



# FY 2004 Performance Report



Social Security Administration  
Office of the Inspector General

## **Table of Contents**

Mission Statement .....	2
Vision and Values .....	2
Executive Summary.....	3
Performance Discussion and Analysis .....	5
Goal 1 – Impact .....	5
Goal 2 – Quality .....	6
Goal 3 – Timeliness .....	7
Goal 4 – Value .....	9
Goal 5 – People .....	10

## **MISSION STATEMENT**

*By conducting independent and objective audits, evaluations, and investigations, we improve the Social Security Administration's programs and operations and protect them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.*

## **VISION and VALUES**

*We are agents of positive change striving for continuous improvements in SSA's programs, operations, and management by proactively seeking new ways to prevent and deter fraud, waste, and abuse. We are committed to integrity and achieving excellence by supporting an environment that encourages employee development and retention, and fosters diversity and innovation while providing a valuable public service.*

## EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) Fiscal Year (FY) 2003-2005 Strategic Plan (Plan) is a document that embodies our continuing efforts to demonstrate accountability to our stakeholders. This Performance Report reflects our progress during FY 2004 in achieving our strategic goals set forth in the Plan.

The Plan focuses on five general areas; the *Impact* we have on improving Social Security's programs and operations; the *Quality* of OIG products and services; the *Timeliness* by which we deliver those products and services; the *Value* we bring to Social Security and the citizens we serve; and the *People* who make our office successful—our employees.

Within the five general areas, there are 15 individual measures used to assess our performance. Some of these measures are annual targets while others reflect goals to be achieved by the last year of performance under this plan in FY 2005. For FY 2004, we were successful in meeting the targets for 12 of the 15 performance measures.

The results outlined in this document continue to demonstrate that our activities have a positive impact on Social Security programs and operations. The quality of our products remains high and although we complete most of our work in a timely manner, we continue to look at ways to improve. Our organization continues to post a positive return for every dollar invested, currently \$25 to \$1. Our approach to staffing demonstrates a commitment to workforce diversity by reaching out to underrepresented groups and our employees feel that this organization is a good place to work.

In FY 2004, we remained flexible and responsive to the inevitable changes in our environment. We convened a workgroup of representatives from each of our components to review the goals, strategies, performance measures and results from the FY 2003 Performance Report. The workgroup recommended improvements and proposed revisions to the Plan. We implemented an online performance-measure tracking tool to better manage and track progress against targets.

These accomplishments demonstrate our commitment to integrity and achieving excellence. Moreover, they evidence our continuing support of an environment that encourages employee development and retention and fosters diversity and innovation while providing a valuable public service.

## PERFORMANCE RESULTS

GOAL	DESCRIPTION	TARGET	RESULT	GOALS	
				MET	NOT MET
<b>IMPACT</b>					
1.1	<i>Maintain an annual acceptance rate of at least 85 percent for all recommendations through FY 2005.</i>	85%	93%	X	
1.2	<i>Through FY 2005, achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency and effectiveness of SSA.</i>	85%	88%	X	
<b>QUALITY</b>					
2.1	<i>Achieve a positive internal and external user assessment rating of 80 percent for product-service quality.</i>	80%	89%	X	
<b>TIMELINESS</b>					
3.1	<i>Evaluate and respond to all allegations received within 30 days through FY 2005.</i>	30 Days	26 Days	X	
3.2	<i>Complete investigative fieldwork for 80 percent of cases within 180 days through FY 2005.</i>	80%	69%		X
3.3	<i>Respond to congressional requests within an average of 30 days through FY 2005.</i>	30 Days	11 Days	X	
3.4	<i>Take Action on 80 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt by FY 2005.</i>	80%	59%		X
3.5	<i>Issue 70 percent of final audit reports within 1 year of the entrance conference with SSA.</i>	70%	70%	X	
3.6	<i>Issue 95 percent of OIG products in time to meet the needs of Congress, SSA and other key decisionmakers.</i>	95%	100%	X	
<b>VALUE</b>					
4.1	<i>Generate an annual positive return on investment.</i>	Positive	\$25 to \$1	X	
4.2	<i>Increase the number of total judicial outcomes by at least 30 percent by FY 2005.</i>	30%	38%	X	
<b>PEOPLE</b>					
5.1	<i>By FY 2005, achieve an 80 percent retention rate for newly hired employees.</i>	80%	81%	X	
5.2	<i>By 2005, achieve an 80 percent positive organizational health assessment rate.</i>	80%	92%	X	
5.3	<i>Ensure that 90 percent of OIG staff receives at least 40 hours annually of appropriate developmental training.</i>	90%	81%		X
5.4	<i>By FY 2005, improve the overall workforce diversity with an emphasis on underrepresented groups.</i>	29.2%	29.5%	X	

## PERFORMANCE DISCUSSION AND ANALYSIS

This section provides detailed performance information, including a description of our Strategic Plan goals aimed at achieving success in each of the five general areas. We state each goal, its associated results and describe the method of calculation. Where appropriate, we also explain why we believe we were successful or unsuccessful in meeting our goals and address actions needed to improve performance.

