



U.S. Securities and
Exchange Commission

FISCAL YEAR 2024

congressional
budget justification
annual
performance plan

FISCAL YEAR 2022

annual
performance report

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ABOUT THIS REPORT

The Congressional Budget Justification (CBJ) is the annual presentation to Congress that justifies the U.S. Securities and Exchange Commission's (SEC) budget request. This report also includes the Annual Performance Plan (APP) for fiscal year (FY) 2024 and the Annual Performance Report (APR) for FY 2022, focusing on the agency's strategic goals and performance results. This report provides information that satisfies requirements contained in the following laws and regulations listed below:

- Federal Information Technology Acquisition Reform Act
- Good Accounting Obligation in Government Act
- Government Management Reform Act of 1994
- GPRA Modernization Act of 2010
- Inspector General Act of 1978, as amended
- Office of Management and Budget (OMB) Circular A-11, *Preparation, Submission, and Execution of the Budget*
- OMB Circular A-136, *Financial Reporting Requirements*
- Reports Consolidation Act of 2000

This report is compliant with Section 508 of the Rehabilitation Act (29 U.S.C. § 794 (d)). For a machine readable format of the tables found on pages 12-15, download the report and open the Attachments panel in Adobe Acrobat.

An electronic version of this document and its components is available at [SEC.gov/cj](https://sec.gov/cj). To comment on the SEC's FY 2024 CBJ and APP and FY 2022 APR, email OFM_budget_formulation@sec.gov.

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EXECUTIVE SUMMARY

On behalf of the U.S. Securities and Exchange Commission (SEC), I am pleased to submit the fiscal year (FY) 2024 budget request of \$2.436 billion. As the SEC's funding is deficit-neutral, any amount appropriated to the agency will be offset by transaction fees.

Our \$100 trillion capital markets touch most Americans' lives, whether they're saving for the future, borrowing for a mortgage, taking out an auto loan, or working for a company that raises money to fund growth or innovation. Our markets are the largest and most innovative in the world, representing about 40 percent of the global markets, exceeding our 24 percent share of the world's gross domestic product.¹

The SEC's mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. I believe the core principles of U.S. securities markets regulation have contributed to America's economic success and geopolitical standing around the globe.

That is why it is critical to ensure that the SEC is adequately funded and staffed to oversee our capital markets on behalf of American workers, investors, and families. That is why it is critical that our staff drives efficiencies in our capital markets and modernizes our rulesets, in a manner consistent with our Congressional authority, for today's markets and technologies.

From FY 2016 to FY 2020, the SEC shrank by three percent. This occurred as the size, scale, and complexity of our capital markets grew—and with it, the demands on our talented staff. With the help of Congress, by the end of FY 2023, the SEC will have returned to slightly above (by three percent) our staffing levels in FY 2016. It will take more, however, than the resource levels of the mid-2010s to face the market challenges of the mid-2020s.

Our FY 2024 request in support of nearly 5,475 positions, a three percent increase compared with FY 2023, would allow us to better meet the challenges.

¹ See Securities Industry and Financial Markets Association, "2022 SIFMA Capital Markets Fact Book" (July 2022), available at [SIFMA.org/wp-content/uploads/2022/07/CM-Fact-Book-2022-SIFMA.pdf](https://www.sifma.org/wp-content/uploads/2022/07/CM-Fact-Book-2022-SIFMA.pdf).

Currently, the SEC does a lot with limited resources. Our markets have had incredible growth across the last five years, and even more Americans are participating in the markets.

Just looking at the asset management field, the number of participants and registrants have grown significantly. The number of clients to registered investment advisers (RIAs) has grown 60 percent to 53 million, up from just from 34 million in 2017. The number of RIAs has grown 22 percent to 15,300, up from 12,500 in 2017. Looking at the private funds area, since 2017, the number of funds has increased 50 percent to approximately 50,000. The assets managed by private fund managers, now at \$25 trillion in gross assets,² surpasses the size of the entire U.S. commercial banking sector of approximately \$23 trillion.³

Further, over the last five years, we have seen a substantial increase in the crypto markets, where investors are putting their hard-earned assets at risk in a highly speculative asset class. Today, investors in these markets lack fundamental disclosures—about crypto assets themselves, and about the firms who execute their trades and custody their assets. While we work to ensure that issuers, intermediaries, and tokens properly come into compliance, we will not hesitate to use every tool in our toolbox to root out noncompliance such as through investigations and enforcement actions.

Overall, based upon the most recent data, we oversee more than 30,000 registered entities, approximately 16,000 registered funds, more than 15,300 investment advisers, more than 3,500 broker-dealers, 24 national securities exchanges, 101 alternative trading systems, 10 credit rating agencies, 33 self-regulatory organizations, and 7 active registered clearing agencies, among other external entities.

² Staff estimate that this figure includes approximately \$2 trillion of overlap between RIAs and exempt reporting advisers.

³ See Board of Governors of the Federal Reserve System, "Assets and Liabilities of Commercial Banks in the United States," *available at* [federalreserve.gov/releases/h8/current/default.htm](https://www.federalreserve.gov/releases/h8/current/default.htm). Total assets of approximately \$22.9 trillion as of March 3, 2023 (Table 2, Line 33).

We oversee the Public Company Accounting Oversight Board (PCAOB), the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB), the Securities Investor Protection Corporation (SIPC), and the Financial Accounting Standards Board (FASB).

We look after the accounting and auditing functions of the public markets, process thousands of periodic filings and registration statements, and work through thousands of examinations and enforcement actions each year.

We review the disclosures and financial statements of more than 8,700 reporting companies. We engage and interact with the investing public on a daily basis through a number of activities ranging from our investor education programs to alerts on [SEC.gov](https://www.sec.gov).

We provide critical market information through the agency's information technology (IT) systems such as the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

This is to say that the dedicated public servants of the SEC tackle a broad, deep, and impressive array of projects. We do so in a complex and ever-growing marketplace, which this FY 2024 request would allow us to continue to oversee with skill.

Through these resources, we at the SEC will advance our mission on behalf of our clients: the American public.

A handwritten signature in blue ink, appearing to read 'GG-1', with a horizontal line underneath.

GARY GENSLER
Chair
March 13, 2023

ABOUT US

Our Mission

To protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation.

Our Vision

To promote capital markets that inspire public confidence and provide a diverse array of financial opportunities to retail and institutional investors, entrepreneurs, public companies and other market participants.

Our Values

▶ INTEGRITY

We inspire public confidence and trust by adhering to the highest ethical standards.

▶ EXCELLENCE

We are committed to excellence in pursuit of our mission on behalf of the American public.

▶ ACCOUNTABILITY

We embrace our responsibilities and hold ourselves accountable to the American public.

▶ TEAMWORK

We recognize that success depends on a skilled, diverse, coordinated team committed to the highest standards of trust, hard work, cooperation, and communication.

▶ FAIRNESS

We treat investors, market participants, and others fairly and in accordance with the law.

▶ EFFECTIVENESS

We strive for innovative, flexible, and pragmatic regulatory approaches that achieve our goals and recognize the ever-changing nature of our capital markets.



STRATEGIC GOAL 1
Protect the investing public against fraud, manipulation, and misconduct

Strategic Initiative 1.1: Pursue enforcement and examination initiatives focused on identifying and addressing risks and misconduct that affects individual investors.

Strategic Initiative 1.2: Enhance the use of market and industry data, particularly to prevent, detect, and enforce against improper behavior.

Strategic Initiative 1.3: Modernize design, delivery, and content of disclosures so investors, including in particular retail investors, can access consistent, comparable, and material information to make informed investment decisions.



STRATEGIC GOAL 2
Develop and implement a robust regulatory framework that keeps pace with evolving markets, business models, and technologies

Strategic Initiative 2.1: Update existing SEC rules and approaches to reflect evolving technologies, business models, and capital markets.

Strategic Initiative 2.2: Examine strategies to address systemic and infrastructure risks faced by our capital markets and our market participants.

Strategic Initiative 2.3: Recognize significant developments and trends in our evolving capital markets and adjust our activities accordingly.



STRATEGIC GOAL 3
Support a skilled workforce that is diverse, equitable, and inclusive and is fully equipped to advance agency objectives

Strategic Initiative 3.1: Focus on the workforce to increase capabilities, leverage shared commitment to investors, and promote diversity, equity, inclusion, accessibility, and equality of opportunity.

Strategic Initiative 3.2: Promote collaboration within and across SEC offices, including through rotation and detail programs, and maximize telework opportunities.

Strategic Initiative 3.3: Enhance the agency's internal control and risk management capabilities, including by the development of a robust and resilient program for dealing with threats to the security, integrity, and availability of the SEC's systems and sensitive data.

Strategic Initiative 3.4: Modernize the SEC's technology to enable the mission in a cost-effective, secure, and resilient manner.

HISTORY AND PURPOSE

History

During the peak of the Great Depression, Congress passed the Securities Act of 1933¹ (Securities Act) and the Securities Exchange Act of 1934² (Securities Exchange Act), which established the SEC. These laws were designed to regulate the financial markets and restore investor confidence in U.S. capital markets by providing investors and the markets with reliable information and clear rules to ensure honest dealings. The main purpose of these laws was to ensure the following:

- Companies that publicly offer securities for investment dollars are forthcoming and transparent about their businesses, the securities they are selling, and the risks involved with investing; and
- People who sell and trade securities—brokers, dealers, and exchanges—treat investors fairly and honestly.

Purpose

The SEC is responsible for overseeing the nation’s securities markets and certain primary participants, including broker-dealers, investment companies, investment advisers, clearing agencies, transfer agents, credit rating agencies, and securities exchanges, as well as organizations such as FINRA, MSRB, and PCAOB. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010³ (Dodd-Frank Act), the agency’s jurisdiction was expanded to include certain participants in the derivatives markets, private fund advisers, and municipal advisors.

Each year, the SEC brings hundreds of civil enforcement actions against individuals and companies for violation of securities laws. Examples of infractions are insider trading, accounting fraud, market manipulation, and providing false or misleading information about securities and/or the issuing companies.

To help investors stay informed, the SEC offers the public a wealth of educational information on its website at [Investor.gov](https://www.investor.gov), as well as through an online database of disclosure documents that public companies and other market participants are required to file with the SEC. These can be found at: [SEC.gov/edgar/search/](https://www.sec.gov/edgar/search/).

¹ More information about the Securities Act of 1933 can be found at [SEC.gov/about/laws/sa33.pdf](https://www.sec.gov/about/laws/sa33.pdf).

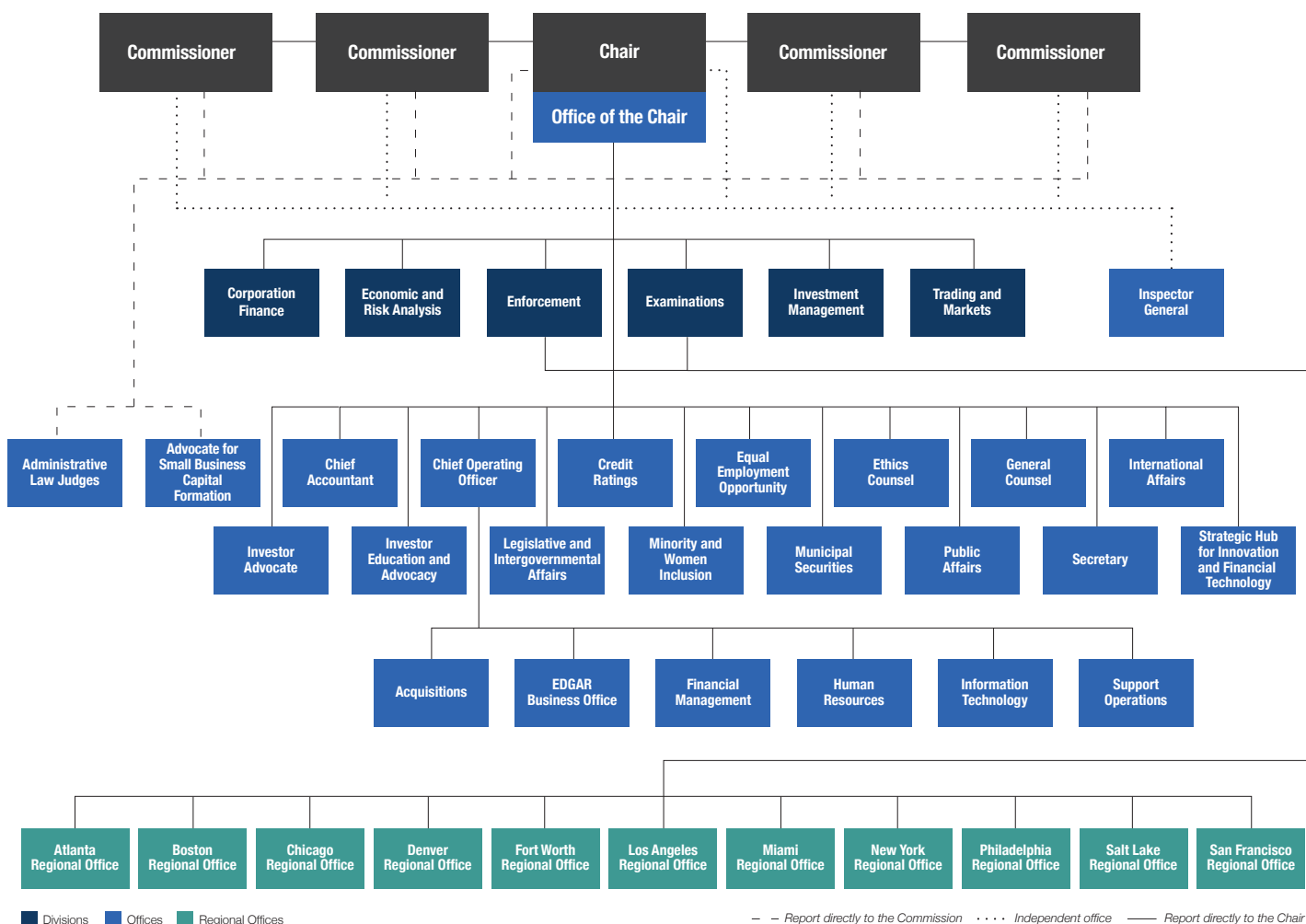
² More information about the Securities Exchange Act of 1934 can be found at [SEC.gov/about/laws/sea34.pdf](https://www.sec.gov/about/laws/sea34.pdf).

³ More information about the Dodd-Frank Act can be found at [SEC.gov/about/laws/wallstreetreform-cpa.pdf](https://www.sec.gov/about/laws/wallstreetreform-cpa.pdf).

ORGANIZATIONAL STRUCTURE AND RESOURCES

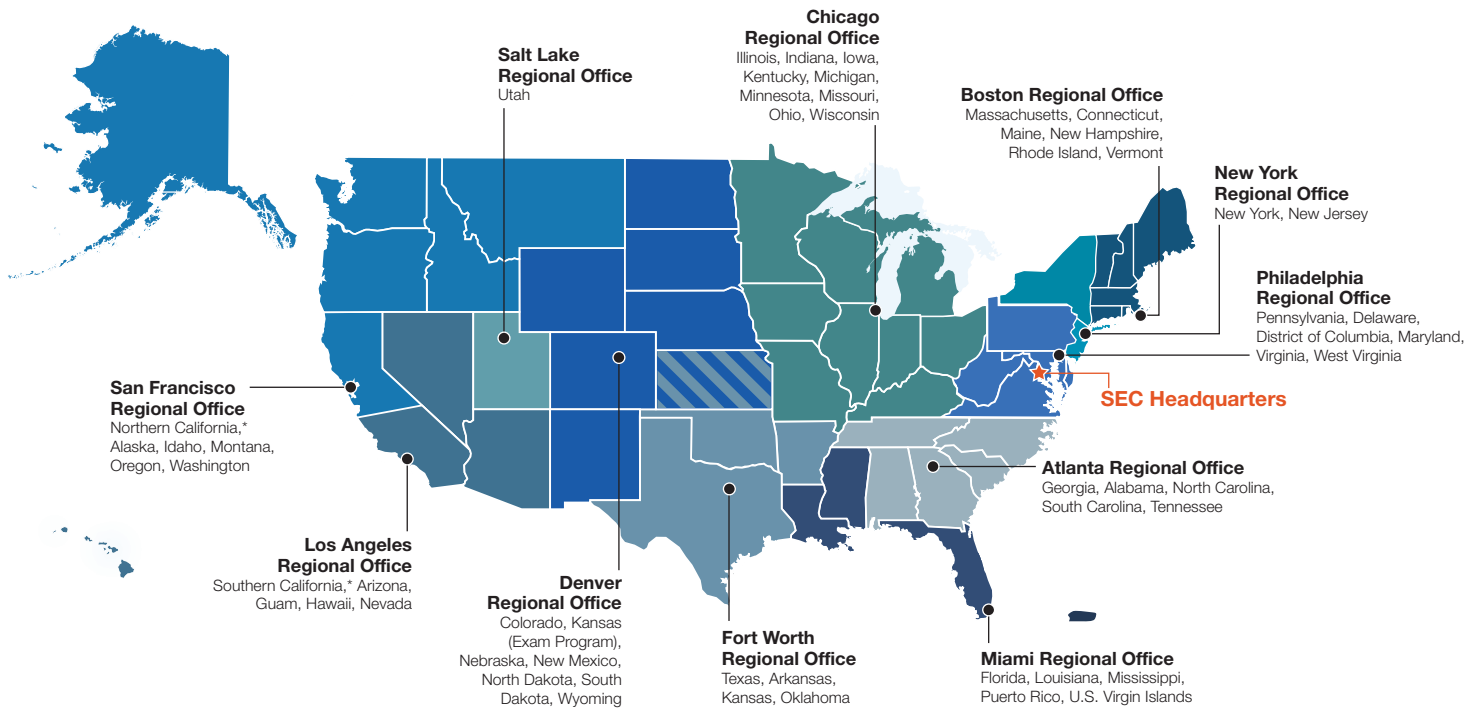
The SEC is an independent federal agency, established pursuant to the Securities Exchange Act of 1934, headed by a bipartisan, five-member Commission. The Commissioners are appointed by the President and confirmed by the Senate. The President designates one of the Commissioners as the Chair. The five Commission members act jointly to set and enforce the rules that govern the securities markets and its participants. The Chair is responsible for overseeing the executive and administrative functions of the agency and its more than 4,500 staff members.

The organization chart below is accurate as of March 2023.



Office Locations

The SEC's headquarters are in Washington, DC, and the agency has 11 regional offices located throughout the country. The regional offices are responsible for investigating and litigating potential violations of the securities laws. The regional offices also have enforcement and examination staff to inspect regulated entities such as investment advisers, investment companies, and broker-dealers. The following graphic illustrates the locations of, and specific areas within, each of the regional offices.



* Northern California includes ZIP codes 93600 and above, and 93200–93299
 Southern California includes ZIP codes 93599 and below, except 93200–93299

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POSITIONS AND FULL-TIME EQUIVALENTS (FTE) BY PROGRAM

	FY 2022 Actual		FY 2023 Enacted		FY 2024 Request	
	Positions	FTE	Positions	FTE	Positions	FTE
Enforcement	1,412	1,311	1,508	1,325	1,558	1,434
Examinations	1,136	1,051	1,216	1,061	1,236	1,144
Corporation Finance	443	395	475	404	483	454
Trading and Markets	301	262	321	271	328	309
Investment Management	230	205	249	209	262	238
Economic and Risk Analysis	172	146	207	161	219	198
General Counsel	163	143	174	148	179	166
Other Program Offices						
Chief Accountant	51	42	53	45	55	51
Investor Education and Advocacy	44	44	45	43	47	43
International Affairs	57	50	62	50	66	57
Administrative Law Judges	12	8	12	7	12	12
Investor Advocate	17	13	17	14	18	17
Credit Ratings	46	40	48	42	48	47
Municipal Securities	11	8	11	8	12	12
Advocate for Small Business Capital Formation	12	9	12	11	13	12
Strategic Hub for Innovation and Financial Technology	8	6	8	6	9	6
Subtotal	258	220	268	226	280	257
Agency Direction and Administrative Support						
Executive Staff	34	27	34	29	34	32
Public Affairs	26	24	26	25	29	27
Secretary	26	23	26	23	26	23
Chief Operating Officer	40	34	45	42	48	45
Financial Management	89	85	89	85	89	86
Information Technology	220	205	234	213	262	238
Human Resources	122	108	123	112	125	116
Acquisitions	57	56	59	56	60	56
Support Operations	94	86	94	90	94	91
EDGAR Business Office	35	33	40	33	42	38
Ethics Counsel	21	18	22	20	23	20
Minority and Women Inclusion	14	11	16	13	17	16
Equal Employment Opportunity	14	11	16	12	17	15
Subtotal	792	721	824	753	866	803
Inspector General	58	51	61	51	62	58
Subtotal Positions and FTE	4,965	4,505	5,303	4,609	5,473	5,061
SEC Scholars (Temporary FTE)	—	42	—	76	—	78
TOTAL Positions and FTE	4,965	4,547	5,303	4,685	5,473	5,139

OBLIGATIONS BY OBJECT CLASS

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual ¹	FY 2023 Enacted	FY 2024 Request
Personnel Compensation and Benefits			
Personnel Compensation (11.0)	\$ 969,101	\$ 1,025,824	\$ 1,192,563
Personnel Benefits (12.0)	363,108	394,549	469,712
Subtotal, Cost of Compensation and Benefits	\$ 1,332,209	\$ 1,420,373	\$ 1,662,275
Other Expenses			
Benefits for Former Personnel (13.0)	(23)	50	51
Travel and Transportation of Persons (21.0)	1,631	9,135	9,882
Transportation of Things (22.0)	94	265	271
Rent, Communications, and Utilities (23.0)	143,939	110,331	121,385
Printing and Reproduction (24.0)	3,241	7,251	7,622
Other Contractual Services (25.0)	508,514	577,889	600,167
Supplies and Materials (26.0)	878	1,120	1,234
Equipment (31.0)	33,404	59,952	56,669
Land and Structures (32.0)	213	2,546	358
Insurance Claims and Indemnities (42.0)	309	904	915
Subtotal, Cost of Other Expenses	692,201	769,442	798,555
Total, Obligations	\$ 2,024,410	\$ 2,189,815	\$ 2,460,830
Less: Anticipated Carryover of Prior Year Unobligated Balances		(15,815)	
Less: Anticipated Recoveries of Prior Year Obligations		(25,000)	(25,000)
Request for SEC Operations	\$ 2,024,410	\$ 2,149,000	\$ 2,435,830
Fort Worth Regional Office Move-Related Costs	1,470		
Headquarters Move-Related Costs		57,405	25,243
San Francisco Regional Office Move-Related Costs	286	3,365	
Atlanta Regional Office Potential Buildout and Move-Related Costs			14,415

¹ Obligations reported here differ from those shown in the President's Budget Appendix because they include activity only in the stated fiscal year.

