specialists. The RPA performs this task without



human involvement by automatically identifying awards eligible for closeout in the agency's contract writing/management system made under FAR Part 13. It ensures each award contract file contains certification that all contracted goods and/or services were received and accepted. The RPA then checks the agency's payment record system to ascertain whether the awards have a remaining balance. For awards with a zero-dollar balance, the RPA completes all required closeout actions in the contract writing/management system. In FY 2023, the RPA closed out 197 awards worth over \$71 million and saved our contracting staff almost 400 work hours.

In FY 2023, OCFO developed an RPA to maintain accurate records of authorized users for the agency's contract writing/management system and purchase card application system. Each day, the RPA reviews a file that contains names and other identifying information relative to individuals who have separated from the agency effective the prior day. The RPA determines whether the separated employees had access to either system. For separated individuals with access, the RPA then takes the actions necessary to terminate their access. In doing so, the RPA maintains the integrity and security of both systems. We implemented the RPA in August 2023 and is saving our staff approximately one to two hours each day, which allows the staff to focus on workloads that require human interaction and will provide annual workload savings going forward.

Climate Change and Sustainability: In support of the Administration's goal to combat the climate crisis and further sustainability efforts, OCFO continues to implement initiatives outlined in our 2021 Climate Action Plans. Our FY 2022 CAP Progress Report detailed the agency's progress on our planned efforts and initiatives to address climate change as outlined in Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*. Specifically, our CAP Progress Report provides an update on developments from our initial 2021 CAP, which encourages employees and contractors to reduce energy consumption, water usage, and the amount of waste produced.

Central Print: The OCFO is leading the agency's Central Print of Notices (CPN) initiative, an agency priority that decreases notices printed and mailed by front-line employees in our offices nationwide. CPN is a multi-year effort that supports the agency's future business delivery model and improves our stewardship of taxpayer funds. Specifically, CPN decreases front-line employee task time spent on handling notices, enabling these employees to focus on other mission critical services that support the public. In FY 2023, we released the Lump Sum Death Payment and Abbreviated Lump Sum Death notices to CPN, resulting in approximately 500,000 notices moved to a Government Publishing Office print vendor annually and yielding an estimated savings of \$1.5 million that the agency can reinvest towards other priorities that support our front lines.

Internal Controls

Enterprise Risk Management: We continue to mature our Enterprise Risk Management (ERM) program in accordance with Office of Management and Budget Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. We have implemented a multi-year strategy that will further integrate our existing internal control and risk management frameworks with our strategic planning and review processes. During FY 2023, we continued to work on our training series to increase awareness of ERM and risk concepts among different levels of the agency as well as explain how to apply the training content to further ERM maturity and risk awareness throughout the agency. In addition to our training series, we developed the *Risk Evaluation, Assessment, and Considerations Handbook* to provide guidance in incorporating risk assessments and analyses into agency projects, initiatives, and decision memorandums. We also updated our risk appetite statement, including risk category appetites, to reflect the agency's current risk environment along with performed inherent risk re-assessments over our program and process risks to ensure we captured the inherent risk ratings appropriately. Finally, we updated our ERM Council charter based on lessons learned to improve communications and efficiencies surrounding the Council's responsibilities.



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