### Goal 1 - IMPACT

*Increase our impact on the integrity, efficiency, and effectiveness of SSA programs and operations.*

Strategies to attain this goal include:

- (1) Establish and communicate an OIG-wide process for cross-component communications on potential programmatic and operational vulnerabilities.
- (2) Coordinate, receive, and assess information about potential programmatic and operational vulnerabilities.
- (3) Focus OIG efforts on impacting congressional and SSA programmatic and operational decisions, including major budgetary decisions.
- (4) Reinforce OIG's role as an agent for positive change using constructive, balanced language in presenting viable opportunities for improving SSA programs and operations.

Goal 1.1	Maintain an annual acceptance rate of at least 85 percent for all recommendations through FY 2005	FY 2004 Result 93 Percent
This measure is calculated by dividing the number of legislative, policy and regulatory recommendations accepted by SSA and/or Congress (included in proposed legislation) during the FY by the total number of recommendations with a management decision and legislative proposals made during the FY.  For FY 2004, our annual acceptance rate was 93 percent, exceeding our 85 percent goal. Of the 270 recommendations we submitted during this period that have a management decision, SSA agreed with 252.		

Goal 1.2	<i>Through FY 2005, achieve a 5-year average implementation rate of 85 percent for accepted recommendations aimed at improving the integrity, efficiency and effectiveness of SSA.</i>	<b><u>FY 2004 Result</u></b> 88 Percent
<p>This measure is calculated by dividing the total number of accepted recommendations implemented by SSA during the past 5 FYs by the total number of recommendations SSA agreed to implement during the past 5 FYs.</p> <p>Since SSA needs sufficient time to implement the recommendations it has agreed to, there is a 1-year lag in this calculation. Thus, for FY 2004 we are reporting the 5-year period covering FYs 1999 through 2003. Our average implementation rate for accepted audit recommendations was 88 percent, exceeding our 85 percent goal. During this period, Social Security implemented 1,065 of 1,217 recommendations.</p>		

## Goal 2 - QUALITY

*Provide OIG products and services of quality and value to Congress, SSA, and other key decisionmakers.*

Strategies used to attain this goal include:

- (1) Implement a product and service quality assessment instrument.
- (2) Develop and implement procedures and a tracking system to review and analyze internal and external feedback to maintain a focus on continuous improvement of OIG products and services.
- (3) Communicate OIG-wide best practices and lessons learned.

Goal 2.1	<i>Achieve a positive internal and external user assessment rating of 80 percent for product-service quality.</i>	<b><u>FY 2004 Result</u></b> 89 Percent
<p>This measure is calculated by using a five-tier rating scale measuring the strength of agreement with six statements about OIG product-service quality. Specifically, during our Quality Assurance Review (QAR) process, we translate these responses into a percentage with 80 percent indicating satisfaction.</p> <p>For FY 2004, our user assessment rating of 89 percent exceeded our goal of 80 percent. However, during FY 2004, we developed a new quality assessment instrument to measure internal/external user satisfaction due to the low response rate we received with one previous survey instrument used during FY 2003. Due to its recent implementation, the 89 percent result is based on limited responses we received during our first test of this new instrument.</p>		

### Goal 3 - TIMELINESS

***Ensure OIG products and services are issued in time to meet the needs of Congress, SSA, key decisionmakers, and other end users.***

Strategies used to attain this goal include:

- (1) Identify administrative and operational barriers to timely delivery of OIG products and services.
- (2) Identify and adopt best practices to aid the timeliness of OIG products and services.
- (3) Identify and use Information Technology investments to expedite OIG work products and service delivery.
- (4) Use mid-point or other early warning reports to encourage swift action on sensitive and politically controversial issues.

Goal 3.1	<i>Evaluate and respond to all allegations received within 30 days through FY 2005.</i>	<i>FY 2004 Result</i> 26 Days
----------	---	----------------------------------

This measure is calculated by dividing the total number of response days for all allegations during the FY by the total number of allegations closed during the FY. Response days are the elapsed days from receipt of an allegation to the date it is declined, referred to an appropriate authority or an investigation is opened.

The average response time for allegations for FY 2004 was 26 days. For FY 2004, we revised the calculation method. The new calculation is based on allegations *closed* during the FY as opposed to FY 2003's calculation based on allegations *received*. We feel the revised calculation more accurately reflects the response time for allegations to which we responded.