STRATEGIC GOAL AND PROGRAM

(DOLLARS IN THOUSANDS)

SEC Program	FY 2022 Actual ¹	FY 2023 Enacted	FY 2024 Request			
			Goal 1 Investors	Goal 2 Innovation	Goal 3 Performance	FY 2024 Request
Enforcement	\$ 644,719	\$ 683,264	\$ 700,574	\$ 22,845	\$ 38,075	\$ 761,493
Examinations	464,068	497,553	487,932	38,813	27,723	554,468
Corporation Finance	176,943	187,007	139,969	59,381	12,724	212,074
Trading and Markets	114,939	124,660	7,175	107,627	28,700	143,502
Investment Management	89,574	95,987	50,193	53,539	7,808	111,540
Economic and Risk Analysis	70,257	83,141	21,212	66,527	8,677	96,416
General Counsel	63,000	68,637	30,323	23,326	24,103	77,752
Other Program Offices	102,219	110,614	52,850	54,510	19,332	126,692
Agency Direction and Administrative Support	276,459	314,692	21,309	23,006	304,427	348,742
Inspector General	22,231	24,261	11,260	8,445	8,445	28,150
Total, Obligations	\$ 2,024,410	\$ 2,189,815	\$ 1,522,796	\$ 458,018	\$ 480,016	\$ 2,460,830
Less: Anticipated Carryover of Prior Year Unobligated Balances		(15,815)				
Less: Anticipated Recoveries of Prior Year Obligations		(25,000)				(25,000)
Request for SEC Operations		\$ 2,149,000				\$ 2,435,830
Fort Worth Regional Office Move-Related Costs	1,470					
Headquarters Move-Related Costs		57,405				25,243
San Francisco Regional Office Move-Related Costs	286	3,365				
Atlanta Regional Office Potential Buildout and Move-Related Costs						14,415

¹ Obligations reported here differ from those shown in the President's Budget Appendix because they include activity only in the stated fiscal year.

REQUEST SUMMARY OF CHANGES

<i>(DOLLARS IN THOUSANDS)</i>	Positions	FTE	Amount
FY 2023 Enacted	5,303	4,609	\$ 2,189,815
FY 2024 Base Changes			
Annualization of Prior Year Staffing Actions		409	132,994
Other Compensation Adjustments			95,439
Net Changes in Non-Compensation Costs			(28,491)
Subtotal, Base Changes	—	409	\$ 199,942
FY 2024 Current Services Level	5,303	5,018	\$ 2,389,757
FY 2024 Program Increases			
Addition of 170 Positions (43 FTE):			
Enforcement	50	13	
Examinations	20	5	
Corporation Finance	8	2	
Trading and Markets	7	2	
Investment Management	13	3	
Economic and Risk Analysis	12	3	
General Counsel	5	1	
Other Program Offices	12	3	
Agency Direction and Administrative Support	42	11	
Inspector General	1	—	
Subtotal, Staffing Increases	170	43	\$ 16,073
Increase for Technology			\$ 55,000
Subtotal, Program Increases	170	43	\$ 71,073
FY 2024 Operational Budget Request	5,473	5,061	\$ 2,460,830
Less: Anticipated Carryover of Prior Year Unobligated Balances			
Less: Anticipated Recoveries of Prior Year Obligations			(25,000)
FY 2024 Request for SEC Operations	5,473	5,061	\$ 2,435,830
Headquarters Move-Related Costs			25,243
Atlanta Regional Office Potential Buildout and Move-Related Costs			14,415

FY 2024 Appropriations Language

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, and not to exceed \$3,500 for official reception and representation expenses, \$2,435,830,000, to remain available until expended; of which not less than \$20,050,000 shall be for the Office of Inspector General; of which not to exceed \$275,000 shall be available for a permanent secretariat for the International Organization of Securities Commissions; and of which not to exceed \$100,000 shall be available for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations and staffs to exchange views concerning securities matters, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance including: (1) incidental expenses such as meals; (2) travel and transportation; and (3) related lodging or subsistence.

In addition to the foregoing appropriation, for move, replication, and related costs associated with replacement leases for the Commission's office facilities, not to exceed \$39,658,000, to remain available until expended: *Provided*, That any unobligated balances from funds made available under this heading in prior Acts for replacement leases for the Commission's headquarters and other regional office facilities may be used for such purposes at any Commission office facility, notwithstanding provisos in such Acts limiting use to particular office facilities, and notwithstanding provisos in such Acts requiring that de-obligated amounts derived from the general fund be returned to the general fund or that de-obligated amounts derived from fees or assessments be paid to national securities exchanges and national securities associations in proportion to any fees or assessments paid by such national securities exchange or national securities association.

For purposes of calculating the fee rate under section 31(j) of the Securities Exchange Act of 1934 (15 U.S.C. 78ee(j)) for fiscal year 2024, all amounts appropriated under this heading shall be deemed to be the regular appropriation to the Commission for fiscal year 2024: *Provided*, That fees and charges authorized by section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) shall be credited to this account as offsetting collections: *Provided further*, That not to exceed \$2,435,830,000 of such offsetting collections shall be available until expended for necessary expenses of this account and not to exceed \$39,658,000 of such offsetting collections shall be available until expended for move, replication, and related costs under this heading associated with replacement leases for the Commission's office facilities: *Provided further*, That the total amount appropriated under this heading from the general fund for fiscal year 2024 shall be reduced as such offsetting fees are received so as to result in a final total fiscal year 2024 appropriation from the general fund estimated at not more than \$0.

FY 2024 Budget Request by Program

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DIVISION OF ENFORCEMENT

The Division of Enforcement (ENF) is critical to the Commission’s ability to fulfill its three-part mission: protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. ENF’s efforts to uncover misconduct and deter and punish securities law violators are critical to safeguarding millions of investors and instilling confidence in the integrity of the U.S. markets. Each year, on the basis of ENF investigations and recommendations, the Commission brings hundreds of civil and administrative enforcement actions against individuals and entities for fraud, financial and accounting irregularities and misstatements, misconduct by investment professionals and regulated entities, and other violations. The Commission also pursues enforcement actions against wrongdoers in new and emerging areas. The meaningful remedies that the Commission obtains through enforcement actions deter future wrongdoing and, when possible, deprive violators of the fruits of their misconduct. The Commission often seeks to return funds obtained in enforcement actions to harmed investors. ENF also seeks bars and suspensions that prevent wrongdoers from working in the securities industry or being officers and directors of public companies.

ENF is focused on bringing meaningful cases that cover the entire securities waterfront, protect investors in new and emerging areas, hold wrongdoers accountable with meaningful remedies that shape market behavior, and bolster the public’s trust in the financial markets. ENF focuses on addressing (1) misconduct targeting investors; (2) risks posed by cyber-related misconduct and related failures regarding technological controls; (3) the activities of investment advisers, broker-dealers, and other registrants; (4) financial reporting and disclosure issues involving public companies, their executives, and their auditors; (5) misconduct by gatekeepers; and (6) insider trading and other abusive market practices. Although these areas are priorities, ENF also continues to pursue potential violations of securities laws in other areas as it seeks to protect investors and the integrity of the market.

FY 2022 was a successful year for ENF. The Commission, acting on recommendations by ENF, brought a broad mix of enforcement actions that addressed a wide variety of misconduct across the spectrum of the securities markets, charged a number of “first-of-their-kind” cases, and took significant action to protect investors in new and emerging areas, including cases charging misconduct involving cyber issues and crypto securities.

FY 2024 Request

For FY 2024, ENF requests 50 additional positions. These positions will enhance ENF’s ability to timely pursue the wide variety of misconduct within the SEC’s remit, including misconduct involving new and emerging issues such as crypto assets, cybersecurity, and other priority areas. ENF also requires additional resources to ensure that it has an adequate number of trial attorneys to staff the increasing number of litigated cases. The additional positions will also help augment resources in market surveillance, the Office of the Whistleblower, and operations support.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	1,311	1,325	1,434
Cost:			
Salaries and Benefits	\$ 397,571	\$ 414,092	\$ 481,054
Non-Personnel Expenses	247,148	269,172	280,439
Total Costs	\$ 644,719	\$ 683,264	\$ 761,493

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Intelligence Analysis			
Investor Tips and Complaints	35,899	39,000	42,500
Matters Under Inquiry Opened	635	700	710
Investigations			
Opened	747	820	835
Ongoing at End of Year	1,368	1,505	1,530
Proceedings			
Administrative			
Opened	529	545	555
Pending at End of Year	1,315	1,355	1,380
Civil Litigation			
Opened	231	240	245
Pending at End of Year	2,060	2,120	2,165

DIVISION OF EXAMINATIONS

The Division of Examinations (EXAMS) maintains a critical presence among market participants by annually conducting thousands of exams that provide timely, accurate, and reliable information that assists the SEC in fulfilling its mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. The results of the division's examinations are used by the SEC to identify and monitor risks, improve industry practices, pursue misconduct, and inform rulemaking.

The division's risk-based program is designed to focus its limited resources on those firms, market participants, and practices that pose the greatest potential risk of securities law violations that can harm investors and the markets. At the beginning of FY 2024, EXAMS anticipates that over 1,000 exam staff will be responsible for overseeing the following:

- A rapidly growing investment management industry that includes more than 15,000 investment advisers with over \$125 trillion in assets under management and over 800 investment company complexes managing nearly 15,000 investment company portfolios. In just the last five years, the number of investment advisers has increased by more than 2,500 and the assets managed by these entities has increased by over \$50 trillion.
- More than 3,500 broker-dealers with over 150,000 branch offices. These broker-dealers, in addition to the investment advisers, are critical market participants interacting with working families on a daily basis.
- Several new registrant categories, including security-based swap dealers, security-based swap data repositories, and security-based swap execution facilities. These recently registered firms require additional expertise and staff resources.
- Key market participants responsible for critical market infrastructure, including 24 national securities exchanges, 350 transfer agents, 48 Regulation Systems Compliance and Integrity (SCI) entities, and at least 9 entities that provide clearing agency functions—including 4 that have been deemed systemically important.
- Additional registered entities that play important roles in the functioning of the U.S. capital markets, including more than 450 municipal advisors, funding portals, as well as the Public Company Accounting Oversight Board (PCAOB), the Municipal Securities Rulemaking Board (MSRB), the Securities Investor Protection Corporation (SIPC), and the Financial Industry Regulatory Authority (FINRA).

Further, the financial industry and marketplace continues to evolve and grow increasingly complex with technological advancements and commercial developments introducing a variety of new and sophisticated products, services, and tools. These developments and innovations often introduce new and/or heightened regulatory concerns and place additional demands on SEC resources. During FY 2024, EXAMS will focus efforts on evaluating and monitoring these rapidly evolving risk areas, including those associated with emerging technologies and cyber and information security. EXAMS will also continue to emphasize the protection of working families and everyday investors, including individuals saving for retirement. Staff will focus on key issues representing significant risk to retail investors, including the safety of client assets, conflicts of interest, and deceptive sales practices. Additionally, the division will place considerable attention on compliance with recently adopted rules, such as those related to standards of care (including Regulation Best Interest) and investment adviser marketing.

FY 2024 Request

For FY 2024, EXAMS requests 20 positions to focus on critical division priorities and further efforts to protect investors, including the investing public. The division remains significantly impacted by a rapidly evolving and growing industry and additional resources are necessary to help EXAMS address key risk areas. Most importantly, these additional resources will help to achieve the following:

- Strengthen the division's ability to address critical and evolving risks such as those associated with emerging technologies (e.g., crypto assets), cyber and information security, and the resiliency of critical market infrastructure.
- Address new regulatory responsibilities in the security-based swap market. EXAMS now has examination and monitoring responsibilities for several new categories of registrants, including security-based swap dealers, security-based swap data repositories, and security-based swap execution facilities.
- Further address the disparity between the number of exam staff and the growing number, size, and complexity of SEC-registered firms. The resources will focus on conducting examinations of key market participants interacting with a rapidly growing retail sector. This includes a continued emphasis on the population of investment advisers that has seen tremendous growth over the last several years (population increase over 20 percent in just the last five years).

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	1,051	1,061	1,144
Cost:			
Salaries and Benefits	\$ 309,660	\$ 326,295	\$ 375,685
Non-Personnel Expenses	154,408	171,258	178,783
Total Costs	\$ 464,068	\$ 497,553	\$ 554,468

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Investment Adviser Examinations	2,314	2,324	2,411
Investment Company Examinations (includes administrators)	115	120	125
Broker-Dealer Examinations	368	353	385
Transfer Agent Examinations	49	40	40
Municipal Advisor Examinations	51	45	45
Market Oversight Inspections ¹	189	195	199
Clearing Agency Examinations	28	24	25
Funding Portal Examinations	2	5	5
Security-Based Swap Entity Examinations	3	19	30

¹ Market Oversight Inspections primarily include inspections of FINRA and national securities exchanges.

DIVISION OF CORPORATION FINANCE

In support of the Commission's mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation, the Division of Corporation Finance (CF) seeks to ensure that investors have access to material information to make informed investment decisions when a company offers its securities to the public, and on an ongoing basis as companies continue to provide information to the marketplace. Through its selective review program, CF reviews company filings and provides comments to address possible material noncompliance with disclosure and accounting requirements under the federal securities laws and enhance investor protection. CF also makes recommendations to the Commission for new or revised rules and the elimination of duplicative or outdated rules relating to the disclosure requirements for reporting companies and exemptions from registration and provides interpretive advice to companies on SEC rules and forms.

Disclosure Review Program

Through the division's filing review process, CF reviews filings made under the Securities Act of 1933 and Securities Exchange Act of 1934 to both monitor and enhance compliance with disclosure and accounting requirements. CF focuses its review resources on disclosures that appear to be inconsistent with Commission rules or applicable accounting standards, or that appear to be materially deficient in their rationale or in clarity.

CF conducts its primary review responsibilities through eight specialized industry offices: Energy and Transportation; Finance; Industrial Applications and Services; Life Sciences; Manufacturing; Real Estate and Construction; Technology; and Trade and Services.

Rulemaking and Interpretive Advice

CF continues to assist the Commission with proposing and implementing rules to further investor protection, facilitate capital formation, and promote the fair and efficient function of the securities markets. As part of this effort, CF is proposing amendments to update disclosure requirements and continue the division's efforts to enhance efficient capital formation.

The division conducts its rulemaking and interpretive advice through the Office of Chief Accountant and the Legal and Regulatory Policy program, which includes the Office of Rulemaking, the Office of Small Business Policy, the Office of Chief Counsel, and the Office of Specialized Policy and Disclosure.

FY 2024 Request

For FY 2024, CF requests the following positions:

- Two attorney and accountant positions to support continued enhancements and innovations in the Disclosure Review program. In particular, the additional positions will allow the division to continue its rigorous examination of offering documents and periodic reports, elicit enhanced disclosures and other key metrics for investors on important and developing topics, and publish sample disclosures to underscore emerging risks that are likely to have a material impact on the business, results of operations, or financial condition of market participants.
- Four attorney positions to meet its goals and to enhance its ongoing efforts to protect investors and facilitate capital formation. The new positions will allow CF to better support and advance key rulemaking priorities being considered for recommendation including: climate-related disclosures, human capital disclosure, special purpose acquisition companies, and cybersecurity. The additional positions will increase the number of CF staff members dedicated to rulemaking and regulatory interpretations and compliance.
- Two data analysts to support training initiatives and improvements to infrastructure, data architecture, project management and other mission supporting innovations designed to support and improve efficiencies in the Disclosure Review program. By modernizing systems and processes, the Disclosure Review program will be able to quickly undertake projects designed to enhance CF's ability to efficiently deploy resources where they are needed, and support the SEC's IT and data initiatives. The positions are critical to the division's effort to support the agency's broader undertaking to initialize and integrate machine-learning and artificial intelligence-supporting technology, with the ultimate goal to innovate and develop usable tools for the staff that deploy predictive and information visualization models to create data analytics efficiencies, particularly in the rulemaking context, where the staff routinely receives significant and diffuse feedback from market participants during open comment periods.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	395	404	454
Cost:			
Salaries and Benefits	\$ 120,799	\$ 126,056	\$ 150,080
Non-Personnel Expenses	56,144	60,951	61,994
Total Costs	\$ 176,943	\$ 187,007	\$ 212,074

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Review			
Reporting Company Reviews ¹	3,000	3,100	3,100
Number of New Issuer Reviews			
IPO 1933 Act	715	715	715
New 1934 Act	120	120	120
Total Reviews	3,835	3,935	3,935
Rulemaking and Interpretive			
Rulemaking Actions	19	10	10
General Advice and Coordination			
No-Action Letters/Interpretive Requests	30	30	30
No-Action Letters (Shareholder Proposals)	260	260	260

¹ Due to the increase in initial public offerings and special purpose acquisition company merger transactions over the last couple of years, the number of reporting company reviews may similarly increase. CF will continue to fulfill the Sarbanes-Oxley Act's mandate to review the filings of all public reporting companies at least once every three years.

DIVISION OF TRADING AND MARKETS

The Division of Trading and Markets (TM) strives to fulfill the SEC's mission by establishing and maintaining standards for fair, orderly, and efficient markets while fostering investor protection and confidence in the markets. To meet the mission requirements, TM is divided into different offices, each of which has specific functions and is focused on a specific part of the markets. These include: (1) Broker-Dealer Finance/Risk; (2) Chief Counsel; (3) Clearance and Settlement; (4) Derivatives Policy and Trading Practices; and (5) Market Supervision. In addition, TM has two groups that serve in supporting functions: the Office of Analytics and Research and the Office of the Managing Executive.

TM supervises the self-regulatory organizations (SRO) and other major market participants in the U.S. securities markets which, as of September 2022, includes 24 national securities exchanges, 33 National Market System (NMS) stock alternative trading systems (ATS), 69 non-NMS stock ATSs, more than 3,500 broker-dealers, 7 registered clearing agencies, more than 400 transfer agents, the Financial Industry Regulatory Authority (FINRA), and various securities information processors.

FY 2024 Request

For FY 2024, TM requests seven positions. They include three attorney adviser positions to help advance the Commission's rulemaking agenda and provide additional oversight of rulemaking and interpretive inquiries; one financial analyst to continue with in-depth analysis of crypto data and other market monitoring functions; two attorney adviser positions to assist with alternative trading system filing review; and one attorney adviser to support Regulation Systems Compliance and Integrity (SCI) regime and other cyber-related rulemaking. These positions will strengthen TM's ability to meet its FY 2024 priorities to: (1) further rulemaking initiatives that cut across a diverse and disparate range of registrants; (2) implement recently adopted or planned rules; (3) conduct risk oversight of broker-dealers and clearing agencies; (4) focus on issues and trends specific to the systemically important clearance and settlement registrants; (5) review SRO rule filings, advance notices, and NMS plans; (6) support market monitoring and market responses activities; and (7) review internal rulemaking.

TM is tasked with helping to develop a number of the initiatives on the Commission's robust rulemaking agenda. For example, TM will dedicate significant resources to developing Treasury market policy reforms, including considering the Commission's 2022 proposals to introduce greater transparency and competition in the Treasury markets and bring certain Treasury trading platforms into the Commission's regulatory regime. In the equity markets, the division will aim to facilitate greater competition and efficiency, including by considering changes to tick sizes, reevaluating what is included in the National Best Bid and Offer, enhancing disclosure, or leveling competition between trading venues and wholesalers—which could increase transparency and competition.

In an effort to enhance market resiliency and market stability, TM will:

- work to implement the recently adopted T+1 rulemaking, which shortens the settlement cycle;
- further analyze the need for potential rulemaking related to conflicts of interest and digital engagement practices; and
- work toward completing other unfinished Dodd-Frank Act mandates with respect to short selling and securities lending.

In connection with any prospective rules, TM staff will also need to develop and provide additional interpretation and guidance.

The SEC actively engages with its counterparts at the U.S. Commodity Futures Trading Commission (CFTC) to find ways to further harmonize the agency’s respective rules with those of the CFTC, where appropriate, to increase effectiveness as well as reduce complexity and costs. The SEC remains committed to consulting and coordinating for the benefit of the respective agencies, as well as the markets and market participants it oversees. This includes developing recommendations on how the Commission can finalize mandates to stand up a security-based swaps execution facility regime consistent with the CFTC’s regime.

