



A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



I am pleased to report that for the 26th consecutive year, we received an unmodified audit opinion on our financial statements from our independent auditors, and I am honored to join Commissioner Saul in issuing our fiscal year (FY) 2019 *Agency Financial Report*. This report highlights our accomplishments in delivering Social Security services to promote the economic security of the public, and demonstrates our responsible stewardship of taxpayer dollars.

Our FY 2018 *Agency Financial Report* received the Certificate of Excellence in Accountability Reporting from the Association of Government Accountants in recognition of our commitment to financial reporting excellence. We have received this prestigious award for 21 consecutive years.

Our unmodified audit opinion confirms that our statements present fairly the financial position of our agency 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 but cited three significant deficiencies, which contained elements identified in prior years. The significant deficiencies concern internal control over certain financial information systems controls, information systems risk management, and accounts receivable with the public (benefit overpayments). In FY 2019, we successfully remediated the significant deficiency identified in prior years concerning the reliability of information used in certain control activities.

The agency handles audit findings with the utmost importance. We are committed to resolving the deficiencies through risk-based corrective action plans to strengthen our control environment and mitigate risks. We are increasing cross component collaboration by involving subject matter experts and leaders across the agency. We will create greater awareness of overarching issues and related risk mitigation activities and establish more accountability for completing milestones. We provide additional information on the auditors' findings and our corrective actions in the *Systems, Controls, and Legal Compliance* and *Report of Independent Certified Public Accountants* sections of this report.

We are proud of the accomplishments of our dedicated employees. They work hard every day to ensure the success of our financial stewardship and help advance our mission. For additional information on my office's contributions to accomplishing the agency's mission, please refer to the *Financial Management Initiatives Advancing Our Mission* section beginning on the following page. We will continue to implement even stronger policies and practices to provide the American people the maximum value for the resources entrusted to us.

Respectfully,

Michelle A. King

Baltimore, Maryland
November 12, 2019