Goal 3.2	<i>Complete investigative field work for 80 percent of cases within 180 days through FY 2005.</i>	<i>FY 2004 Result</i> 69 Percent
----------	---	-------------------------------------

This measure is calculated by dividing the total number of investigations closed or referred for judicial/SSA action during the FY where fieldwork was completed in less than 180 days by the total investigations closed during the FY.

For FY 2004, we completed investigative field work for 69 percent of all cases within 180 days. While our performance falls short of the target goal of 80 percent, our case processing times have been improving annually with more than a 9 percent improvement over the FY 2003 rate. We believe that closing 80 percent of investigative cases within 180

days is an aggressive target, but we are hopeful that advances in technology and work-process refinements will enable us to meet our target by FY 2005.

<b>Goal 3.3</b>	<b><i>Respond to congressional requests within an average of 30 days through FY 2005.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>11 Days</i></b>
-----------------	---	---

This measure is calculated by dividing the total processing days for all congressional requests received during the FY by the total number of congressional requests received during the FY. Processing days are the days elapsed from receipt of a congressional request to the date of a final response.

For FY 2004, we received 87 congressional requests and our average processing time was 11 days. This is a substantial improvement compared to FY 2003's average of 23 days.

<b>Revised Goal 3.4</b>	<b><i>Take Action on 80 percent of Civil Monetary Penalty (CMP) subjects within 30 days of receipt by FY 2005.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>59 Percent</i></b>
-------------------------	--	--

For FY 2004, we revised this goal. This measure is calculated by dividing the total number of CMP subjects against whom action was taken within 30 days of receipt during the FY by the total number of CMP subjects where action was taken during the FY.

For FY 2004, we have taken action on 59 percent of CMP subjects within 30 days. Although we are below our FY 2005 target goal of 80 percent, FY 2004's performance represents more than a 25 percent increase compared to FY 2003's performance. This is partly due to reduced CMP processing times by performing more detailed initial screening of potential cases. This process has been effective in moving us closer to reaching our performance goal of 80 percent by FY 2005. We are examining this work process for enhancements and innovations to further reduce case evaluation and processing times.

<b>Goal 3.5</b>	<b><i>Issue 70 percent of final audit reports within 1 year of the entrance conference with SSA.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>70 Percent</i></b>
-----------------	--	--

This measure is calculated by dividing the total number of audit reports issued during the FY within 1 year of the entrance conference by the total number of audit reports issued during the FY.

For FY 2004, we issued 70 percent of our final audit reports within 1 year of their entrance conference meeting our target goal of 70 percent. Furthermore, the average report took only 275 days from start to issue. We understand that timely issuance of our audit work products promotes more timely corrective actions and with the implementation of automated working papers this past fiscal year, we are confident that less time will be spent on processing reports and help us achieve our goal.

<b>Goal 3.6</b>	<b><i>Issue 95 percent of OIG products in time to meet the needs of Congress, SSA and other key decisionmakers.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>100 Percent</i></b>
This measure is calculated by using a five-tier rating scale measuring the strength of agreement about the timeliness of OIG products. Specifically, during our Quality Assurance Review (QAR) process, we translate these responses into a percentage with 95 percent indicating satisfaction.  For FY 2004, our user assessment rating of 100 percent exceeded our goal of 95 percent. However, during FY 2004, we developed a new quality assessment instrument to measure internal/external user satisfaction due to the low response rate we received with one previous survey instrument used during FY 2003. Due to its recent implementation, the 100 percent result is based on limited responses we received during our first test of this new instrument.		

<b>Goal 4 - VALUE</b>
<b><i>To sustain a positive return-result for each tax dollar invested in OIG activities.</i></b>

Strategies used to attain this goal include:

- (1) Maintain a positive-return culture in OIG.
- (2) Provide OIG components with training and tools necessary to ensure that analytical methods for determining returns-results are consistent and appropriate.
- (3) Prioritize high impact investigations, audits, and counsel actions to ensure an appropriate focus on more efficient and economic SSA programs and operations.
- (4) Maintain an awareness of, and address, both national security and public safety issues during the course of detecting and preventing fraud, waste and abuse.

<b>Revised Goal 4.1</b>	<b><i>Generate an annual positive return on investment.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>\$25 to \$1</i></b>
This measure is calculated by dividing the total amount of all OIG loss prevention-related savings identified during the FY by the total amount of appropriated funds during the same period.  For FY 2004, we revised this goal. For FY 2004, we returned \$25 for every dollar invested. FY 2004 appropriated funds were \$87.7 million and the total loss prevention-related savings from our audit, investigative and legal activities were \$2.2 billion.		