TM staff is also responsible for implementing the Commission’s recent efforts to address issues in the dissemination of, and access to, market data, including initiatives on enhancing transparency, infrastructure, and governance concerning market data distribution and market access.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	262	271	309
Cost:			
Salaries and Benefits	\$ 77,542	\$ 83,514	\$ 100,955
Non-Personnel Expenses	37,397	41,146	42,547
Total Costs	\$ 114,939	\$ 124,660	\$ 143,502

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Securities Firm Supervision			
SRO Proposed Rule Changes Reviewed	151	124	97
SEC Rulemaking, Exemptive Orders, and Interpretive and Other Actions	18	17	18
Interpretive, Exemptive, and No-Action Request Letters Closed	9	9	9
Reviews of Potential Enforcement Actions	1,005	1,100	1,100
Security Based Swaps — Commission Rule of Practice 194 (Rule 194) Notices and Applications	4	4	4
Notices Filed by SROs Relating to Applications for Admission or Continuance as or with an SRO Member Notwithstanding a Statutory Disqualification	19	21	23
Provision of Interpretation and Guidance and Responding to General Questions	20,829	20,750	20,500
Tips, Complaints, and Referrals (TCR)	217	220	220
Risk Assessment of Broker-Dealers Filing Form 17-H			
Firms Assessed	242	242	242
Filings Reviewed	242	242	242
Number of Form 17-H Filings Received	1,210	1,210	1,210
Risk Supervision of Alternative Net Capital Broker-Dealers			
Firms Assessed	5	5	5
Filings Reviewed	60	60	60
Risk Supervision of Over-the-Counter (OTC) Derivatives Dealers and Security-Based Swap Dealers			
Firms Assessed ¹	48	56	60
Filings Reviewed ²	344	432	472
Applications Reviewed	2	6	3
Broker-Dealers			
Registrants	3,538	3,738	3,850
Registration Applications Filed	187	207	222
Registration Amendments Filed	9,278	9,403	9,478
Registrations Withdrawn or Canceled	201	225	250
Financial Reports Filed	4,024	4,124	4,150
Security-Based Swap Dealers			
Registrants	48	3	3
Registration Applications Filed	48	3	6
Major Security-Based Swap Participants			
Registrants	—	—	—
Registration Applications Filed	—	—	—

continued on next page

1 Security-based swap dealers (SBSD) began registering as of November 1, 2021. The increase in SBSBs was a result of the number of firms that registered versus the number that were forecasted to register.

2 Increase in filings was a result of the increase in registered and projected SBSBs.

Workload Data (continued)

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Funding Portals	80	90	100
Security-Based Swap Entities			
Substituted Compliance Orders — Proposed	—	2	2
Substituted Compliance Orders — Final	3	2	2
Substituted Compliance — Memorandums of Understanding (MOU)	2	2	2
Data Repository Access MOU	1	1	1
Securities Market and Infrastructure Supervision			
SRO Proposed Rule Changes and Advance Notices Reviewed	1,774	1,460	1,135
NMS and SRO Plan Amendments Filed	10	20	20
SEC Rulemaking, Exemptive Orders, and Interpretive and Other Actions	12	12	12
Interpretive, Exemptive, and No-Action Request Letters Closed	8	8	8
Securities Exchanges			
Registrants	24	25	27
Registration Applications Filed	1	3	—
Registration Amendments Filed	256	276	299
Registrations Withdrawn or Cancelled	—	—	—
Alternative Trading Systems (ATs)			
ATs	69	74	79
Initial Operations Reports	16	10	10
Initial Operations Report Amendments	72	77	82
Cessations	—	3	3
Quarterly Reports	255	263	271
NMS Stock ATs			
NMS Stock ATs ³	32	34	36
Initial Form ATS-N	8	5	5
Form ATS-N Amendments Filed	223	233	243
Notice of Cessations Filed	5	5	5
Form ATS-R Quarterly Reports	137	145	154
Clearing Agencies (Active)			
Registrants	7	11	11
Registration Applications Filed	1	2	2

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³ Actual number of NMS Stock ATs with an effective Form ATS-N.

Workload Data (continued)

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Security-Based Swap Data Repositories			
Registrants	2	3	3
Registration Applications Filed	—	1	1
Transfer Agents			
Registrants ⁴	335	290	310
Registration Applications Filed ⁴	24	20	20
Registration Amendments Filed ⁴	180	185	185
Registrations Withdrawn or Cancelled ⁴	16	60	15
Annual Reports Filed ⁵	237	250	265
Large Traders			
Registrants	11,282	12,667	14,352
Registration Applications Filed	1,446	1,700	2,000
Registration Amendments Filed	3,131	3,221	3,316
Terminated or Inactive	365	365	365
Annual Reports Filed	4,887	11,282	12,667

⁴ The data includes only SEC-registered transfer agents and omits data regarding the approximately 67 transfer agents registered with a bank regulatory agency, which the SEC also oversees.

⁵ These data only include forms TA-2 and TA-2/A filed by SEC-registered transfer agents and omit the forms TA-2 and TA-2/A filed with respect to the approximately 67 transfer agents registered with a bank regulatory agency, which the Commission also oversees.

DIVISION OF INVESTMENT MANAGEMENT

The Division of Investment Management (IM) works to fulfill the SEC's mission by administering the Investment Company Act of 1940 and the Investment Advisers Act of 1940, and by developing regulatory policy for open-end management investment companies (commonly known as mutual funds), exchange-traded funds (ETF), closed-end funds, variable insurance products, other investment companies, and investment advisers. As of October 1, 2022, over 14,000 SEC-registered funds held approximately \$27 trillion in assets. The SEC also oversaw more than 15,000 SEC-registered investment advisers reporting approximately \$125 trillion in regulatory assets under management. In addition, the SEC receives reports from nearly 5,500 SEC-exempt reporting advisers who report advising over 32,000 private funds with over \$6 trillion in assets.

An important part of IM's mandate is to protect working families investing for their future. In FY 2024, IM will continue this work by recommending new rules and amendments to the Commission that modernize regulation and ensure investor protection. Reforms IM is considering include: (1) cybersecurity requirements for investment advisers and funds; (2) requirements for fund names; (3) requirements for funds and investment advisers related to environmental, social, and governance factors, as these investment strategies rapidly increase; (4) enhanced reporting and disclosure about private funds; (5) requirements for investment advisers who outsource certain functions; (6) money market fund reform; and (7) enhancements to the open-end fund liquidity framework.

IM also will continue to review existing rules and evaluate their efficacy at providing appropriate protections in light of market trends and developments. For example, IM will consider potential reforms for asset managers to improve and modernize the regulations around the custody of investments of clients by investment advisers. In addition, IM will monitor implementation of recently adopted regulatory changes, including the enhanced frameworks for investment adviser marketing, fund valuation practices, and funds' use of derivatives. Moreover, the division will continue to review and comment on the thousands of prospectuses, proxy statements, and other disclosure documents filed by registered investment companies and business development companies (BDC) each year, with a focus on filings by new funds, novel and complex funds, and principal strategy and risk disclosures.

In particular, IM will focus on ensuring appropriate protections when reviewing new investment products, such as single stock ETFs and funds seeking investments in a limited set of crypto-related assets. Finally, IM will continue to provide legal guidance to other parts of the agency, other regulators, and market participants, consider requests for exemptions from certain regulatory requirements, and engage with international regulators on issues important to the U.S. asset management industry.

As a small division regulating an over \$100 trillion industry that continues to grow, IM is committed to increasing the efficiency and effectiveness of its programs. In FY 2024, IM expects to do this by increasing analytical capacities to enable more timely analysis of industry data, trends, and risks; building outreach capabilities to respond in real-time to market events; and enhancing investment adviser policies to reflect growth in private funds industry through targeted Form ADV¹ reviews and Form PF² data analysis.

FY 2024 Request

For FY 2024, IM requests 13 new positions. Of these requested positions:

- five would support priority agency rulemakings;
- four would support the division's need for rapid, detailed analysis of market and regulatory data and perform examinations of asset management industry participants; and
- four would support disclosure review and accounting work resulting from increased filings and substantially more complex products, as well as support to ensure that IM has the technical capacity to effectively perform its mission.

¹ The Form ADV is the mandatory uniform application reported to the SEC for both investment advisers and exempt reporting advisers.

² The Form PF is the reporting form for investment advisers to private funds and certain commodity pool operators and commodity trading advisers.

(DOLLARS IN THOUSANDS)	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	205	209	238
Cost:			
Salaries and Benefits	\$ 61,319	\$ 63,691	\$ 78,124
Non-Personnel Expenses	28,255	32,296	33,416
Total Costs	\$ 89,574	\$ 95,987	\$ 111,540

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Investment Companies³			
Number of Investment Companies	3,968	3,998	3,900
Portfolios and Insurance Contracts	18,270	18,460	18,550
Assets (dollars in trillions)	\$ 32.9	\$ 27.4	\$ 29.0
Investment Advisers³			
Number of Investment Advisers	14,718	15,419	15,800
Assets Under Management (dollars in trillions)	\$ 112.7	\$ 127.7	\$ 130.0
Disclosure and Accounting Reviews			
New Portfolios and Insurance Contracts Filed on Registration Statements	2,657	2,800	2,800
New Portfolios and Insurance Contracts Reviewed	1,922	2,025	2,025
Existing Portfolios and Insurance Contracts Filed on Post-Effective Amendments	17,507	18,050	20,752
Existing Portfolios and Insurance Contracts Reviewed ⁴	2,393	2,625	5,327
Portfolios and Insurance Contracts Filed on Proxy Statements	657	775	775
Portfolios and Insurance Contracts Filed on Proxy Statements Reviewed	657	775	775
Annual and Periodic Reports Filed	13,345	13,509	13,509
Annual and Periodic Reports Reviewed	4,566	4,503	4,503
Total Portfolios and Insurance Contracts Reviewed	9,538	9,928	12,630
Disclosure and Accounting Guidance	3	3	3
Informal Requests for Accounting Guidance	180	180	180

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³ Investment company and investment adviser data are reported as of the beginning of the fiscal year. All other data are reported as of the end of the fiscal year.

⁴ With respect to post-effective amendments, historically, over 90 percent of open-end and closed-end portfolios that contain material changes in disclosure or in fund operations are reviewed. Amendments to Unit Investment Trust (UIT) portfolios, because of their repetitive nature, generally are not reviewed.

Workload Data (continued)

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Interpretive Guidance			
Informal Requests for Guidance	532	580	580
No-Action Letters Issued	—	1	1
Total Applications Concluded	174	181	181
Exemptive Applications Concluded	109	110	110
Deregistration Matters Reviewed	65	71	71
Tips, Complaints, and Referrals (TCR)	37	40	40
Meetings/Calls/Reviews Related to International Issues	400	350	350
Rulemaking Assistance	26	26	26
Supervision and Monitoring			
EXAMS- and ENF-Related Matters Reviewed	992	1,000	1,050
Analytics Office Outreach	237	200	200
Analytics Office Reports	540	600	600
Data Analysis Requests	194	250	250
Rulemaking			
Rulemaking Actions	21	16	16
Business Solutions			
Filer and Staff Correspondence Disseminated ⁵	10,519	10,979	10,774
EDGAR Filer Support Requests Processed	1,411	1,467	1,464
Investment Adviser Regulation Depository (IARD) Filer Support Requests Processed	561	584	598

⁵ Includes correspondence disseminated for IM and the Division of Corporation Finance.

DIVISION OF ECONOMIC AND RISK ANALYSIS

The Division of Economic and Risk Analysis (DERA) advances the Commission's statutory mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation through sound economic analysis and rigorous data analytics.

DERA engages across the entire range of the Commission's functions, including rulemaking, examination, and enforcement. Its multi-disciplinary analyses are informed by research insights, and they rely on the knowledge of institutions and practices when examining regulatory and risk-related matters. DERA assists the Commission in its efforts to identify, analyze, and respond to economic and market issues, including those related to new financial products, investment and trading strategies, systemic risk, and fraud. DERA's data analytics work develops a variety of financial and market data analysis tools, supplies economic statistics, and promotes data standards.

Organizationally, DERA has four mission areas staffed with experts in economics, data science, statistics, accounting, and risk analysis.

- *Policy Support.* DERA conducts quantitative and qualitative economic analyses informed by research insights in support of the SEC's rulemaking agenda.
- *Risk Analysis.* DERA performs domestic and international risk analyses of the capital markets.
- *Examination and Enforcement Support.* DERA provides economic and data expertise in support of the Commission's investigations and enforcement-related activities.
- *Data Analysis and Management.* DERA develops analytic tools and manages economic data in support of the entire Commission.

Looking ahead to FY 2024, DERA is positioned to continue (1) providing high-quality economic analyses of Commission rules; (2) analyzing risks facing the capital markets; (3) producing up-to-the-minute analyses of the impact of market-wide events; (4) collaborating with the Division of Enforcement, focusing on penalties and distributions; and (5) producing technological solutions that increase staff productivity.

FY 2024 Request

For FY 2024, DERA requests 12 new positions, of which 10 (nine economists and one attorney adviser) will directly support the Commission’s rulemaking agenda. These positions will allow DERA to increase its capacity to produce high-quality economic analyses of policy matters and rulemakings across the agency. Such rules address cybersecurity risk; market structure modernization; short-sale disclosure; security-based swaps; the stock loan market; the settlement cycle; and investment funds. Further, driving a need for additional resources are projects related to conflicts of interest in securitizations, special purpose acquisition companies, and digital engagement practices of broker-dealers for which DERA’s expertise is crucial. Additional staff will allow the division to meet agency demand for its expertise, keep pace with rapidly changing markets, and analyze unusual market events and other risks.

The request also includes two financial economists for the Office of Litigation Economics to support decisions on distributions, including calculations of shareholder harm and feasibility of distributions. In addition to rule writing and risk analysis work, DERA’s economists are instrumental in assessing ill-gotten gains in enforcement matters and in working to return funds to harmed investors. Demand for DERA’s services in this area have been increasing due to legal developments.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	146	161	198
Cost:			
Salaries and Benefits	\$ 43,096	\$ 52,239	\$ 64,272
Non-Personnel Expenses	27,161	30,902	32,144
Total Costs	\$ 70,257	\$ 83,141	\$ 96,416

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Reviews of Commission Rules	104	110	110
Reviews of Self-Regulatory Organization (SRO) Rules and Public Company Accounting Oversight Board (PCAOB) Filings	84	85	85
Advice on Regulatory, Enforcement, and Risk Assessment Issues	4,043	4,138	4,215
Interactive Data Compliance Monitoring	9,591	9,857	10,130
Interactive Data Programs Supported	14	17	20

OFFICE OF THE GENERAL COUNSEL

The General Counsel serves as the chief legal officer of the Commission and heads the Office of the General Counsel (OGC). OGC provides independent legal analysis and advice to the Chair, Commissioners, and operating divisions and offices on all aspects of the Commission's activities. OGC also defends the Commission in federal district courts, represents the Commission in appellate matters and *amicus curiae* filings, and oversees the SEC's bankruptcy program. In addition, OGC represents the Commission and its members and employees at the trial and appellate levels when they are parties or witnesses in civil or administrative litigation arising from the performance of official functions. OGC also performs a wide variety of other legal functions in support of the Commission's operations.

OGC anticipates continued work on legislative initiatives to reform the existing regulatory structure for the securities markets and the financial services industry. The staff of experienced attorneys will handle complex agency and securities law issues, provide legal advice on rulemakings and other regulatory initiatives, address legal challenges to rulemakings, respond to emerging crypto-asset issues, and work to protect the Commission's identity against cyber-impersonation and other deceptive practices. OGC also expects to provide technical assistance to Congress and other financial regulatory agencies on numerous legislative initiatives and other matters. OGC will continue to manage the agency's appellate litigation, including appeals related to complex enforcement cases and challenges to new rulemakings. OGC will also continue to assist the Commission in resolving litigated administrative proceedings set before the Commission, appeals from initial decisions issued by the SEC's administrative law judges, and petitions seeking review of actions taken by self-regulatory organizations. The staff will also continue to provide assistance and advice in responding to Congressional requests for information and documents, as well as provide the Commission and operating divisions and offices with independent analysis and advice on all enforcement activities, rulemaking releases, and whistleblower claim adjudications.

FY 2024 Request

For FY 2024, OGC requests five positions. The new positions would address current and anticipated increases in OGC’s workload, including complex litigation functions related to a variety of legal challenges to the Commission’s enforcement actions and authority over cryptocurrencies, as well as incidents of third parties impersonating or misrepresenting themselves as someone who is associated with the Commission. Additionally, new positions would conduct internal investigatory functions to mitigate legal risks across the Commission and further the office’s ability to support increased complexity and volume of technical support needs.

(DOLLARS IN THOUSANDS)	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	143	148	166
Cost:			
Salaries and Benefits	\$ 43,578	\$ 46,889	\$ 55,824
Non-Personnel Expenses	19,422	21,748	21,928
Total Costs	\$ 63,000	\$ 68,637	\$ 77,752

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Appellate Cases			
Open Matters	349	354	359
Adjudicatory Matters			
Pending Beginning of Year	260	327	302
Received	221	200	200
Completed	154	225	225
Pending End of Year	327	302	277
Legislation			
Testimony	4	10	10
Correspondence with Congress and Others	155	180	180
Legislative Analysis and Technical Assistance	146	250	250
Other	109	110	110
Advisory Services			
SEC Statutes			
Analysis of Enforcement Memoranda and Other Projects	2,280	2,250	2,300
Review of Rulemaking and Other Projects	426	450	450
Review of Articles and Speeches	336	300	300
Non-SEC Statutes			
Freedom of Information Act (FOIA) – Internal Appeals	612	625	625
Personnel Matters	250	254	256
Procurement Matters	875	880	883
Labor Matters	12	20	20
Attorney Misconduct Investigations	525	540	550
Corporate Reorganization			
Petitions Involving Public Investor Interest	26	35	35
Chapter 11 Cases: Appearances			
Filed	15	23	23
Closed	13	20	20
Chapter 11 Cases: Monitored			
Filed	11	12	12
Closed	1	10	10
Disclosure Statement Reviews	35	40	40
Disclosure Statements Commented On	13	20	20

OTHER PROGRAM OFFICES

This section describes the responsibilities and activities of the agency's smaller program offices:

- Office of the Chief Accountant
- Office of Investor Education and Advocacy
- Office of International Affairs
- Office of Administrative Law Judges
- Office of the Investor Advocate
- Office of Credit Ratings
- Office of Municipal Securities
- Office of the Advocate for Small Business Capital Formation
- Strategic Hub for Innovation and Financial Technology

OFFICE OF THE CHIEF ACCOUNTANT

The Office of the Chief Accountant (OCA) is responsible for establishing and interpreting accounting and auditing policy to enhance the transparency and relevancy of financial reporting for investors. The Chief Accountant serves as the principal advisor to the Commission on accounting and auditing matters. OCA works to improve financial reporting undertaken by preparers, auditors, and audit committees to ensure that financial reporting is decision-useful, relevant, and transparent for the benefit of investors. High-quality financial statements are the bedrock of the financial reporting system, establishing a consistent and enforceable framework that protects investors, contributing to the fair and efficient operation of U.S. markets, and promoting capital formation.

OCA works to assist the SEC's efforts to oversee accounting standard-setting by the Financial Accounting Standards Board (FASB). OCA helps administer the SEC's statutory obligations to provide oversight with respect to the Public Company Accounting Oversight Board (PCAOB), including making PCAOB Board appointments, approving the PCAOB annual budget, and facilitating the Securities Exchange Act of 1934 Section 19(b) process required for Commission approval of any PCAOB standard-setting or rulemaking (similar to other self-regulatory organizations). OCA also monitors international accounting standard-setting by the International Accounting Standards Board (IASB), standard-setting by the International Sustainability Standards Board (ISSB), and international audit standard-setting by the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) through participation in the Monitoring Board and Monitoring Group, respectively. The office also participates in the activities of the International Organization of Securities Commissions (IOSCO) through its leadership role on the Committee on Issuer Accounting, Auditing, and Disclosure.

OCA achieves its mission in the following ways.

The Accounting Group (AG) oversees accounting standard-setting by the FASB, addresses emerging accounting issues through consultations and stakeholder engagement, and supports Commission rulemaking. A significant focus of the group is on oversight of the FASB, which has a standard-setting agenda and post-implementation review process. The AG is focused on working with the FASB through its consultation process to ensure that amended and new accounting standards are implemented effectively and timely by registrants. The AG also advises the Commission on accounting and auditing matters in SEC rulemaking including, most recently, on climate, clawback of executive compensation, cybersecurity, and human capital. Finally, the AG supports the Division of Enforcement on cases involving the application of financial reporting requirements in issuers' financial statements.

The Professional Practice Group (PPG) provides expert advice related to auditing, independence, and internal control over financial reporting. The PPG provides this advice in rulemaking support by overseeing the PCAOB and consulting on auditor independence and internal control over financial reporting.

The International Group (IG) leads OCA's efforts to engage and promote high-quality financial reporting and auditing globally, which is a significant priority. The IG works to advance public interest in international audit-related standard-setting and implement the Monitoring Group's reform recommendations. In addition, the IG leads the Monitoring Group's overall oversight over the activities of the Public Interest Oversight Board, the IAASB, and the IESBA; serves in a leadership role on IOSCO's Committee on Issuer Accounting, Auditing, and Disclosure; and leads the oversight of the IASB and ISSB through its participation on the Monitoring Board, International Financial Reporting Standards (IFRS) Advisory Council, IFRS Interpretations Committee, and direct interaction with the IASB, ISSB, and their staff.

The Office of the Chief Counsel (OCC) provides legal counsel to OCA with respect to Commission rulemaking and its oversight activities related to standard-setting for both the FASB and the PCAOB. In addition, OCC leads OCA's process of advising the Commission on enforcement matters related to accounting, auditing, and auditor independence, including administering the Commission's Rule 102(e) program for accountants. OCC, in consultation with the AG and the PPG, provides technical expertise to the Division of Enforcement through consultation at all phases of the investigation and litigation. OCC provides technical assistance to legislative committees and Congressional members on contemplated legislation, and answers questions and provides briefings to Congressional staffers on OCA-related activities upon request.

FY 2024 Request

For FY 2024, OCA requests two additional positions, given the increased workload in several areas. These positions will assist the Chief Accountant in a critical period of navigating challenging market conditions to continue to support the agency's mission and facilitate continued leadership and collaboration with other national securities regulators, domestic and international standard-setters, other international organizations, other divisions and offices of the Commission, and other domestic regulators.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	42	45	51
Cost:			
Salaries and Benefits	\$ 14,266	\$ 15,902	\$ 18,486
Non-Personnel Expenses	6,196	6,975	7,243
Total Costs	\$ 20,462	\$ 22,877	\$ 25,729

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Development of Commission Accounting and Auditing Rules, etc.			
Rule Amendments, Proposed Amendments, and Commission Guidance Developed by OCA	1	1	1
OCA SEC Staff Announcements, Bulletins, and Statements	1	1	1
Consultation Arising from the Work of Other SEC Divisions and Offices	9	9	10
IOSCO Documents Related to Issuer Accounting, Audit, and Disclosure	3	3	3
Monitoring and Oversight of Standard-Setters			
SEC Designated U.S. Accounting Standard-Setter Trustee and Board Appointments	6	6	6
U.S. Auditing Regulator (PCAOB) Board Appointments	1	1	1
U.S. Auditing Regulator Budget and Accounting Support Fee Approval	1	1	1
Monitoring and Oversight of Standard-Setting and Other Technical Work			
U.S. Accounting Standard-Setting Projects	20	21	22
Rules Adopted by the U.S. Auditing Regulator and Approved by the SEC	2	2	2
Interpretation of Accounting and Auditing Standards, Policies, and Positions			
Resolution of Accounting Issues of SEC Registrants	85	88	94
Engagement on Accounting Issues with Non-U.S. Regulators	85	88	94
Engagement on Auditing Issues with Non-U.S. Regulators	108	111	117
External Speaking Engagements	60	62	62
Recommendations and Questions Relating to the Qualification of Accountants			
Auditor Independence Consultations	145	149	157
Activities In Support of the Enforcement of the Securities Laws			
Consultation on Enforcement Investigations of SEC Registrants	85	88	94
Rule 102(e) Accountant Reinstatement Applications	9	9	9

OFFICE OF INVESTOR EDUCATION AND ADVOCACY

The Office of Investor Education and Advocacy (OIEA) seeks to provide individual investors with the information they need to make sound investment decisions.

OIEA promotes this mission through two primary functions: assisting investors with complaints and questions about the securities markets and market participants, and conducting educational outreach to individual investors. OIEA also helps to inform Commission policy by advising the Commission and Commission staff on various issues from the perspective of individual investors, including with respect to rulemakings, Investor Advisory Committee recommendations, and through the International Organization of Securities Commissioners' Committee on Retail Investors.

FY 2024 Request

For FY 2024, OIEA requests two additional positions. One position is for support of investor education outreach to underserved communities. The second position is for an IT specialist to support OIEA's investor assistance function. This position will also manage content and updates for [Investor.gov](https://investor.gov).

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	44	43	43
Cost:			
Salaries and Benefits	\$ 13,027	\$ 13,408	\$ 14,602
Non-Personnel Expenses	7,708	8,577	8,875
Total Costs	\$ 20,735	\$ 21,985	\$ 23,477

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Investor Assistance			
Total Investor Assistance Matters Closed	31,071	31,000	31,000
Percentage of Investor Assistance Matters Closed Within:			
7 Days	47%	45%	45%
30 Days	80%	80%	80%
Investor Education			
Page Views on OIEA Web Pages	27,200,000	28,500,000	30,000,000
In-Person Investor Events	220	230	240
Number of Investor Alerts and Bulletins Issued	16	16	16
Number of Active Partnerships Focused on Underserved Communities	7	8	10

OFFICE OF INTERNATIONAL AFFAIRS

The Office of International Affairs (OIA) advances the SEC’s mission by promoting international enforcement and supervisory cooperation; developing and implementing strategies to further SEC policy interests in the regulation and oversight of cross-border securities activities; managing and executing the SEC’s participation in international regulatory bodies; engaging in regulatory dialogues with international counterparts; and providing technical assistance to strengthen partnerships with foreign authorities. OIA will continue to serve as the primary coordinator for the SEC on significant international initiatives and developments.

The Regulatory Policy and Supervisory Cooperation (RP/SC) Group will advise the Chair, Commissioners, and staff on international regulatory policy matters, policy developments in overseas capital markets with implications for U.S. markets, and regulatory reform efforts in foreign jurisdictions, including with respect to: (1) climate risk disclosure and related issues; (2) asset management reform; and (3) financial stability risks presented by financial technology, including digital assets. In addition, the RP/SC Group supports implementation of Title VII of the Dodd-Frank Act and standing up the Commission’s substituted compliance regime. The RP/SC Group will also facilitate cross-border cooperation with foreign authorities related to the examination and supervision of globally active firms.

The Enforcement Policy and Cooperation (ENF P/C) Group will assist the Division of Enforcement (ENF) in conducting investigations including cross-border cooperation with foreign authorities related to enforcement investigations and litigation, and partnering with ENF and trial unit staff. The ENF P/C Group will continue to advance the Commission’s policy objectives for international cooperation and develop best practices in enforcement cooperation, including in crypto-related and anticorruption matters.

The Operations and Technical Assistance (Ops/TA) Group will advance the agency’s mission by building the capacity of, and establishing strong working relationships with, the SEC’s international regulatory and law enforcement counterparts. SEC staff experts share their perspectives on best practices in securities regulation and enforcement, and share lessons learned from practical experience in overseeing securities markets. The Ops/TA Group’s Technical Assistance programs cover a range of topics, including creating robust examination and enforcement programs and establishing effective disclosure regimes for public companies and market participants, which are foundational elements of effective capital markets oversight, as well as key to market development. In addition, the Ops/TA Group oversees OIA’s core operational functions.

FY 2024 Request

For FY 2024, OIA requests four positions: three attorney advisers to focus on crypto assets regulation and policy, Financial Stability Board/International Organization of Securities Commissions (FSB/IOSCO) work streams, supervisory cooperation matters, SEC rulemaking, and foreign engagements; and one attorney adviser to support the uptick in requests for investigative and litigation assistance.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	50	50	57
Cost:			
Salaries and Benefits	\$ 14,791	\$ 15,031	\$ 18,064
Non-Personnel Expenses	6,214	7,384	7,728
Total Costs	\$ 21,005	\$ 22,415	\$ 25,792

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
ENF Requests to SEC OIA for International Assistance	1,518	1,761	1,878
Responses to Foreign Requests for SEC Enforcement Assistance	454	460	420
Number of International Regulatory and Law Enforcement Officials Trained	2,561	2,100	2,205
SEC Requests for Supervisory Cooperation Assistance	235	247	259
Responses to Foreign Requests for SEC Supervisory Cooperation Assistance	327	343	360
International Regulatory Initiatives (including regulatory initiatives)	785	824	865

OFFICE OF ADMINISTRATIVE LAW JUDGES

The Office of Administrative Law Judges supports the SEC’s mission by conducting hearings, issuing initial decisions, and adjudicating ancillary matters in administrative proceedings. When the Commission orders that a proceeding be heard by an administrative law judge, the judge serves as an independent adjudicator who determines whether the allegations against one or more respondents are true. The judges conduct public hearings in a manner similar to federal bench trials. Among other actions, they issue subpoenas, hold conferences with parties, and rule on motions and the admissibility of evidence. Following the hearing, the judge prepares an initial decision setting forth his or her factual findings and legal conclusions and determining whether sanctions are warranted. Certain proceedings may be resolved without a hearing, such as when the judge decides that summary disposition is appropriate or finds a respondent in default.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	8	7	12
Cost:			
Salaries and Benefits	\$ 1,708	\$ 1,864	\$ 3,573
Non-Personnel Expenses	947	816	856
Total Costs	\$ 2,655	\$ 2,680	\$ 4,429

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Proceedings Inventory			
Pending Disposition Beginning of Year	7	9	7
Ordered for Hearing	5	5	5
Disposed	3	7	7
Canceled Before Hearing	2	2	2
Canceled After Hearing	—	—	—
Initial Decision Issued	1	5	5
Pending Disposition End of Year	9	7	5

OFFICE OF THE INVESTOR ADVOCATE

The mission of the Office of the Investor Advocate (OIAD) is to ensure that the concerns of investors are appropriately considered as decisions are being made and policies are being adopted at the Commission, at self-regulatory organizations (SRO), and in Congress. As required by statute, OIAD analyzes the potential impact on investors from proposed rules and regulations, identifies areas in which investors would benefit from changes in rules and regulations, and proposes policies to resolve problems that investors have with financial service providers and investment products.

The office has four core functions: (1) provide a voice for investors; (2) assist retail investors; (3) study investor behavior; and (4) support the SEC's Investor Advisory Committee. OIAD carries out these functions in the ways listed below.

Investor Advocacy

Consistent with the requirements of Section 4(g) of the Securities Exchange Act of 1934, OIAD is responsible for identifying problems that investors have with financial service providers and investment products; analyzing the potential impact on investors of proposed regulations and rules; identifying areas in which investors would benefit from changes in SEC regulations (SRO) rules; and proposing changes in regulations, legislation, or administration of programs that may mitigate problems identified.

Reports to Congress

OIAD is responsible for submitting two reports to Congress per year.

1. A Report on Objectives is due no later than June 30 of each year, and its purpose is to set forth the objectives of the Investor Advocate for the following fiscal year.
2. A Report on Activities is due no later than December 31 of each year, and it describes the activities of the Investor Advocate during the immediately preceding fiscal year. Among other things, the Report on Activities summarizes the most serious problems encountered by investors during the reporting period, identify any Commission or SRO action that was taken to address those problems, and recommend, as appropriate, any administrative and legislative actions to resolve problems encountered by investors.

Ombudsman

The Ombudsman acts as a liaison between the SEC and any retail investor in resolving problems that retail investors may have with the SEC or SROs. The Ombudsman reviews policies and procedures and make recommendations to encourage the investing public and other interested persons to submit questions to the Investor Advocate regarding compliance with the securities laws, and establish safeguards to maintain the confidentiality of communications between the investing public and the Ombudsman. The Ombudsman must also evaluate the effectiveness of this program and submit semiannual reports to the Investor Advocate for inclusion in the reports to Congress.

Investor Testing

The Investor Advocate is required to examine the potential impact on investors of SEC and SRO rulemakings, advise the Commission and SROs on potential changes to existing rules, identify problematic products and practices that harm investors, and generate related reports with substantive statistical analysis. To accomplish these objectives, OIAD utilizes investor testing and other research efforts, as appropriate, to gather input from investors on rulemaking initiatives and better understand their informational needs.

Investor Advisory Committee

The Investor Advisory Committee advises and consults with the SEC on regulatory priorities and protection of investors. OIAD provides support and assistance to this advisory committee to assist it with fulfilling its statutory mission.

FY 2024 Request

For FY 2024, OIAD requests one financial economist to support OIAD's existing and future demand for investor testing related to rulemaking initiatives. The office has a continued need to build out the technical expertise areas that enable investor testing activities. This position will take a lead role in designing all aspects of testing projects: research methodology, data collection, data analysis, literature review, and report writing. This position is critical for fulfilling OIAD's statutory mission on investor research, review economic analysis of rule proposals, and SRO regulatory actions as per the statutory requirements of the Exchange Act.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	13	14	17
Cost:			
Salaries and Benefits	\$ 4,140	\$ 4,658	\$ 5,863
Non-Personnel Expenses	3,159	3,994	4,150
Total Costs	\$ 7,299	\$ 8,652	\$ 10,013

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Ombudsman			
Investor Matters	2,780	3,000	3,200
Outreach Events/Speeches	5	20	20
SRO Rulemakings Reviewed	2	2	2
Policy Recommendations to SRO, SEC, or Congress	2	2	2
Investor Advocacy			
SEC Rulemakings Reviewed	38	41	42
SRO Rulemakings Reviewed	109	130	140
Policy Recommendations to SEC, SROs, or Congress	5	5	5
Investor Engagement Activities ¹	63	50	50
Investor Advisory Committee Support			
Committee Meetings	4	4	4

¹ Investor Engagement Activities are designed primarily to engage with investors (including small business investors) and receive feedback about policy questions and/or significant investor issues and topics. Investor Engagement Activities may include one or more of the following: public events, meetings with individual or groups of investors, or a coordinated series of one-on-one meetings.

OFFICE OF CREDIT RATINGS

The Office of Credit Ratings (OCR) is charged with administering Commission rules with respect to the practices of nationally recognized statistical rating organizations (NRSRO). These rules are aimed toward promoting accuracy in credit ratings issued by NRSROs, ensuring that credit ratings are not unduly influenced by conflicts of interest, and helping to ensure that firms provide greater disclosure to investors. In support of this mission, OCR conducts examinations of NRSROs to assess and promote compliance with statutory and Commission requirements, monitors the activities of NRSROs, develops and administers rules affecting NRSROs, and provides guidance generally with respect to the Commission’s regulatory initiatives related to NRSROs.

During FY 2024, the majority of OCR’s staff will remain dedicated to conducting examinations and monitoring NRSROs for compliance with the federal securities laws and Commission rules. OCR is required by statute to conduct an examination of each NRSRO at least annually, covering eight specific review areas. Additionally, OCR uses a risk-based approach to determine additional areas of inquiry for each NRSRO examination. OCR’s legal and policy group will continue to provide legal support for examinations and any referrals to the Division of Enforcement, and develop rule recommendations for the Commission’s consideration. The group will continue to review requests for Commission exemptive relief or staff “no-action” relief from existing rule requirements and formulate staff guidance and other interpretive positions for OCR. Additionally, the legal and policy group will continue to review initial applications for NRSRO registration and applications from existing NRSROs for registration in additional ratings classes.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	40	42	47
Cost:			
Salaries and Benefits	\$ 12,290	\$ 13,435	\$ 15,726
Non-Personnel Expenses	6,770	7,580	8,065
Total Costs	\$ 19,060	\$ 21,015	\$ 23,791

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Examinations	9	11	10
Rulemaking, Exemptive Orders, and Interpretative and Other Actions	6	6	5
Reports and Studies	4	3	3
Reviews of Potential Enforcement Actions	12	12	12
Tips, Complaints, and Referrals (TCR)	14	15	15
NRSRO Registrations — Filed Applications, Amendments, Withdrawals, and Cancellations	41	55	50

OFFICE OF MUNICIPAL SECURITIES

The Office of Municipal Securities (OMS) coordinates the Commission's activities relating to the \$4 trillion municipal securities market and administers the Commission's rules pertaining to municipal securities brokers and dealers, municipal advisors, investors in municipal securities, and municipal issuers. OMS' responsibilities include three primary areas: municipal advisor regulation, municipal securities market structure initiatives, and municipal securities disclosure initiatives. OMS advises the Commission on policy matters and current market issues relating to the municipal securities market and is responsible for policy development, coordination, and implementation of Commission initiatives to improve the municipal securities market, including working with other divisions on cross-fixed income market issues. OMS provides technical assistance to other SEC divisions and offices, including the Division of Enforcement (ENF) and the Division of Examinations (EXAMS). OMS is also responsible for oversight of the Municipal Securities Rulemaking Board (MSRB), which includes reviewing and processing proposed rule changes filed by the MSRB as well as assisting with examinations of the MSRB. OMS works closely with the municipal securities industry to educate state and local officials and conduit borrowers about the Commission's rules. OMS also acts as the Commission's liaison to the Financial Industry Regulatory Authority (FINRA), the Internal Revenue Service, bank regulators, the U.S. Department of the Treasury, and a wide variety of investor and industry groups on municipal securities issues.

In FY 2024, OMS will continue to monitor current issues in the municipal securities market and report developments. OMS will continue to coordinate with the MSRB on rulemaking and review and process all MSRB proposed rule changes. In addition, OMS will develop recommendations to improve transparency and efficiency in the municipal securities market. Additionally, OMS will organize outreach events such as a municipal securities market conference and a municipal advisor outreach event with EXAMS, the MSRB, and FINRA to educate market participants about the federal securities laws applicable to the municipal securities market.

FY 2024 Request

For FY 2024, OMS requests one attorney position to effectively monitor the market, particularly with respect to longstanding and emerging issues with market structures and practices that negatively affect investors and municipal governments. This position will also assist in reviewing SEC and MSRB rulemakings and provide guidance in the municipal securities market.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	8	8	12
Cost:			
Salaries and Benefits	\$ 2,127	\$ 2,230	\$ 3,776
Non-Personnel Expenses	1,129	1,027	1,084
Total Costs	\$ 3,256	\$ 3,257	\$ 4,860

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
SRO Proposed Rule Changes Reviewed ¹	14	12	12
SEC Rulemaking and Exemptive and Interpretive Actions ²	9	6	6
Interpretive, Exemptive, No-Action, and Confidential Treatment Request Letters Closed	—	1	1
Reviews of Potential ENF Actions and EXAMS Examinations	47	40	40
Congressional, Governmental, Industry, and Public Correspondence and Inquiries	192	200	200
Public Awareness and Market Outreach	63	75	75
Municipal Advisors (MA)			
Registrants ³	475	450	450
Registration Applications Filed	6	10	10
Registration Amendments Filed ⁴	730	675	675
Registrations Withdrawn or Canceled ⁵	57	35	35

1 This data includes filings, pre-filings, and amendments reviewed.

2 For some of these activities in FY 2022, OMS served in a supporting role to another SEC division or office. OMS expects to serve in a supporting role to other SEC divisions and offices on SEC rulemakings and exemptive and interpretive actions in FY 2023 and FY 2024.

3 These figures reflect all active MA registrations as of September 30.

4 Estimate and request figures assume approximately 1.5 amendment filings per registrant per year.

5 These figures reflect the number of registration withdrawals or cancellations effective as of September 30.

OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION

The Office of the Advocate for Small Business Capital Formation (OASB) advocates for solutions to address challenges faced by small businesses and their investors raising and deploying capital. “Small business” for OASB spans from early-stage startups raising seed capital, to later-stage private companies whose founders and investors are seeking liquidity in the public markets, all the way to smaller public companies. Pursuant to the SEC Small Business Advocate Act of 2016, OASB was established as an independent office within the SEC that reports to the entire Commission and delivers an annual report to Congress.

In FY 2024, OASB will focus on four key goals in accordance with its [FY 2021 – 2025 Strategic Plan](#).

1. Engage with small businesses and their investors to solicit views on relevant capital raising issues.
2. Educate small businesses and their investors about capital raising rules to reduce barriers to entry and increase compliance.
3. Collaborate on pragmatic policy solutions to address capital raising challenges faced by small businesses and their investors.
4. Empower a mission-driven team to leverage varied perspectives to solve the complex problems of an evolving and increasingly diverse capital market.

FY 2024 Request

For FY 2024, OASB requests one new attorney position to support OASB’s congressional mandate to conduct outreach with small businesses and their investors. Specifically, the attorney will be responsible for developing high-quality educational resources. This will allow OASB to continue to expand its portfolio of educational content for small businesses and their investors about capital raising rules and increase accessibility of SEC tools and programs for issuer and investor education.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	9	11	12
Cost:			
Salaries and Benefits	\$ 2,811	\$ 2,861	\$ 3,624
Non-Personnel Expenses	2,353	1,818	1,900
Total Costs	\$ 5,164	\$ 4,679	\$ 5,524

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Assistance with Small Business Capital Formation Inquiries ¹	139	150	150
Outreach Events and Speeches	32	30	30
Government-Business Forum on Small Business Capital Formation	1	1	1
Reports on Small Business Forum and OASB Activities	2	2	2
Small Business Capital Formation Advisory Committee Meetings	4	4	4

¹ Inquiries include solicitation of support from OASB by marketplace participants with compliance obligations, access to capital formation resources, or policy recommendations. It is not intended to capture the totality of touchpoints with the public through outreach and other events but instead substantive issue resolution or resource navigation directly with affected parties.

STRATEGIC HUB FOR INNOVATION AND FINANCIAL TECHNOLOGY

The Strategic Hub for Innovation and Financial Technology (FinHub) supports the SEC’s mission—protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation—by serving as the central hub for issues and initiatives related to developments in technology in financial services. FinHub helps coordinate the agency’s oversight of, and responses to, emerging financial technologies, including in the areas of distributed ledger technology (e.g., crypto asset markets), automated investment advice, digital marketplace financing, and artificial intelligence/machine learning. FinHub is the central point of contact for internal and external engagement with market participants, thereby helping to shape the agency’s approach to, and understanding of, technological changes in the financial industry. FinHub staff work with a wide range of market participants, policymakers, regulators, and organizations to advance the SEC’s mission.

FinHub serves as an internal and external resource for engaging with developing financial technologies, most notably distributed ledger technology. FinHub staff regularly engages with domestic and foreign governmental partners on a bilateral and multilateral basis to actively monitor and understand emerging issues, including federal and state financial regulators, the Financial Stability Oversight Council, the International Organization of Securities Commissions, the Financial Stability Board, and other federal, state, and global authorities. In addition, FinHub helped the Commission respond to the President’s March 2022 Executive Order 14067, *Ensuring Responsible Development of Digital Assets*. FinHub also serves as an internal resource within the Commission, engaging with staff in other divisions and offices on new issues as they arise, and helping staff integrate expertise on financial industry innovations into their work.

Looking forward to FY 2024, FinHub anticipates that financial technology will continue to evolve at an incredibly rapid pace and grow increasingly complex. New products and services, such as those offered in the decentralized finance space, are being introduced on a compressed timeframe and having an immediate impact on the financial industry. These developments and innovations will continue to present challenges to the Commission, as they tend to raise new or heightened regulatory concerns and introduce new technological hurdles. In FY 2024, FinHub will continue to identify, study, and assimilate innovative financial technologies that impact the Commission’s mission, as well as help staff understand these advancements and the challenges that they present.