Goal 4.2	<i>Increase the number of total judicial outcomes by at least 30 percent by FY 2005.</i>	<i><b>FY 2004 Result</b></i> <b>38 Percent</b>
<p>This measure is calculated by dividing the incremental increase in convictions and other judicial outcomes (excluding fugitive felon apprehensions) as reported in OIG's semiannual reports by the level of judicial outcomes (excluding fugitive felon apprehensions) taken in the base year (2002).</p> <p>For FY 2004, we revised this calculation. For FY 2004, we processed 2,753 judicial actions and investigations, which represent a 38 percent increase over the 2,003 judicial actions processed in the base year. During FY 2004, we discontinued counting fugitive felon apprehensions as a category of judicial outcomes. Therefore, we adjusted the base year to exclude fugitive felons as a defined judicial outcome.</p>		

## Goal 5 - PEOPLE

*Promote/Ensure a skilled, motivated, diverse workforce in a positive and rewarding work environment.*

Strategies used to attain this goal include:

- (1) Identify underrepresented professional, technical, and managerial skills at headquarters and field locations.
- (2) Identify assignment interests and developmental needs of all employees.
- (3) Prioritize resources to address underrepresented skills, employee interests, and developmental needs.
- (4) Prepare a comprehensive management development program that includes: succession planning, desired core competencies, and both technical and managerial skills for specific targeted positions.
- (5) Develop a proactive approach in recruiting and hiring candidates to meet different needs.
- (6) Pilot test, refine, and implement the proposed Organizational Health Assessment Instrument.
- (7) Be sensitive to and target underrepresented minority groups both internally and externally in recruiting, hiring, and staff development.

<b>Goal 5.1</b>	<b><i>By FY 2005, achieve an 80 percent retention rate for newly hired employees.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>81 Percent</i></b>
-----------------	---	--

This measure is calculated by dividing the total number of employees hired 5 years ago who are still with the OIG through the current reporting period, by the total number of employees hired 5 years ago.

For FY 2004, our retention rate for employees hired during FY 2000 was 81 percent.

<b>Goal 5.2</b>	<b><i>By FY 2005, achieve an 80 percent positive organizational health assessment rate.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>92 Percent</i></b>
-----------------	---	--

This measure is calculated by dividing the total organizational health factors receiving a positive rating by all OIG employees by the total number of organizational health factors rated by employees.

We ask employees to complete an annual online survey in which they respond to a series of questions relating to the quality of their OIG work experience. For FY 2004, our organization's health assessment rate is 92 percent, exceeding our 80 percent goal.

Our survey requests positive or negative responses to the following five statements and asks the respondents if they consider these needs important to job satisfaction.

- I see a clear link between my job and the OIG mission.
- I have a rewarding and fulfilling job.
- I have the tools and skills needed to do my job.
- I am treated with respect and trust.
- My supervisor is supportive and responsive to my needs.

<b>Goal 5.3</b>	<b><i>Ensure that 90 percent of OIG staff receives at least 40 hours annually of appropriate developmental training.</i></b>	<b><i>FY 2004 Result</i></b> <b><i>81 Percent</i></b>
-----------------	--	--

This measure is calculated by dividing the total number of OIG staff receiving at least 40 hours of developmental training during the FY by the OIG Full-Time Equivalents (FTE) for the FY.

For FY 2004, 81 percent of OIG staff received at least 40 hours of appropriate developmental training. While this is short of our target, we did realize an increase of training for our employees during FY 2004. Moreover, for FY 2004, OIG averaged more than 84 hours of training per FTE. This training-hours per FTE evidences our commitment to having a well-trained workforce. Nevertheless, we are taking a number of actions to improve our performance for this goal.

The Career Leadership Development Plan program, implemented in FY 2004, assists

employees and managers in defining a developmental work experience and training program to support career development goals. In an effort to provide additional training opportunities, we awarded a Blanket Purchase Agreement for Microsoft training that can be taken at locations throughout the country at a time convenient for employees. These and other planning efforts will help ensure that our staff receives adequate and appropriate training in accordance with our Strategic Plan.

Goal 5.4	<i>By FY 2005, improve the overall workforce diversity with an emphasis on underrepresented groups.</i>	<u>FY 2004 Result</u> 29.5 Percent
This measure is the difference in the OIG workforce profile from the beginning of the FY compared to the end of the FY. For FY 2004, our workforce diversity profile was 29.5 percent. This exceeds our target of 28 percent and demonstrates our commitment to recruit a more diverse work force. We are confident that the actions we have taken during this reporting period, coupled with our commitment, will enable us to maintain a diversified workforce.		