FY 2024 Request

For FY 2024, FinHub seeks one additional senior counsel to provide support for FinHub’s increasing regulatory workload. Specifically, the additional senior counsel will help FinHub conceptualize and draft the legal analyses necessary to respond to internal and external developments in the financial technology space.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	6	6	6
Cost:			
Salaries and Benefits	\$ 1,923	\$ 2,073	\$ 2,055
Non-Personnel Expenses	661	981	1,021
Total Costs	\$ 2,584	\$ 3,054	\$ 3,076

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
External Inquiries	243	250	250
International Regulatory Initiatives	16	16	16
No-Action Requests/Interpretative Requests	6	10	10
Outreach Events/Speeches	28	30	30
SRO Rulemakings Reviewed	6	10	10

AGENCY DIRECTION AND ADMINISTRATIVE SUPPORT

This section details the SEC's agency-wide executive activities, operations, and administrative functions.

Agency Direction includes:

- Executive Staff, which is comprised of the Chair's Office, the Commissioners' Offices, and the Office of Legislative and Intergovernmental Affairs
- Office of Public Affairs
- Office of the Secretary

Administrative Support includes:

- Office of the Chief Operating Officer and its component offices
- Office of the Ethics Counsel
- Office of Minority and Women Inclusion
- Office of Equal Employment Opportunity

EXECUTIVE STAFF

The Executive Staff is comprised of the Chair, the Commissioners, their staff, and the Office of Legislative and Intergovernmental Affairs (OLIA).

The Chair serves as the agency’s senior responsible executive, overseeing all aspects of agency operations and setting the agency’s substantive policy and rulemaking agenda. In addition, the Chair and Commissioners are jointly responsible for interpreting and enforcing the federal securities laws; issuing new rules and amending existing rules; overseeing the inspection of securities firms and other regulated entities; and coordinating U.S. securities regulation with federal, state, and foreign authorities. The staff in the Chair’s Office and in each Commissioner’s Office assist with these functions.

OLIA serves as the liaison between the SEC and Congress, and is responsible for responding to requests from Congress for information related to agency programs and legislation affecting the SEC or its mission. Specifically, OLIA coordinates testimony and witness preparation for SEC officials appearing at Congressional hearings; responds to requests by members of Congress and their staff for meetings, briefings, and technical assistance on legislation and other matters affecting the SEC or its mission; responds to requests from members of Congress and their staff for information concerning the operations and activities of the SEC; and assists in responding to Congressional correspondence. OLIA also serves as the agency’s official liaison to other federal government agencies such as the U.S. Department of the Treasury, the U.S. Commodity Futures Trading Commission, and other federal financial regulatory agencies.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	27	29	32
Cost:			
Salaries and Benefits	\$ 12,437	\$ 13,254	\$ 15,060
Non-Personnel Expenses	5,386	5,958	6,157
Total Costs	\$ 17,823	\$ 19,212	\$ 21,217

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Commission Meetings	73	74	74
Calendar Items	413	417	419
Seriatim Actions	599	605	608
Congressional Testimonies	4	10	10

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs (OPA) assists the Commission in making the work of the SEC open to the public, understandable to investors, and accountable to taxpayers. OPA communicates the agency's work and delivers the agency's data and other digital information to the public, market participants, and other stakeholders. OPA manages external communications strategy, media relations, internal communications, public engagement, digital engagement, speechwriting, and [SEC.gov](#).

OPA leverages technology and multimedia to deliver news, data, and other information to inform investors and facilitate internal and external audiences' interactions with the SEC. The office maintains the SEC's digital platforms, including The Exchange, the agency's intranet, and [SEC.gov](#)—which received more than one billion page views in FY 2022. In FY 2024, OPA will continue to expand and improve its digital efforts to meet increasing demand. Depending on funding availability, significant undertakings to [SEC.gov](#) and The Exchange will include continued enhancement of search engine, webcast media, content management workflows, caching strategies for page loading improvements, and automation of certain functions, as well as content enhancement to make relevant information more consumable. OPA will modernize the [SEC.gov](#) information architecture to further comply with a variety of digital standards. The office will also continue to respond to media inquiries, write and edit news releases and other materials, and facilitate media interactions with agency officials to promote understanding of the agency's work in an increasingly dynamic marketplace.

OPA will continue these and other activities in FY 2024, with a heightened emphasis on innovative digital and visual communication capabilities that support the emerging needs of an increasingly mobile workforce and enable the SEC to convey its work in a compelling and relevant manner. The challenge, however, is making sure that the office is deploying its resources effectively given the proliferation of digital channels and diverse audiences.

FY 2024 Request

For FY 2024, OPA requests three additional positions to facilitate the above goals: (1) a strategic communications program manager to work closely with the OPA leadership team and other key SEC offices/divisions to develop and drive effective strategies for external and agency-wide internal communications; (2) an IT specialist (web developer) to accommodate increased workload, maintain website compliance with statutory and Office of Management and Budget directives, and support ongoing development; and (3) a digital communications (social media) specialist to assist implementing agency social media strategies to increase reach and engagement on more social media channels.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	24	25	27
Cost:			
Salaries and Benefits	\$ 6,228	\$ 6,670	\$ 7,796
Non-Personnel Expenses	2,226	2,989	3,089
Total Costs	\$ 8,454	\$ 9,659	\$ 10,885

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
News Releases and Chair Speeches and Statements	357	325	350
Email and Mobile Bulletins	5,088	5,000	5,000
Social Media Posts	1,383	1,045	1,200
Number of SharePoint Top-Level Sites or Applications Created and/or Administered ¹	38	40	40
Number of Internal Communications Artifacts, including Articles, Reminders, and Daily Emails Distributed	3,512	3,700	3,500
SEC.gov Website Content Updates	44,385	44,400	44,400
The Exchange Intranet Content Updates	2,244	2,500	2,500
Number of Digital Signage Slides, Posters, Kiosk, and Social Media Graphics	1,028	1,234	1,200
Reports and Publications Production	21	21	23
Video and Other Media Productions	65	71	71
Public Engagements/Event Production	200	200	200

¹ Number only represents the top-level (i.e., first level/parent) sites. Nearly 500 subsites, pages, document libraries, and/or workflows comprise these sites.

OFFICE OF THE SECRETARY

The Office of the Secretary (OS) is critical in ensuring the effective processing of all Commission business. OS reviews for legal and factual sufficiency orders and releases issued by the Commission; schedules and coordinates Commission meetings; prepares and maintains records of Commission actions; receives and tracks filings in administrative proceedings; and advises the Commission and staff about practice and procedure. OS is responsible for the public dissemination of Commission documents such as notices, orders, and rulemakings and oversees the comment letter intake process.

Because all Commission enforcement and regulatory actions flow through OS, the agency's rulemaking agenda and enforcement program will continue to have a significant impact on OS workload in FY 2024. In recent years, OS has generally experienced significantly increased workload levels. The higher workload OS has taken on is consistent with the agency's increased enforcement actions and rulemaking activity. In addition, OS will continue to improve business operations and further enhance its current information technology (IT) systems. OS intends to continue to focus resources on enhancing its internal and outward-facing processes to allow for expedited and efficient access by all customers, including the public.

OS will continue to focus on increasing the efficiency of its current operations, and will use backfills to respond to emergent requirements or to anticipate future areas of need.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	23	23	23
Cost:			
Salaries and Benefits	\$ 5,819	\$ 6,308	\$ 6,541
Non-Personnel Expenses	2,342	2,790	2,883
Total Costs	\$ 8,161	\$ 9,098	\$ 9,424

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Releases and Orders Processed			
Enforcement	1,892	1,987	1,911
Regulatory	1,738	1,825	1,755
Other	301	316	304
Federal Register Submissions			
Self-Regulatory	1,397	1,467	1,411
Rulemaking/Other	642	674	648
Public Comment Letters Processed	69,064	30,000	30,000
Documents Posted on SEC.gov	4,193	5,000	5,000
Administrative Proceedings Items Processed	4,099	4,181	4,265
Service of Process — Administrative Proceedings	2,601	2,616	2,632
Commission Correspondence Processed — Chair Signature	93	121	143
Commission Correspondence Processed — All Other	756	795	811

OFFICE OF THE CHIEF OPERATING OFFICER

The Office of the Chief Operating Officer (OCOO) provides strategic leadership and operational oversight of the SEC's core mission-support activities and compliance with administrative requirements from Congress and the Executive Branch.

There are seven offices within OCOO:

- Office of the Chief Operating Officer's Front Office
- Office of Financial Management
- Office of Information Technology
- Office of Human Resources
- Office of Acquisitions
- Office of Support Operations
- EDGAR Business Office

OFFICE OF THE CHIEF OPERATING OFFICER (FRONT OFFICE)

The front office of the Office of the Chief Operating Officer (OCOO) oversees and coordinates the activities of the six other component offices. In addition, the front office manages several key functions, as detailed below.

Chief Data Officer

The Office of the Chief Data Officer (OCDO) is committed to enabling the secure, effective, and efficient use of data in service of the agency's mission. OCDO will continue to coordinate the ongoing refinement and execution of the SEC Data Strategy; lead the design and collaborate on the implementation of the Commission's data architecture, including supporting the areas of identity and access management and zero trust architecture; develop and deploy additional enterprise data standards governing metadata tagging, data definitions, self-service exchange, transfer, load, and data archiving/backup; categorize and maintain its inventory of data assets, including metadata, via continued development of the SEC Data Catalog; develop, implement, and monitor compliance with organization-wide data policies and standards governing access, use, and sharing, as well as licensing and terms of use; and coordinate implementation of open data requirements governing rulemaking and information dissemination, as required by the OPEN Government Data Act (P.L. 115-435, Title II).¹ OCDO will also continue to promote effective management of the agency's library and third-party research and data resources via the Library and Information Services function.

Chief Risk Officer

The Office of the Chief Risk Officer (OCRO) strives to provide reliable, timely, and decision-useful information on agency risks to enable SEC leadership to make risk-informed decisions on strategy, as well as mission and operational objectives. OCRO will continue to mature SEC's system of internal control by better focusing internal control efforts on division and office objectives and refining its management assurance assessments in alignment with the agency's statement of assurance. OCRO will also strengthen the SEC's Enterprise Risk Management (ERM) capabilities by leveraging existing reporting processes to capture key risks to strategic initiatives. Finally, OCRO will enhance its ERM risk assessment processes.

¹ The OPEN Government Data Act (P.L. 115-435, Title II) requires, among other things, that all public government data assets be published as machine-readable data and each federal agency designate a Chief Data Officer who develops and maintains a comprehensive data inventory.

Managing Executive for Small Offices

The Office of the Managing Executive for Small Offices (MESO) provides vital business operations planning and management services to support 13 small offices throughout the agency. In particular, MESO works collaboratively with small offices' senior leadership to manage their offices' financial and human resources and IT initiatives to achieve organizational goals and objectives. MESO is committed to expanding data management support, IT technical support and project liaison services to ensure the technological capabilities available to the small offices effectively support their operations.

Strategic Planning and Program Management

The Office of Strategic Planning and Program Management (SPPM) promotes effective program and project management, as well as maturation of Agile methodologies, practices, tools and expertise throughout the agency, and supports strategic initiatives to improve agency operations. Specifically, SPPM focuses on cross-agency areas such as: (1) enterprise program and project management; (2) business process improvement; (3) management of agency performance metrics; (4) the delivery of strategic cross-agency projects and programs; and (5) cross-agency processes such as supporting crisis management/cyber security processes, tracking agency obligations associated with new laws and regulations, coordinating personnel exits, and internal administrative regulations.

FY 2024 Request

For FY 2024, OCOO requests three additional positions. One position will support the Chief Data Officer and the agency with the coordination of Data Stewardship initiatives and governance. This individual will support various governance and data management activities, including implementation of enterprise data policies and enterprise data quality initiatives. A second position would support the SEC's implementation of the Financial Data Transparency Act of 2022. Among its directives is a requirement that the Commission and other covered agencies jointly issue proposed rules for public comment that establish data standards for the collection of information reported to each covered agency by financial entities and on behalf of the Financial Stability Oversight Council. The FY 2024 request supports staffing and technology for these efforts. Finally, the third position would serve as a product owner for the small offices' IT initiatives in accordance with the Office of Information Technology's new solutions delivery operational framework and procedures.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	34	42	45
Cost:			
Salaries and Benefits	\$ 9,533	\$ 12,150	\$ 13,820
Non-Personnel Expenses	3,382	4,575	4,728
Total Costs	\$ 12,915	\$ 16,725	\$ 18,548

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Auditor Engagements Facilitated	54	55	55
New Laws and Regulations Tracked by OCOO	79	75	75
SEC Policies Created or Revised	20	51	35
Projects to Improve Agency Business Processes	22	24	25
Small Offices Supported	13	13	13
OCDO Data Management			
Data-Related System Development Sprints Completed	90	84	86
Data Insights/Visualizations Developed and Deployed	26	25	25
Information Services			
Library Subscription Management — Account Actions Taken	6,388	6,250	6,250
Library Acquisitions — Contracts Managed	120	120	120
Library Acquisitions — Invoices Reviewed/Paid	625	625	625
Library Reference — In-Depth Research Requests	352	325	325
Library Reference — Quick Reference Requests	1,361	1,400	1,400

OFFICE OF FINANCIAL MANAGEMENT

The Office of Financial Management (OFM) administers the financial management and budget functions of the SEC. The office assists the Chief Operating Officer in formulating budget and authorization requests, monitors the utilization of agency resources, and develops, oversees, and maintains SEC financial systems, statements, and reports. These activities include cash management, accounting, fee collections, travel policy development, and oversight of budget justification and execution.

OFM is committed to being a good steward of the funding entrusted to the SEC, and is also focused on strong financial management within the agency. This is a coordinated effort involving the modernization and integration of financial systems to promote high data quality and accurate financial reporting. These efforts will continue in FY 2024 with a focus on further integration and automation of financial management processes, improved financial reports, and ongoing efforts to streamline registration fee data. OFM also seeks to continue to evaluate robotic process automation alternatives to generate efficiencies with financial data and enhance efficient and effective internal controls.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	85	85	86
Cost:			
Salaries and Benefits	\$ 22,374	\$ 23,606	\$ 25,567
Non-Personnel Expenses	9,840	10,717	11,075
Total Costs	\$ 32,214	\$ 34,323	\$ 36,642

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Accounting and Finance			
Quarterly/Annual Financial Statements Issued ¹	36	36	36
Financial Transactions Analyzed	8,141,365	8,600,000	9,100,000
Analysis and Reconciliation Reports Prepared	7,011	7,081	7,152
Planning and Budget			
Number of Conference Requests Submitted in the Automated Event Request System	21	52	78
Percentage of Reserve Fund Letters Delivered to Congress On Time	100%	100%	100%

¹ This activity includes the five required financial statements—the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, and Statement of Custodial Activity—on a quarterly and annual basis (20 statements total), and the four Investor Protection Fund financial statements, as required by the Dodd-Frank Act, on a quarterly and annual basis (16 statements total).

OFFICE OF INFORMATION TECHNOLOGY

Information technology (IT) plays a critical role in the mission of the SEC and its ability to digitally receive data from registrants, enabling SEC employees to analyze and derive insights and share data with the agency's government partners and the public while also maintaining the security of its systems and protecting the integrity and privacy of the sensitive information the public entrusts to the Commission. Today's global, interconnected, and technologically sophisticated U.S. markets require that the SEC continue leveraging technology to keep pace with the growth in data volumes and variety that the agency is required to receive, process, analyze, and make available to the investing public.

The Office of Information Technology (OIT) is devoting resources to leveraging new data analytic technologies; enhancing and modernizing technology systems, particularly in the areas of application migration to a cloud environment; continuing to strengthen the cybersecurity of SEC systems; modernizing the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, including with respect to facilitating the submission of data by filers and complying with the Financial Data Transparency Act of 2022; and implementing an IT Supply Chain Risk Management program across the Commission.

OIT supports the Commission and staff of the SEC in all aspects of IT. The office has overall management responsibility for the SEC's IT program, including application development, data engineering and management, infrastructure operations and engineering, end-user support, IT program management, capital planning, security, privacy, and enterprise architecture. OIT operates the EDGAR system, which electronically receives, processes, and disseminates more than 500,000 financial statements every year. In addition, OIT maintains a dynamic and robust website that contains a wealth of information about the Commission and the securities industry, and also hosts the EDGAR database for free public access.

Efficient, effective, and responsible use of data and IT is a crucial focus of the SEC. The agency continues to make progress in key areas such as cybersecurity, secure cloud infrastructure, and data management. In addition, the SEC intends to invest in artificial intelligence/machine learning (AI/ML) and other capabilities to address the growing volume of data it receives, processes, analyzes, and makes available to the investing public.

FY 2024 Request

This budget request would enable the SEC to implement initiatives in its multi-year strategy, which includes (1) the expansion of AI/ML into data accessibility and analysis; (2) the migration of applications to the cloud; (3) the implementation of a zero trust architecture and other compliance with new cybersecurity requirements; and (4) the development of an IT Supply Chain Risk Management program.

The request includes 28 positions, which would permit OIT to hire a mix of AI/ML experts, security specialists, IT specialists, engineers, and project managers to cover a range of disciplines including AI/ML, cloud migration, cybersecurity, supply chain risk management, and agile development, to help ensure the SEC's IT investments yield the promised value and benefits for agency programs. In addition, the request also would allow OIT to continue to strengthen cybersecurity controls and the IT Supply Chain and Risk Management program to meet the requirements expressed in Cybersecurity Executive Order 14028, *Improving the Nation's Cybersecurity* (May 12, 2021) and associated Office of Management and Budget Memoranda.

Reserve Fund

In FY 2024, the SEC intends to continue using its Reserve Fund to fund mission-critical technology modernization and enhancement projects that enhance the agency's security posture, expand the use of risk and data analytics, and reduce cost by migrating legacy applications to modern enterprise solutions. This funding supports long-term IT initiatives that would otherwise be more difficult to execute due to year-over-year budget challenges.

The SEC plans to use the Reserve Fund for the following programs:

- Cybersecurity
- Data Analytics
- EDGAR Modernization
- Enforcement Investigation and Litigation Support
- Examination Management
- Tips, Complaints, and Referrals (TCR) Modernization
- Business Process Improvements

These key priorities will enhance the SEC's ability to improve service to registrants and the public, integrate and analyze large amounts of data, and improve SEC business and operational processes.

The multi-year effort of overhauling EDGAR will continue, resulting in a new, modernized system that will, among other things, modernize the core technologies underlying the EDGAR system, make it easier for registrants to file through the system, improve system security, and enhance the usability of EDGAR data by the public through [SEC.gov](https://www.sec.gov).

The phased launch of Consolidated Audit Trail (CAT) reporting and regulator functionality is ongoing. The final phase of reporting is now expected to be completed by the end of 2023, with the development of additional required functionality to follow. The SEC will continue maturing its environment and applications to use CAT data as it becomes available while maintaining appropriate security controls.

In addition, building foundational capabilities in the SEC’s cloud environment will unlock future opportunities for cost optimization, application consolidation, and security enhancements. The SEC will continue to set and maintain technology standards for development and operations in the cloud, and will continue investing in automation to implement inherited security controls and improve delivery time. The SEC will also establish disaster recovery and continuity of operations capabilities in its cloud environment that are necessary for the migration of mission-critical applications such as EDGAR. These efforts will allow the SEC to retire outdated legacy applications that are more expensive to secure and maintain.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	205	213	238
Cost:			
Salaries and Benefits	\$ 58,659	\$ 64,182	\$ 77,080
Non-Personnel Expenses	22,974	28,127	29,068
Total Costs	\$ 81,633	\$ 92,309	\$ 106,148

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Internal Process Improvements and Employee Productivity			
User Requests for Helpdesk Assistance	145,717	150,000	155,000
Amount of Network-Based Storage (terabytes)	24,800	25,400	25,400
Network Users	6,809	6,915	6,915
Information Security and Disaster Recovery			
Percentage of Major Systems Certified and Accredited	100%	100%	100%

OFFICE OF HUMAN RESOURCES

The Office of Human Resources (OHR) is responsible for the strategic management of the SEC's human capital. OHR consults with management, establishes and administers human capital programs and policies, and ensures compliance with federal regulations and negotiated agreements.

Programs and policies under OHR's purview include those listed below.

- Recruitment, Staffing, and Retention
- Position Management and Classification
- Compensation Administration
- Benefits Counseling and Processing
- Leave Programs
- Leadership and Employee Development
- Performance Management and Awards
- Labor Relations
- Disability Program
- Work-Life Programs
- Telework
- Employee Records Processing and Maintenance

FY 2024 Request

For FY 2024, OHR requests two additional positions to support the implementation and optimization of human capital technology; recruitment and hiring initiatives (consistent with the requirements of Executive Order 14058, *Transforming Federal Customer Experience and Service Delivery*, and Executive Order 14035, *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce*); and further the strategic management of the SEC's human capital through programs that support the development, engagement, and retention of a diverse and talented workforce with the right mix of skills and expertise.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	108	112	116
Cost:			
Salaries and Benefits	\$ 26,665	\$ 34,885	\$ 38,137
Non-Personnel Expenses	11,413	12,775	13,203
Total Costs	\$ 38,078	\$ 47,660	\$ 51,340

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
AskHR Inquiries ¹	23,800	25,000	23,000
Personnel Actions Processed ¹	20,056	20,467	20,504
Recruitment Actions ¹	1,105	1,336	1,182
Training Sessions Held	1,686	1,600	1,600
Training Session Attendees	31,187	30,000	30,000
Studies, Reviews, and Policies Issued	830	837	848
Classification Assessments and Federal Staffing Policy Reviews ²	53	55	57
Applications Processed for Students and Special Programs ³	5,475	4,070	4,110
On-Boards for Students and Special Programs ⁴	613	640	646

1 Actual figures will be highly dependent on the appropriations enacted by Congress. They also account for personnel actions, processing for regular and recurring actions associated with current employees, e.g., career ladder promotions, career tenure changes, and awards.

2 This metric captures workload related to classification studies, desk audits, office re-organizations, and the review and update of SEC Administrative Regulations and Operating Procedures related to federal staffing.

3 This metric captures the number of applications submitted and processed by OHR for the Student Honors Program, Upward Mobility Program, and Chair's Attorney Honors Program. The Student Honors Program was replaced by the SEC Scholars Program in FY 2022.

4 This metric captures the number of applications that are further evaluated and result in a selection and on-board for the Student Honors Program, Upward Mobility Program, and Chair's Attorney Honors Program. This metric also includes on-boarding for the Intergovernmental Personnel Act Mobility program, and intra-agency details. The Student Honors Program was replaced by the SEC Scholars Program in FY 2022.

OFFICE OF ACQUISITIONS

The Office of Acquisitions (OA) develops and executes programs for the SEC's acquisitions policy; procurement and contract administration; acquisitions workforce training and certification; and government purchase cards (GPC).

OA is responsible for procuring all goods and services—except real property—for the SEC. OA provides oversight of the GPC program and certification programs for OA staff, Contracting Officer's Representatives (COR), and program/project managers. OA is responsible for maintaining the on-site/off-site contractor database; managing contracts and contractors; ensuring performance is monitored; adjusting contracts as needed; closing out contracts; and implementing and enforcing specific Congressional legislation, executive mandates, and other directives relating to procurement.

OA reports detailed information on expenditures and assures contract-related data is properly reported to federal systems and SEC financial systems. OA tracks and reports a broad range of information, in addition to financial data, required by the SEC for its financial reporting. Examples include Buy American Act information; awards by Congressional district, state, vendor, business type, and competition information; and small business and other data necessary to ensure transparency and accountability for federal programs.

Procurement budgets increased to their highest levels in FY 2022 and are anticipated to continue growing over time. OA's workload is expected to increase due to an increase of project funding from other offices/divisions, risk management initiatives, current efforts supporting areas such as Contract Management Excellence, focused oversight, and other interested stakeholders. OA has committed to improvements in contract management affecting not only OA but also the hundreds of CORs located throughout the SEC. OA will continue to develop and improve upon its mechanisms for acquisition planning, contract oversight, and vendor risk management.

FY 2024 Request

For FY 2024, OA requests one additional contract specialist to support growing operational needs including procurement obligations, sourcing, and contract management, as well as identified risks and support of technology areas. OA plans to continue its focus on improving contract management by: (1) strengthening collaboration between OA, CORs, and other stakeholders for contract planning and management of SEC procurement needs; (2) continuing OA's compliance and oversight functions in reviewing contract actions and files; and (3) emphasizing its automated workflow solutions for improved documentation, tracking, and transparency of procurement actions.

(DOLLARS IN THOUSANDS)	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	56	56	56
Cost:			
Salaries and Benefits	\$ 13,938	\$ 14,548	\$ 15,786
Non-Personnel Expenses	5,733	6,680	6,904
Total Costs	\$ 19,671	\$ 21,228	\$ 22,690

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Procurement Actions (contracts and purchase orders)	1,520	1,525	1,530
Total Dollars Obligated of Contracts with Business Funded by SEC ¹	\$ 598,288,648	\$ 616,300,000	\$ 634,725,000
Additional Value of Interagency Agreements Obligated (in dollars)	\$ 18,734,411	\$ 19,296,000	\$ 19,875,000
GPC Cardholder Statements Audited	110	110	110
Closeout Actions Processed	357	300	300
Dollars Recovered for Reuse (closeouts and unliquidated obligation de-obligations)	\$ 39,245,388	\$ 25,000,000	\$ 25,000,000
CORs in Acquisition Workforce	473	483	493
Small Business Actions Processed	1,071	1,000	1,000
Dollars Spent with Small Business	\$ 308,838,178	\$ 330,000,000	\$ 343,750,000
Percentage of Small Business Dollars (23% federal-wide minimum goal)	55%	55%	55%
Multi-Agency Collaborative Actions	269	250	250
Multi-Agency Contract Value Awarded (in dollars)	\$ 63,887,240	\$ 65,000,000	\$ 65,000,000

¹ Data can vary depending on date of report generated.

OFFICE OF SUPPORT OPERATIONS

The Office of Support Operations (OSO) implements a variety of programs to manage the agency's facilities and assets. OSO is responsible for processing requests made under the Freedom of Information Act (FOIA) and Privacy Act (PA), the management of all agency records in accordance with the Federal Records Act, maintaining the security and safety of SEC facilities, and managing property, equipment, and overall building operations.

Office of FOIA Services (OFS) is responsible for receiving and responding to requests for non-public records under FOIA (5 U.S.C. § 552) and PA (5 U.S.C. § 552a). The office's primary objective is to foster openness and transparency in government. Congressional interest in the Commission's mission and activities remains high, as does public demand for SEC records. OFS estimates it will receive approximately 10,000 FOIA requests in FY 2024.

Office of Records Management Services (ORMS) maintains SEC records schedules and develops policies and procedures under the Federal Records Act and other records requirements. The office also coordinates the retrieval of non-active records from records storage facilities. The Office of Management and Budget's *Transition to Electronic Records Directive* (M-19-21) drives the increased demands on the program. ORMS employs the Capstone approach methodology to manage permanent and temporary electronic message records. ORMS is leading the agency's modernization of records management business practices, by automating the processes by which electronic information is maintained, managed, and safeguarded.

Office of Security Services (OSS) is responsible for physical and personnel security, emergency management, and safety of SEC personnel and facilities. OSS develops policies and procedures to implement federal security-related statutes and regulations. OSS also manages the Homeland Security Presidential Directive (HSPD)-12 and National Security programs for the SEC in accordance with federal mandates. OSS oversees the SEC Insider Threat program and operates the Sensitive Compartmented Information Facility with secure communication capabilities.

Office of Building Operations (OBO) provides a wide range of services. The office supports the SEC's headquarters and 11 regional office locations, and oversees property and facilities management, office lease acquisitions and administration, space renovation, furniture management, greenhouse gas reporting, transportation, and printing and mail services.

Business Management Office (BMO) is responsible for the oversight and management of all business functions of the OSO organization, ensuring that the most efficient and effective business practices are followed. BMO serves as the conduit for OSO offices to plan, manage, and execute mission requirements, and also provides essential organizational management support. BMO serves the SEC by providing Continuity of Operations Planning (COOP). The COOP Branch manages an extensive range of programs directly related to ensuring the continuity of SEC’s operations and essential functions across a spectrum of emergencies.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	86	90	91
Cost:			
Salaries and Benefits	\$ 20,460	\$ 22,450	\$ 24,334
Non-Personnel Expenses	8,679	9,803	10,131
Total Costs	\$ 29,139	\$ 32,253	\$ 34,465

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
FOIA			
FOIA Requests Carried Forward from Prior FYs	977	1,027	1,077
New FOIA/PA Requests Received	10,000	10,000	10,000
FOIA/PA Requests Completed	9,856	9,950	10,000
Records Management			
Document Requests	185	200	200
Security Services			
Interim Suitability Determinations Made	3,017	3,252	3,800
HSPD-12 Credentials Issued	1,219	4,000	3,500
HSPD-12 Credential Certificates Updated	767	750	1,250
Building Operations			
Print Production (millions of pages)	0.82	1.30	1.77

EDGAR BUSINESS OFFICE

The EDGAR Business Office (EBO) provides centralized and effective management of all aspects of the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. Among other things, EBO governs strategic improvements to EDGAR; oversees EDGAR development for SEC rulemakings and other matters; provides filer support; maintains responsibility for rulemaking related to the administration of EDGAR; and communicates with the public and SEC staff about EDGAR matters.

EBO strives to improve and simplify the filer experience, streamline the ability of companies and individuals to meet filing and disclosure requirements, and empower investors with accurate, consolidated, and user-friendly data and information to make informed investment decisions.

EBO will implement relevant agency rulemaking timely and effectively in EDGAR. EBO will further provide at least one EDGAR Beta environment for filers to test upcoming changes including, but not limited to, adopted filing fee modernization changes to be implemented in 2024.

EBO will continue work on the EDGAR Next project to enhance EDGAR security by improving EDGAR filer access and account management processes. We anticipate that the Commission may consider formally proposing EDGAR Next improvements that would:

- add individual user accounts and multi-factor authentication to the access process;
- enhance the ability of filers to securely maintain access to their EDGAR accounts;
- facilitate responsible filer management of EDGAR credentials; and
- simplify procedures for accessing EDGAR.

Furthermore, EBO anticipates proposing that the Commission consider adding more Application Programming Interfaces to EDGAR.

FY 2024 Request

For FY 2024, EBO requests two new positions that will focus on (1) EDGAR development given the SEC's increase in rulemakings for implementation in EDGAR, and (2) legal support given, *inter alia*, the increase in rulemakings for implementation in EDGAR to be reviewed and increased filer issues that require application of delegated authority under rule.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	33	33	38
Cost:			
Salaries and Benefits	\$ 8,585	\$ 9,283	\$ 11,364
Non-Personnel Expenses	3,361	4,116	4,254
Total Costs	\$ 11,946	\$ 13,399	\$ 15,618

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
EDGAR Filings, Disclosure, and Review			
Online Searches for EDGAR Filings (in millions)	28,910	29,488	30,078
Number of Electronic Filings Received (in millions)	2.44	2.51	2.59
EDGAR Development			
EDGAR Agile Development Releases	12	12	12
Division/Office Rulemaking Implementation to EDGAR	13	18	22
EBO Rulemaking Activities	4	5	4
EDGAR Filer Support			
Filer Support and Escalations — Internet and Email Inquiries	7,479	7,629	7,781
Assistance, Escalations, and Technical Support — Telephone Inquiries	83,561	85,232	86,937
EDGAR Form IDs Processed	118,443	120,812	123,228
EDGAR Internal System Access Requests Processed	921	967	1,015
Rule 15 Actions Processed	210	221	232

OFFICE OF THE ETHICS COUNSEL

The Office of Ethics Counsel (OEC) is responsible for administering the Commission's Ethics program as well as interpreting the SEC's Supplemental Ethics Rules and federal government-wide ethics laws, rules, and regulations. OEC provides independent legal analysis and advice to the Chair, Commissioners, and divisions and offices on ethics issues. In addition, the OEC Compliance Team manages personal trading requests for staff across the Commission in compliance with the SEC's Supplemental Ethics Rules, and provides training and counseling on personal trading questions. OEC is also the SEC's liaison with the U.S. Office of Government Ethics (OGE). OEC expects its workload and responsibilities to increase as the overall workforce of the SEC increases, as the office manages the development and implementation of multiple significant IT systems—including automating the process for receiving and reviewing compliance data—and as the number of enforcement matters increases in FY 2024.

OEC will continue to advise and counsel all Commission employees and members on personal and financial conflicts of interest; post-employment restrictions; securities holdings and transactions of Commission employees and their immediate families; gifts; seeking and negotiating other employment; outside activities; and financial disclosure. Additionally, OEC will continue to review Commission memoranda for potential conflicts of employees with complex financial holdings. Further, the office will continue to develop and enhance IT systems for employee trading and financial disclosure.

FY 2024 Request

For FY 2024, OEC requests one additional position to assist the financial disclosure programs and ethics advice training in support of prospective and current Presidential appointees with financial disclosure to the U.S. Senate and OGE.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	18	20	20
Cost:			
Salaries and Benefits	\$ 5,114	\$ 5,753	\$ 6,190
Non-Personnel Expenses	2,180	2,450	2,532
Total Costs	\$ 7,294	\$ 8,203	\$ 8,722

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Ethics Counseling Inquiries	10,000	10,000	10,300
Review of Public Financial Disclosure Forms	404	416	428
Commission Memoranda Review	1,043	1,074	1,106
Review of Confidential Financial Disclosure Forms	4,253	4,381	4,513
Clearance of 8B Requests	140	144	148
Pre-clearance of Requests for Trading	63,794	65,707	67,678
Employees Trained in Ethics	4,734	4,876	5,022
Review of SEC Forms 682 Financial Disclosure Forms	343	353	364
Testing of Employee Compliance Data	400	400	412

OFFICE OF MINORITY AND WOMEN INCLUSION

The Office of Minority and Women Inclusion (OMWI) provides leadership and guidance for the SEC's efforts to leverage diversity and inclusion throughout the agency to enhance mission performance and impact. OMWI's efforts include building and maintaining a diverse workforce and cultivating an inclusive work environment; promoting business diversity with the SEC's regulated entities and stakeholders; and fostering diversity in the agency's network of suppliers, including promoting diversity and inclusion with those suppliers.

OMWI actively supports the SEC's Diversity, Equity, Inclusion, and Accessibility (DEIA) Strategic Plan (2023 – 2026), which includes developing and assisting with the implementation of actions that support the goals set forth by the DEIA Strategic Plan. OMWI provides guidance and support for monitoring and evaluating the progress and performance of the actions set forth with the DEIA Strategic Plan.

OMWI will continue to guide and assist the SEC in its focus on attracting, hiring, developing, and retaining highly quality, diverse talent for all levels of the workforce. Specifically, OMWI will continue its outreach activities with women and other minority-serving high schools, colleges, and universities through career fairs, networking events, and recruiting opportunities. OMWI's workforce outreach activities will be increasingly geared towards building sustainable and impactful relationships with such educational institutions through strategic interactions with these institutions' leadership; engagement with multicultural and career services offices; and financial literacy programs.

Internally, OMWI will continue to provide diversity and inclusion training, assist and promote professional development programs, and focus on providing career advancement opportunities for diverse candidates through early-career programs and paid internships. Additionally, OMWI's efforts will focus on providing customized consultations to individual SEC divisions and offices and share recommendations and guidance on enhancing diversity, equity, inclusion and accessibility. This will include the implementation of the DEIA Assessment program that will assess the maturity of participating organization's DEIA efforts and offer recommendations.

In further support of the SEC's DEIA Strategic Plan, OMWI will be increasingly focused on fully integrating diversity and inclusion in the strategic decision-making of the agency and promoting business diversity with the SEC's regulated entities and stakeholders. This will include a variety of external initiatives designed to further the principles of diversity and inclusion in the financial services industry and the U.S. markets, including in the areas of asset management, access to capital, and investor access. OMWI's mission-related activities will focus on working with the SEC advisory committees for mission effectiveness, including promoting diverse participation, expanding partnerships with professional organizations with minority constituencies, and promoting diversity and inclusion efforts with the SEC's regulated entities.

To support diversity in the SEC’s business activities, OMWI works to introduce minority-owned and women-owned businesses (MWOB) to opportunities at the SEC and will continue to collaborate with the SEC’s Office of Acquisitions to promote equitable access to contracting and sub-contracting opportunities through extensive outreach activities. In particular, OMWI expects to promote awareness of, and access to, contract vehicles focused on the SEC’s information technology needs. OMWI will continue to present at business conferences focused on MWOBs and meet one-on-one with potential contractors at OMWI-hosted Vendor Outreach Days.

FY 2024 Request

For FY 2024, OMWI requests one additional position to support the SEC’s staff and internal operations while helping the agency more effectively engage with the diverse public it serves. This new position will partner with OMWI’s current diversity strategist to expand the DEIA Assessment program from the pilot stage to SEC-wide. The portfolio of work will mainly be focused on advising senior leaders and managers on the assessment of DEIA efforts through a framework and maturity model, leading technical assistance consultations with SEC offices that address key DEIA matters, analyzing complex quantitative and qualitative data findings, developing comprehensive recommendations to address identified program performance gaps, action planning, and monitoring progress.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	11	13	16
Cost:			
Salaries and Benefits	\$ 3,170	\$ 3,687	\$ 4,767
Non-Personnel Expenses	1,092	1,522	1,573
Total Costs	\$ 4,262	\$ 5,209	\$ 6,340

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Workplace Diversity and Inclusion			
Diversity and Inclusion Trainings, Events, and Initiatives	50	60	65
Diversity, Equity, Inclusion, and Accessibility Consultations	15	30	45
Diversity and Inclusion Outreach			
Mission-Related Activities and Targeted Outreach	68	70	70
Targeted Employment Advertisements	174	300	300
Supplier Diversity and Business Engagement			
Good Faith Effort Contract Reviews	21	25	25
Vendor Matchmaking and Outreach Events	60	70	70
Diversity (Biennial) Assessment of Regulated Entities	59	—	70

OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY

The Office of Equal Employment Opportunity (OEEO) leads the agency's equal employment opportunity (EEO) program. OEEO enforces anti-discrimination laws, regulations, and policies while continually advancing model workplace practices. OEEO is a neutral office that works with other SEC organizations and offices to embed equal opportunity, equity, fairness, diversity, inclusion, and accessibility within the SEC's mission and culture. OEEO enables the SEC's mission by proactively preventing discrimination in employment and provides redress for workforce concerns relating to EEO. The Director of OEEO reports directly to the Chair of the SEC and is the designated decision-maker who adjudicates formal administrative EEO complaints. The office also conducts intake of EEO concerns, engages in counseling and alternative dispute resolution, and investigates allegations of workplace discrimination.

OEEO is organized in two main functions: Compliance and Resolutions, and Proactive Prevention.

The Compliance and Resolutions function applies legal principles to the processing and adjudication of complaints of discrimination under applicable anti-discrimination laws, regulations, and Executive Orders (EO). This function also provides opportunities to resolve concerns through alternative dispute resolution, analyzes program efficiency, and publishes transparency reports.

The Proactive Prevention function collects and analyzes quantitative and qualitative data to determine whether a policy, practice, or procedure presents a potential barrier to EEO and leads approaches for improvement.

A diverse team of EEO professionals is leveraged to achieve organizational outcomes, including attorneys, EEO specialists, management and program analysts, a data scientist, and an industrial organizational psychologist. The OEEO workforce is blended with support from contractors.

In FY 2022, OEEO undertook a comprehensive review of its existing strategic plan and updated its priorities to include three strategic goals:

1. Lead Compliance with EEO Laws and Proactively Remove Barriers to Equal Employment Opportunity
2. Promote a People-Centered Culture at all Levels and Locations
3. Position Internal Operations and Expertise to Optimize Service-Delivery

FY 2024 Request

For FY 2024, OEEEO requests one additional position to support its legal and regulatory mandates, execute initiatives under the new strategic plan, and respond to changing and emerging needs. The position would be located in the Proactive Prevention function and support strategic priorities including workforce training and education.

OEEEO has benchmarked areas for improvement within the SEC’s EEO program, drawing on new government-wide initiatives and Executive Orders, legal updates including the Elijah E. Cummings Federal Employee Anti-Discrimination Act of 2020, and other leading industry practices that focus on eradication of discrimination and equity, to include a focus on the needs of underserved communities. In addition, OEEEO is conducting a zero-based review of the SEC’s harassment prevention and response program, which will conclude in FY 2023 and necessitate program enhancements.

Strategic priorities include creating new approaches to strengthen investigative outcomes and assessments; formalizing protocols; increasing outreach and education opportunities available for all SEC staff; in-sourcing EEO complaint-related services to enhance trust, quality, and efficiency; enhancing the dispute resolution program to provide additional proactive and high touch services; understanding better the customer experience of those filing EEO complaints; and building a knowledge management infrastructure to increase efficiency and compliance with federal record retention requirements and support succession planning.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	11	12	15
Cost:			
Salaries and Benefits	\$ 3,259	\$ 3,855	\$ 5,092
Non-Personnel Expenses	1,609	1,559	1,611
Total Costs	\$ 4,868	\$ 5,414	\$ 6,703

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Equal Employment Complaint Program (29 CFR 1614)			
Contacts to Office	25	50	70
Informal Complaints	18	36	38
Formal Complaints	12	23	23
Final Agency Decisions/Final Agency Orders	8	10	10
Harassment Prevention Program			
Inquiries and Program Contacts	33	66	66
Affirmative Employment Program			
Affirmative Employment/Barrier Research Studies	1	2	2
Research Studies	6	8	8
Formal Consultation on Programs, Policies, and Practices	5	8	15
Analytic Briefings	15	15	15
Workforce Training, Outreach, and Education			
Harassment Prevention	2	8	15
New Employee Orientation	26	26	26
Supervisory Outreach and Coaching Services	77	100	150
Workforce Events and Educational Outreach	8	16	16
Web-Based Training	—	2	2
Mandatory External Reporting			
No FEAR Act (Quarterly + Annual)	5	5	5
Management Directive 715 Benchmark Assessment	1	1	1
Agency Statistical Report on Complaint Activity (Form 462)	1	1	1

OFFICE OF INSPECTOR GENERAL

The Office of Inspector General (OIG) is an independent office that conducts audits of programs and operations of the SEC and investigations into allegations of misconduct involving the SEC's programs and operations. The mission of the OIG is to detect fraud, waste, and abuse and to promote integrity, economy, efficiency, and effectiveness in the SEC's programs and operations. The rapid pace of significant internal and external changes impacting the work of the SEC in turn drives the work of the OIG. The OIG supports the efforts of Congress and the SEC to fulfill their responsibilities and achieve their goals and objectives with respect to oversight of the securities industry and investor protection.

In FY 2024, the OIG will continue to focus on improving agency programs and operations through audits, evaluations, and reviews. The OIG will conduct audits and evaluations pursuant to the audit plan it will develop for FY 2024. The OIG will also enhance staff and agency integrity by investigating allegations of employee and contractor misconduct, as well as allegations of fraud, waste, and abuse in agency programs and operations. The OIG's audit and investigative workload remains high because of a variety of factors, including continued Congressional oversight of the SEC and the number of tips and complaints received by the OIG. The office expects workload levels to remain high throughout FY 2024.

The OIG will continue the oversight responsibilities established by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), which was enacted on July 21, 2010. In particular, Section 966 of the Dodd-Frank Act required the OIG to establish an OIG SEC Employee Suggestion Program (ESP). Under that program, SEC employees may submit to the OIG suggestions for improving the SEC's work efficiency, effectiveness, and productivity, as well as the agency's use of its resources. SEC employees may also submit through the ESP allegations of waste, abuse, misconduct, or mismanagement within the Commission. During FY 2024, the OIG will continue to monitor, track, and analyze information received through the ESP, and will increase efforts to promote the program and solicit suggestions that will improve the SEC's effectiveness in overseeing the securities markets and protecting investors. The OIG will also produce the required annual report to Congress on the ESP.

In addition, there has been a continuing need to support coordination of IG activities to strengthen the oversight of the federal financial regulatory structure. For example, the SEC Acting IG currently serves on the Council of Inspectors General on Financial Oversight (CIGFO), which was established by Section 989E of the Dodd-Frank Act. The OIG's participation on CIGFO requires resources to provide effective oversight. In particular, the OIG will be required to prepare a section of CIGFO's annual report to Congress in FY 2024. That section of the report will highlight the concerns and recommendations in the OIG's ongoing and completed work, focusing on issues that might apply to the broader financial sector. CIGFO may also task the SEC OIG to conduct other audit or review activities on CIGFO's behalf.

Increased coordination and initiatives undertaken by the Council of the Inspectors General on Integrity and Efficiency (CIGIE) have increased demands on OIG resources. To implement measures included in legislation to promote coordination of and transparency into the work of OIGs, the OIG has had to devote added resources to these initiatives, like the Pandemic Response Accountability Committee, the IG Enhancement Act, and the Whistleblower Protection Coordination Act. Similar legislation has been proposed that would increase OIG coordination and reporting with OIGs throughout the federal government. Additionally, the emphasis upon cybersecurity enhancements and investigations as the government increasingly moves to information technology (IT)-based services and solutions increases the need for technical solutions and skills in providing oversight. The increase in IG activities will result in the need for more OIG resources.

FY 2024 Request

The SEC has requested additional staff positions for FY 2024. The increase in agency staff requested in FY 2024 will result in the need for more OIG resources. To continue effective oversight, the OIG will need additional personnel to accommodate this increased workload. The OIG currently has 61 authorized positions. For FY 2024, the OIG plans to add one position, an IT Specialist, who will enhance the OIG's Office of Operations and Management's ability to conduct innovative research and analysis, and further provide data analytics support for OIG investigations, audits, evaluations, and legal reviews. This additional technical expertise will aid the OIG's efforts to conduct investigations of alleged fraud, waste, abuse, and misconduct in the SEC's programs and operations.

Regulatory Requirement

The Inspector General Act of 1978 (as amended) requires that each Inspector General (IG) submit a budget estimate and request each fiscal year to the head of the agency to which the IG reports. The Act requires that the request include:

- The aggregate amount of funds requested for the operations of the Office of Inspector General (OIG);
- The portion of that amount requested for OIG training, including a certification from the IG that the amount requested satisfies all OIG training requirements for that fiscal year; and
- The portion of that amount necessary to support the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

As required by the Act, the IG of the U.S. Securities and Exchange Commission (SEC) submits the following information for the OIG's budget estimate and request for FY 2024.

- The aggregate budget request for the operations of the OIG is \$20,049,658.
- The OIG budget request incorporates a sufficient aggregate amount of funds for the operations of the OIG. The OIG training needs have traditionally been partially funded out of the agency's training budget (i.e., approximately \$300 per full-time equivalent for general training needs). The estimate for OIG specialized training costs for FY 2024 is \$124,000. The Acting IG certifies that the aggregate amount of the request satisfies all training requirements for the OIG for FY 2024 and also any assessment required to support CIGIE.
- The estimated amount of the SEC OIG's contribution to CIGIE is 0.40 percent of the budget request, or \$80,199.

<i>(DOLLARS IN THOUSANDS)</i>	FY 2022 Actual	FY 2023 Enacted	FY 2024 Request
Full-Time Equivalents	51	51	58
Cost:			
Salaries and Benefits	\$ 15,298	\$ 15,504	\$ 18,978
Non-Personnel Expenses	6,933	8,757	9,172
Total Costs	\$ 22,231	\$ 24,261	\$ 28,150

Totals may not appear to sum from detail lines due to rounding of actual values

Workload Data

Activity	FY 2022 Actual	FY 2023 Estimate	FY 2024 Request
Audits/Evaluations			
Pending Beginning of Year	6	6	5
Opened	10	12	12
Completed	10	13	12
Pending End of Year	6	5	5

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Other Information

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RISKS, INTERNAL CONTROLS, AND MANAGEMENT CHALLENGES

The SEC's mission is to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. The increasingly complex ecosystem of capital markets, public companies, and investors makes accomplishing that mission continually more challenging. To maximize the impact of the resources provided to the SEC to accomplish its mission, the agency continually evaluates its operations to identify emerging risks and ensure its resources are deployed in a manner that efficiently and effectively meets agency priorities.

Risk Management

The SEC's Office of the Chief Risk Officer (OCRO), within the Office of the Chief Operating Officer, is responsible for leading the agency's enterprise risk management (ERM) program and functions, as required under the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility of Enterprise Risk Management and Internal Control*. The ERM program assists the agency in achieving its strategic and operational objectives by providing an enterprise-wide approach for managing risk. With input from the Office of the Chair, the Risk Management Oversight Committee (RMOC), and other SEC committees, the ERM program coordinates the development and implementation of risk management frameworks and methodologies, and produces and maintains the agency's risk profile. With oversight and input from the RMOC, the program collaborates with risk owners to help ensure risks are sufficiently and consistently managed, and that senior management is supported in making risk-informed decisions.

Management Assessments of Internal Control

The SEC remains committed to maintaining a strong system of internal control, which is integral to effective agency management and obtaining reasonable assurance that the SEC's operational, reporting, and compliance objectives will be achieved. The Federal Managers' Financial Integrity Act of 1982 (FMFIA), along with its implementing guidance in OMB Circular A-123, establishes management's responsibility to establish, maintain, assess, and report on internal accounting and administrative controls. Such controls include program, operational, and administrative areas as well as accounting and financial management. The FMFIA also requires agencies to annually assess whether financial management systems conform to related requirements. Finally, the FMFIA requires that the head of each Executive Agency annually submit to the President and Congress: (1) a statement on whether there is reasonable assurance that the agency's controls are achieving their intended objectives; and (2) a report on material weaknesses in the agency's controls.

In support of this statement by the Chair, OCRO executes the SEC's Management Assurance program to gain insights on the state of the SEC's internal controls. This program is executed at multiple levels within the SEC and includes:

- An entity-level control evaluation;
- Internal management reviews, self-assessments, and tests of internal controls;
- Assurance statements from each division director and office head on the effectiveness of their controls;
- Management's personal knowledge gained from daily operations;
- Review and analysis of reports and recommendations from the Government Accountability Office (GAO) and the Office of Inspector General (OIG);
- Reviews of financial management systems under OMB Circular A-123 Appendix D, *Compliance with the Federal Financial Management Improvement Act of 1996*;
- Reports pursuant to the Federal Information Security Management Act (FISMA) and OMB Circular A-130, *Management of Federal Information Resources*;
- Reviews on improper payments;
- Reviews that support compliance with the Digital Accountability and Transparency Act of 2014; and
- Reports and other information from Congress or agencies such as OMB, the Office of Personnel Management (OPM), or the General Services Administration reflecting the adequacy of internal controls.

The SEC's annual assessment of internal controls and assurance statements based on these sources and assessments is discussed in the SEC's Agency Financial Report (AFR), which can be found at [SEC.gov](https://www.sec.gov).

Management Challenges Identified by the Office of Inspector General

The SEC's FY 2022 AFR provides a summary of the most significant management and performance challenges facing the SEC, as identified by the OIG, in the *Other Information* section. The AFR also details the actions being taken to address these challenges. The following table describes how the resources requested for FY 2024 will help address the challenges identified by the Inspector General.

Management Challenge Identified by the Inspector General	How the FY 2024 Budget Addresses the Challenge
<p>Meeting Regulatory Oversight</p>	<p>Given that the population of registered investment advisers has grown over 20 percent in the last five years—with a more than 75 percent increase in assets managed by these firms—the Division of Examinations (EXAMS) and Division of Enforcement’s (ENF) budget requests for FY 2024 include requests for a significant number of new positions. EXAMS will use these positions to: (1) address the challenges identified with overseeing and examining newly registered swap market participants; (2) further address critical and evolving risks such as those associated with emerging technology (e.g., crypto) and cyber/information security; (3) review and examine for compliance with a variety of new regulatory requirements that are intended to better protect investors; (4) increase oversight and examinations of entities responsible for critical market infrastructure; and (5) increase the capacity of the program to examine the growing number of registered investment advisers, including those that advise private equity funds.</p> <p>ENF will deploy any additional positions to: (1) enhance its ability to detect and investigate misconduct, including in emerging risk areas; (2) bolster litigation and trial resources; (3) increase operational support for the investigative and trial functions; and (4) continue to develop and acquire tools and technology for purposes such as case management and analysis of data obtained during investigations.</p>
<p>Protecting Systems and Data</p>	<p>Protecting information systems and data is a top priority that must meet the challenges introduced by new technology, new threats, and new business drivers. SEC management remains mindful that governmental agencies, financial market participants, and private sector entities must remain vigilant because they are subject to frequent attempts by unauthorized actors to disrupt public-facing systems, access data, or otherwise damage technology infrastructure.</p> <p>In FY 2022, the Office of Information Technology (OIT) worked to make enhancements in a number of areas and continues to make it a priority to address and mitigate the cybersecurity risks identified by the OIG and GAO. During FY 2022, the OIG closed 19 information technology-related audit recommendations, and GAO closed 1 cybersecurity-related audit recommendation. In FY 2023, OIT will continue to allocate significant resources to addressing outstanding OIG recommendations.</p> <p>OIT is also focused on implementing new guidance from Executive Order 14028, <i>Improving the Nation’s Cybersecurity</i> (May 12, 2021). With its FY 2024 budget request, OIT will increase its efforts to implement zero trust architecture and compliance with new cybersecurity requirements, as well as develop an IT Supply Chain Risk Management program.</p>

continued on next page

Management Challenge Identified by the Inspector General	How the FY 2024 Budget Addresses the Challenge
<p>Improving Contract Management</p>	<p>The SEC relies substantially on contractor support to accomplish its mission, as noted in the OIG's statement; planning, management, and oversight of these contracts is an agency-wide effort, with staff from nearly all SEC offices and divisions playing key roles. The FY 2024 budget helps support the Office of Acquisitions (OA) in its efforts to continue promoting effective contract management throughout the agency by: (1) strengthening coordination between OA and the Commission's Contracting Officer's Representatives for effective administration of SEC contracts and proper vendor oversight; (2) maintaining compliance and oversight functions in reviewing contract actions and files; and (3) remaining focused on reporting and automation capabilities for improved tracking and documentation of procurement actions.</p>
<p>Ensuring Effective Human Capital Management</p>	<p>The agency shares the OIG's interest in ensuring effective human capital management at the SEC, which includes attending to the important areas identified in its statement: retention, attrition, recruitment, and hiring. The SEC is carefully monitoring turnover experience and projections, as well as other data such as the results from the Federal Employee Viewpoint Survey, which can help provide insights into areas where further attention may be needed. In the areas of recruitment and hiring, the agency is continuing to take steps to ensure its talent needs are met. During FY 2022, the SEC successfully executed not only its fiscal year hiring plan, but also strategically accelerated certain hiring to get ahead of FY 2023. Accounting for attrition and backfills, the agency filled a total of 530 positions, including 19 Senior Officer positions. These activities, along with an expanded focus on recruitment and outreach, as detailed in the Office of Human Resource's FY 2022 – 2024 Recruitment and Outreach Strategic Plan, will help position the agency to meet its ongoing and anticipated talent acquisition needs.</p>

CROSS-AGENCY COLLABORATION

The SEC values its many partnerships with other federal agencies, financial regulators, and foreign governments. Collaborating across regulatory boundaries, market segments, and national borders furthers the SEC's ability to achieve its mission. The securities markets are large and dynamic, and the SEC understands that cooperation is essential to meet its strategic goals. Some examples of cross-agency collaboration efforts during FY 2022 – FY 2024 are highlighted below.

Strategic Goal 1

Protect the investing public against fraud, manipulation, and misconduct

The SEC frequently works with other entities to facilitate access to the information investors need to make informed investment decisions. Led by the Office of Investor Education and Advocacy (OIEA), the SEC participates in numerous collaboration activities with other regulators, federal agencies, and committees to make information accessible to investors. For example, OIEA issues joint investor alerts on recent investment frauds and scams with the Commodity Futures Trading Commission (CFTC), the Financial Industry Regulatory Authority (FINRA), and the North American Securities Administrators Association (NASAA).

The SEC's Division of Enforcement continues to prioritize effective coordination with criminal authorities in bringing parallel enforcement actions seeking to hold wrongdoers accountable and remove bad actors from our markets. In more than 375 SEC enforcement investigations in FY 2022, other regulators and law enforcement offices requested and obtained access to materials contained in the SEC's investigative files. In many of these cases, the SEC and its criminal law enforcement counterparts employed complementary tools to further a shared goal of investor protection. Frequently, this entailed collaboration with overseas regulatory and law enforcement counterparts.

The SEC's Division of Examinations (EXAMS) frequently works with other regulators, both domestically and abroad, to ensure that critical issues and risks impacting investors are addressed in an efficient and effective manner. This includes coordinated examinations, information sharing, periodic meetings, and other strategic efforts with domestic regulators such as FINRA, CFTC, the National Futures Association, the Financial Crimes Enforcement Network (FinCEN), the U.S. Department of Labor, the Federal Reserve, and state regulators.

As an example, the SEC, FINRA, and the Municipal Securities Rulemaking Board (MSRB) recently held a Compliance Outreach program for municipal advisors that was intended to bolster compliance efforts and ultimately enhance investor protection at those firms. Further, given the increasingly global marketplace, EXAMS continues to work with the SEC's Office of International Affairs (OIA) to protect investors through frequent discussions and collaboration with foreign financial regulatory authorities from around the globe. These efforts have proven to be an effective way to oversee registered entities outside of the United States and address issues that impact retail investors across national borders.

The SEC also collaborates with external partners to protect the financial well-being of American seniors. The SEC works closely with the Elder Justice Interagency Working Group (EJWG), the Elder Justice Coordinating Council (EJCC), and the Federal Trade Commission's (FTC) Scams Against Older Adults Advisory Group to safeguard their interests. The EJWG is responsible for carrying out elder justice activities, including elder abuse prevention; research, grant, and program funding; and prosecution. The EJCC is a federal entity charged with identifying and proposing solutions to the problems surrounding elder abuse, neglect, and financial exploitation. Pursuant to the 2022 Fraud and Scam Reduction Act, the FTC-led Advisory Group brings together federal agency partners, consumer advocates, and industry representatives to focus on ways to better identify and stop scams that affect older adults. Among other roles, OIEA helps inform these working groups about the SEC's initiatives to protect all Americans from investment fraud and abusive sales practices.

OIEA also represents the SEC on the Financial Literacy and Education Commission (FLEC), which was established under the Fair and Accurate Credit Transactions Act of 2003. FLEC is chaired by the Secretary of the Treasury and made-up of the heads of more than 20 additional federal agencies. The Commission was tasked with developing a national financial education website ([MyMoney.gov](https://www.mymoney.gov)) and a national strategy on financial education. In addition, OIEA is a national partner of Jump\$tart and OIEA's director, Lori Schock, serves on Jump\$tart's board of directors (ex officio). Jump\$tart is a coalition of diverse education stakeholders, including federal agencies, non-profits, and financial firms, that work together to educate and prepare young Americans for life-long financial success.

Strategic Goal 2

Develop and implement a robust regulatory framework that keeps pace with evolving markets, business models, and technologies

The SEC is a member of the Financial Stability Board (FSB), which promotes international financial stability by coordinating national financial authorities and international standard setting bodies as they work toward developing strong regulatory, supervisory, and other financial sector policies. FSB fosters a level playing field by encouraging coherent implementation of these policies across sectors and jurisdictions. In addition to its monitoring functions, the Division of Trading and Markets (TM) assists the Commission with its work in various domestic and international regulatory groups, including FSB, the Financial Stability Oversight Council (FSOC), the International Organization of Securities Commissions (IOSCO), and the Senior Supervisors Group, by providing technical expertise on market and risk management developments and emerging financial issues. TM cooperates and collaborates with CFTC, the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Banks, the Bank of England, the Financial Conduct Authority, the Japanese Financial Services Agency, Canadian securities regulators, and other regulators. This collaboration spans several areas, including operations and risk management practices of financial market infrastructures as well as the capital, liquidity, internal controls, funding sources, and financial condition of firms and their holding companies that are supervised by the SEC. It also includes regulatory and supervisory areas of mutual interest. In addition, SEC staff continued to work with other U.S. and foreign regulators on significant issues related to the cessation of LIBOR (London Interbank Offered Rate).

The Division of Investment Management (IM) participates in various workstreams related to FSOC, including monthly meetings of the FSOC Systemic Risk Committee. On occasion, IM presents before FSOC or its committees on matters relating to the securities markets—including issues or concerns with potential implications for systemic risk—or otherwise provides input or advice. In addition, IM staff coordinates with other U.S. and foreign regulators on analysis and monitoring of activity in the fund industry and the markets in which funds participate. IM staff are also active participants in international securities standards setting bodies such as IOSCO and FSB, where they lead or serve on various workstreams. The Commission proposed rules relating to the regulation of money market funds in December 2021. IM expects to continue to coordinate with the FRB, Federal Reserve Banks, the U.S. Department of the Treasury's (Treasury) Office of Financial Research, and the Consumer Financial Protection Bureau (CFPB) on the rule amendments. In August 2022, the Commission also jointly with CFTC proposed amendments to Form PF, a systemic risk reporting form related to private funds, and consulted with the FSOC in formulating the proposed form amendments. This proposal was in addition to amendments the Commission proposed to Form PF in January 2021, on which the Commission also consulted with FSOC.

The SEC's oversight of broker-dealers is, in many ways, a coordinated effort with FINRA. The SEC and FINRA regularly discuss strategic initiatives, examination coordination, risk assessment efforts, rulemaking issues, and evolving industry risks. Examples of the discussions include the implementation of Regulation Best Interest, the oversight of firms participating in the security-based swap market, and emerging crypto and financial technology. EXAMS and FINRA may also coordinate on specific examinations and exam initiatives. For instance, FINRA provides the SEC with monthly data on firms and activities of interest, which it supplements with a quarterly call.

The SEC also coordinates with foreign regulators in connection with its oversight of the security-based swap market and related market participants. For example, pursuant to memoranda of understanding the SEC recently entered into with certain European authorities, EXAMS, TM, and OIA, among others, coordinate with those authorities to enhance the agency's oversight of security-based swap dealers and major security-based swap participants. Since the SEC relies on orders granting substituted compliance for certain foreign regulations, this coordination is critical.

In late 2022, Commission staff participated in the preparation and publication of the report by the staff of the Inter-Agency Working Group (IAWG) for Treasury Market Surveillance entitled *Enhancing the Resilience of the U.S. Treasury Market: 2022 Staff Progress Report* (IAWG 2022 Report). The IAWG 2022 Report presents the views of the IAWG, which consists of staff from CFTC, Treasury, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, and the SEC. The purpose of the IAWG 2022 Report is to summarize the IAWG's activities (i.e., rule proposals, studies, data collections, and statements) relating to the Treasury market since the IAWG's 2021 Report. IAWG staff collaborated over several months to draft the report.

SEC staff regularly coordinates with Treasury and other Financial and Banking Information Infrastructure Committee agencies to enhance the protection of critical market infrastructure from physical and cyber threats and implement protocols to address such threats or incidents. TM also coordinates and monitors joint self-regulatory organization efforts to improve the resilience of critical market infrastructure and single points of failure, as well as explore greater harmonization of risk mitigation functionality and rules to address trading issues after they occur (e.g., trade halts and trade breaks).

The Division of Corporation Finance's Office of Rulemaking is working with the Department of Justice (DOJ), the Federal Bureau of Investigation (FBI), the Department of Homeland Security, and the Cybersecurity and Infrastructure Security Agency (CISA) regarding potential recommendations for final rule amendments to enhance issuer disclosure around cybersecurity risk governance.

The SEC's Strategic Hub for Innovation and Financial Technology (FinHub) coordinates the agency's oversight and response regarding emerging technologies in financial, regulatory, and supervisory systems, including in the areas of distributed ledger technology (including crypto asset markets), automated investment advice, digital marketplace financing, and artificial intelligence/machine learning. FinHub staff partners with sibling regulators, including through participation in the President's Working Group on Financial Markets. FinHub staff serves as the SEC's liaison to other regulators in the financial technology (FinTech) space, including CFTC, FRB, OCC, FDIC, CFPB, FinCEN, DOJ, Treasury, and the Internal Revenue Service (IRS). FinHub staff also collaborates with international partners through, for example, IOSCO, FSB, the Financial Action Task Force, the European Securities and Markets Authority, the Organization for Economic Cooperation and Development, and the Global Financial Innovation Network.

Also, to enhance credit rating agency oversight and foster more effective supervision, the SEC's Office of Credit Ratings meets quarterly with foreign regulators in the Supervisory Colleges for Credit Rating Agencies to share information related to internationally active credit rating agencies. The office also meets regularly with certain foreign regulators to share information regarding credit rating agency activities.

Strategic Goal 3

Support a skilled workforce that is diverse, equitable, and inclusive and is fully equipped to advance agency objectives

The Office of Human Resources (OHR) participates in quarterly discussions with FDIC, CFTC, OCC, the Federal Housing Finance Agency, the National Credit Union Association, and the Farm Credit Administration to benchmark benefits and work-life program offerings among the federal financial regulatory agencies. The goal is to benchmark program areas, share information about human capital management practices, and explore best practices. OHR and the aforementioned organizations collectively participate in a biannual survey to benchmark compensation and benefits programs. The survey is conducted by a third party, with the SEC OHR compensation team managing the contract and interagency agreements. OHR participates in the Enterprise Data & Analytics Community of Practice, a collaborative effort sponsored by the SEC, NASAA, OCC, the General Services Administration (GSA), and the U.S. Department of Veterans Affairs to share human capital analytics and data visualization best practices. OHR also collaborates with other financial regulatory agencies to discuss labor relations issues such as safety protocols and workplace flexibilities.

In addition, OHR participates in a Financial Agency Rotation (FAR) program with Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) agencies. FAR is an intra-agency detail program specifically for mid-level employees who directly work on financial regulatory and policy issues that aim to encourage employee development and improve interagency cooperation among financial regulators and policymakers.

The Office of the General Counsel (OGC) meets quarterly with labor law attorneys and labor relations specialists from the FIRREA agencies to discuss labor law issues. OGC also participates in a community practice group of attorneys representing federal agencies in employment law matters. Participants regularly schedule speakers from across the federal government to present on new developments in federal employment law. Members also participate in an active listserv to address issues of common concern.

The Office of Information Technology works with CISA to enhance the security posture of agency information systems. For example, the SEC participates in CISA's Continuous Diagnostics and Mitigation program and works closely with the Federal High Value Asset Program Management Office to assess and improve its enterprise cybersecurity risk posture.

The Office of the Chief Data Officer (OCDO) helps the SEC advance its capabilities and gain efficiencies by participating in regular meetings with other chief data officers from across the federal government, including via the Federal CDO Council, to share best practices and standards and discuss government-wide data issues and priorities. OCDO also actively promotes cross-agency collaboration by interacting with other federal agencies in data-related working groups, information sharing sessions, demos, and discussions of standards and best practices.

The Office of Support Operations (OSO) works closely with GSA to conduct lease procurements and manage most SEC facilities. Since 2011, OSO has collaborated with GSA to achieve annual rent savings estimated at \$8.5 million via rightsizing existing leases upon expiration. OSO is currently coordinating with GSA on two prospectus lease procurement actions that are underway—SEC headquarters and the San Francisco Regional Office—and two non-prospectus lease procurement actions for the Fort Worth Regional Office and the Atlanta Regional Office.

EVIDENCE BUILDING

Internal and external evaluations play a significant role in monitoring and improving SEC program performance. Through objective measurement and analysis, agency managers determine the extent to which programs are achieving mission objectives, allowing them to direct SEC resources accordingly. In FY 2022, there were six Government Accountability Office reports and seven Office of Inspector General reports or management letters issued related to agency operations. Beyond this, examples of reviews and evaluations the agency initiated and plans to continue are listed below.

The SEC conducted investor research to better understand how investors interact with markets, including six quantitative surveys supported by qualitative research involving focus groups and one-on-one interviews. In addition, the agency conducted surveys focused on improving the experience and satisfaction of investors using the agency's online resources and tools. The Office of Investor Education and Advocacy and the Office of the Investor Advocate will continue to gather information regarding the behavior of individual investors, the type of information they need and use when making investment decisions, and the usefulness of the SEC's investor education efforts and related programs.

Section 763(i) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 added Section 13(m)(2) of the Securities Exchange Act of 1934¹ (Exchange Act), which requires the Commission to issue a written report on a semiannual and annual basis to make available to the public information relating to: (1) trading and clearing in the major securities-based swaps categories; and (2) market participants and developments in new products. Since November 8, 2021, market participants have been required to submit securities-based swaps data to security-based swap data repositories. Commission staff published the first report on security-based swaps pursuant to Section 13(m)(2) of the Exchange Act on July 15, 2022.

In late 2022, Commission staff participated in the preparation and publication of a report by the staff of the Inter-Agency Working Group (IAWG) for Treasury Market Surveillance entitled *Enhancing the Resilience of the U.S. Treasury Market: 2022 Staff Progress Report* (IAWG 2022 Report). It presents the views of the IAWG, which consists of staff from the U.S. Department of the Treasury, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the SEC, and the Commodity Futures Trading Commission. The IAWG 2022 Report summarizes activities taken since the publication of the IAWG 2021 Report—i.e., rule proposals, studies, data collections, and statements. IAWG staff collaborated over several months to draft the report.

¹ 15 U.S.C. 78m(m)(2); Exchange Act § 13(m)(2).

On a quarterly basis, SEC staff queries and analyzes market data to develop market metrics for publication on the Commission's Market Structure Analytics web page. This data and analysis are used by public and private sectors, including the Commission, to monitor markets and develop a deeper and more comprehensive view of market trends and dynamics, which helps to maintain market integrity and inform policy.

The SEC created the Asset Management Advisory Committee (AMAC) to provide the Commission with diverse perspectives on asset management and related advice and recommendations. The AMAC charter provided for a two-year existence, which expired on November 4, 2021. During its pendency, AMAC adopted seven sets of recommendations that covered topics relating to COVID-19; environmental, social, and governance (ESG); diversity and inclusion in the asset management industry; private investments; small advisers and small funds; and the evolution of advice. AMAC's work has informed recent action by the Commission. This includes the Commission's amendments to modernize shareholder reports and promote transparent fee- and expense-related information in fund advertisements, and its proposed disclosure regarding ESG investment practices. AMAC's work has also informed recent action by the Commission staff, including its FAQs relating to investment adviser consideration of diversity, equity, and inclusion factors.

With respect to rulemaking, the SEC continues to leverage its robust processes for obtaining public input and performing rigorous economic analyses of the agency's rules at both the proposal and adoption stages. These efforts are critical to identifying the benefits and costs of regulatory actions, including situations in which a rule's effects may not be consistent with expectations. For example, the Commission published a request for comment on certain information providers acting as investment advisers in order to gather public input and data on this important area and to help determine whether regulatory action is necessary. The Commission also reviews its rules retrospectively by listening to investors and others about how rules are—or are not—functioning as intended.

With respect to guidance, the SEC continuously engages with interested parties to identify topics and developments that affect the markets and investing public and where guidance from the staff may be helpful. For example, staff in the Division of Investment Management (IM) created a streamlined exemptive application notice that reduces burdens and emphasizes the key issues in exemptive applications for the public. This allows interested parties to better provide feedback to the Commission with respect to pending exemptive applications.

IM's Analytics Office, which includes staff with a wide range of backgrounds and training, is devoted to providing IM and the SEC with practical reviews and actionable analyses of the asset management industry. Specifically, this office carries out its mission by:

- conducting ongoing financial and other analysis of asset management industry data to monitor and assess issues, trends, patterns, and innovation;
- gathering and analyzing information directly from participants in the asset management industry, such as through the office's examinations or voluntary industry engagement, in support of agency outreach efforts; and
- maintaining general expertise in specialty subject matters relevant to the asset management industry and contributing that expertise to initiatives throughout IM and to other offices and divisions in the SEC.

As part of the SEC's continued efforts to reduce information asymmetries between issuers and investors, the Division of Corporation Finance (CF) has enhanced the Disclosure Review program to support the staff's review of issuer-offering documents and periodic reports, with the primary goal to ensure company compliance with disclosure, reporting, and other obligations under the federal securities laws. CF has taken a number of actions designed to: (1) improve compliance; (2) ensure that investors receive material information to make informed investment decisions about complex investments; and (3) promote capital formation and market efficiency.

In particular, CF has undertaken efforts to evaluate and provide comments and guidance on a number of significant and timely considerations for public companies, including supply chain issues arising as a result of Russia's invasion of Ukraine. Similarly, the division has pressed certain companies to provide enhanced disclosures to support investors with critical information that they need to make informed investment decisions with respect to companies based in, or with the majority of their operations in, China, including expansive disclosures about variable interest entity structures and risks, general risks related to operations in China, and audit integrity risks.

CF also continues to identify public companies implicated by the Holding Foreign Companies Accountable Act (HFCAA), which became law in December 2020. In furtherance of compliance with HFCAA, CF implemented a process to promptly identify companies that are unable to satisfy their audit obligations under the federal securities laws on account of investigation restrictions imposed by foreign jurisdictions.

In March 2022, the SEC proposed rules, based on CF's recommendation, to enhance and standardize disclosures regarding cybersecurity risk management, strategy, governance, and incident reporting by public companies. Recognizing that cybersecurity is an emerging risk and an area of focus for investors, these actions are designed to elicit current reporting by issuers pertaining to material cybersecurity incidents and periodic disclosures about a registrant's policies and procedures to identify and manage cybersecurity risks.

The SEC reviews performance goal data on a quarterly basis. Each quarter, the Office of the Chief Operating Officer reviews the status of performance goals and indicators to determine whether the agency is on target for achieving these goals for the fiscal year. An internal report is generated that includes the quarterly result for each performance goal and the progress achieved toward meeting the target for the fiscal year. This review process is in line with the Office of Management and Budget and the Performance Improvement Council recommendations for frequent data-driven reviews.

LINKS TO ADDITIONAL INFORMATION AND RESOURCES

Reference	URL
Strategic Plans, Agency Financial Reports, and Congressional Budget Justifications	SEC.gov/about/offices/ofm/ofm-documents.htm
Investor.gov	Investor.gov
Office of the Whistleblower	SEC.gov/whistleblower
Enforcement Actions, Commission Opinions, SEC Staff Briefs, Trading Suspensions, and Notices Concerning the Creation of Investor Claims' Funds in Specific Cases	SEC.gov/page/litigation
Laws that Govern the Securities Industry	SEC.gov/about/laws.shtml
Fast Answers – Key Topics	SEC.gov/fast-answers

FY 2024 Annual Performance Plan

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PERFORMANCE SUMMARY BY STRATEGIC GOAL

Strategic Goal 1

Protect the investing public against fraud, manipulation, and misconduct

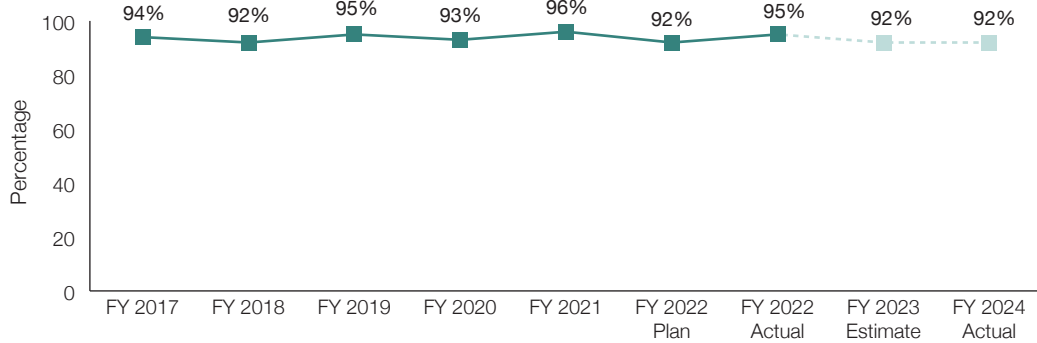
- 1.1 Pursue enforcement and examination initiatives focused on identifying and addressing risks and misconduct that affects individual investors.
- 1.2 Enhance the use of market and industry data, particularly to prevent, detect, and enforce against improper behavior.
- 1.3 Modernize design, delivery, and content of disclosures so investors, including in particular retail investors, can access consistent, comparable, and material information to make informed investment decisions.

To fulfill our responsibility to protect the investing public, the SEC will continue to work toward ensuring markets are free of fraud, manipulation, and other misconduct. Two programs that are key to the agency fulfilling this responsibility are the enforcement and examination programs. The agency must continue to ensure the law is enforced aggressively and consistently. Accountability and deterrence are core goals of the Division of Enforcement (ENF) and in seeking remedies, the agency considers whether that resolution sufficiently promotes both specific and general deterrence. ENF will continue to pursue misconduct and use all of the tools in its toolkit to deter those who might choose to violate the securities laws, including by holding bad actors—including responsible individuals—accountable.

The SEC will also continue to work in parallel with its fellow federal agencies, law enforcement authorities, international regulators, and self-regulatory organizations. The Division of Examinations (EXAMS) will continue to focus on uncovering key risks and violations that could impact individual investors, from cybersecurity to private fund adviser conflicts of interest. In light of evolving technologies, the SEC understands it must be more vigilant than ever, which requires it to reassess the tools, methods, and approaches used in the past and adapt them to modern markets. Most importantly, as U.S. markets inevitably change, the SEC will continue to deploy its resources in ways that center on the interests of the investing public. In FY 2024, the agency is requesting a total of \$1.523 billion and 3,133 full-time equivalents (FTE) toward achieving results in protecting the investing public against fraud, manipulation, and misconduct.

Goal Leader(s): Director, Office of the Investor Advocate; Director, Division of Corporation Finance; Director, Division of Investment Management; Director, Division of Trading and Markets; Director, Division of Enforcement; Director, Division of Examinations

PERFORMANCE GOAL 1
Percentage of enforcement actions in which the Commission obtained relief on one or more claims

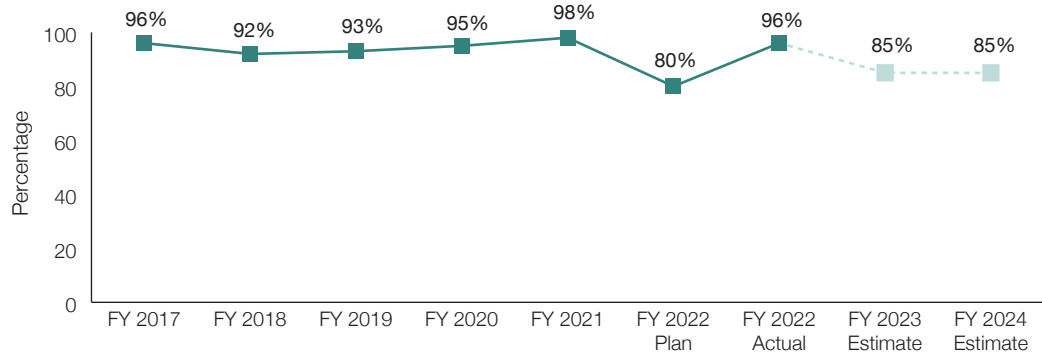


Description: This metric identifies, as to all parties to enforcement actions that were resolved in the fiscal year, the percentage against whom the Commission obtained a judgment or order entered on consent, a default judgment, a judgment of liability on one or more charges, and/or the imposition of monetary or other relief.

Responsible Division/Office: Division of Enforcement

Data Source: Case Tracking System for the Division of Enforcement

PERFORMANCE GOAL 2
Percentage of Fair Fund and disgorgement fund plans that have distributed 80 percent of the available funds for distribution within 24 months of the approval of the distribution plan

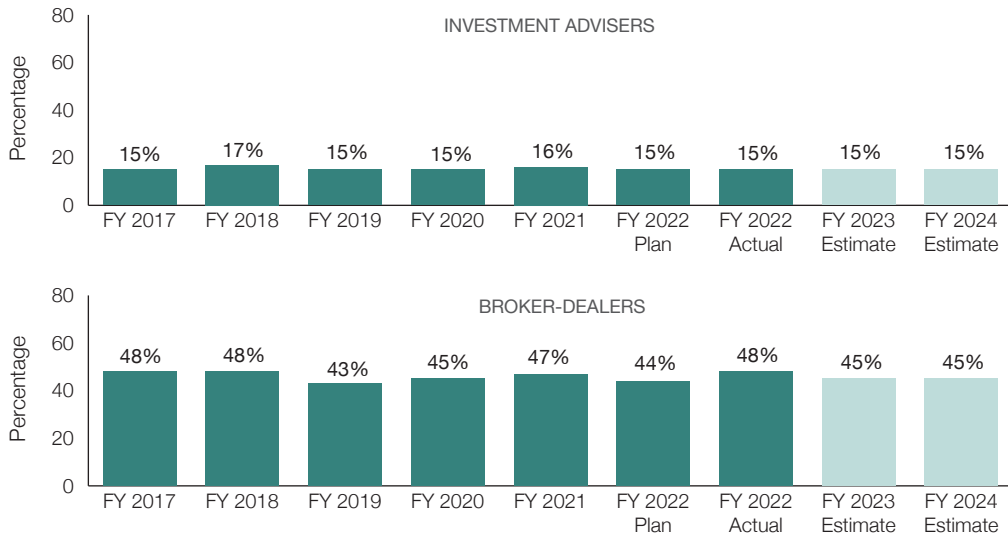


Description: In addition to other types of relief, the SEC may seek orders requiring parties to disgorge any money obtained through wrongdoing. The SEC also is empowered to seek civil penalties for violations of the securities laws. Where appropriate, the SEC has sought to return disgorged funds to harmed investors and, as a result of the Fair Funds provisions in law, to combine amounts paid as penalties with disgorged funds, or to create a Fair Fund from penalties only, to reduce losses to injured parties and to maximize funds available for distribution. This metric identifies the percentage of distribution plans that reached a critical mass during the fiscal year and within 24 months of the approval of the distribution plan. The distribution plan includes the timeline and procedures required to return the funds to injured investors. This reflects Commission-wide efforts to implement plans to return money to investors quickly. Any funds not returned to investors are sent to the U.S. Treasury or the Investor Protection Fund established pursuant to Section 21F(g) of the Securities Exchange Act of 1934. Neither disgorgement nor penalties are used for the SEC's own expenses.

Responsible Division/Office: Division of Enforcement

Data Source: Case Tracking System for the Division of Enforcement

PERFORMANCE GOAL 3
Percentage of investment advisers and broker-dealers examined during the year



Description: Investment advisers (IA) and broker-dealers (BD) are critical market participants in terms of their interactions with retail investors. This metric indicates the percentage of IAs and BDs examined by the SEC or a self-regulatory organization (SRO) as a percentage of the total number of registrants. This metric takes into account all types of examinations, including, for example, risk priority examinations, cause inspections to follow up on tips and complaints, and limited scope special inspections to probe emerging risk areas.

Responsible Division/Office: Division of Examinations

Data Source: Tracking and Reporting Examination National Documentation System (TRENDS) (IA and BD SEC Data) and SRO Databases (BD SRO Data)

PERFORMANCE GOAL 4
Number of regulatory initiatives to improve investor disclosure

Description: Number of regulatory initiatives (i.e., concept, requests for comment, proposing, and adopting releases) that could assist investors in making informed investment or voting decisions, or that are designed to improve investors' ability to access or analyze registrants' disclosures.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Division of Corporation Finance (CF)		Prior-year data not available				N/A	N/A	10	10
Division of Investment Management (IM)		Prior-year data not available				N/A	N/A	15	15
Division of Trading and Markets (TM)		Prior-year data not available				N/A	N/A	2	2

Responsible Division/Office: Division of Corporation Finance; Division of Investment Management; Division of Trading and Markets

Data Source: Releases Posted on Commission Website (CF); Internal Log (IM); SharePoint (TM)

PERFORMANCE GOAL 5
Percentage of disclosure-based regulatory initiatives that consider whether it would be appropriate to include a provision to structure disclosures (to the extent that the benefits justify the economic costs) to enhance comparability

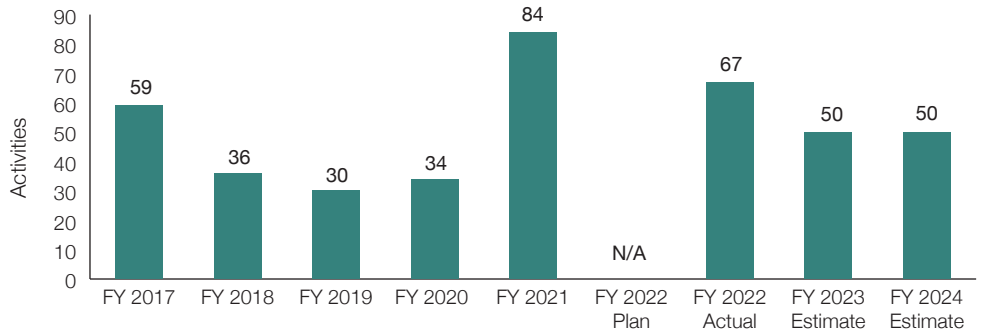
Description: Percentage of disclosure-based regulatory initiatives that consider structuring disclosure would provide a measure of the Commission's efforts to provide the investing public with machine-readable data (where economically justified), which will help the investing public analyze disclosure and compare investment choices across different issuers.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Division of Corporation Finance (CF)		Prior-year data not available				N/A	N/A	100%	100%
Division of Investment Management (IM)		Prior-year data not available				N/A	N/A	75%	75%
Division of Trading and Markets (TM)		Prior-year data not available				N/A	N/A	50%	50%

Responsible Division/Office: Division of Investment Management; Division of Corporation Finance; Division of Trading and Markets

Data Source: Releases Posted on Commission Website (CF); Internal Log (IM); SharePoint (TM)

PERFORMANCE GOAL 6
Investor Engagement Activities



Description: Organize investor-focused meetings, events, and activities that are designed primarily to engage directly with investors and receive feedback about policy questions, investing challenges, regulatory policy and rulemaking, investment products and services, investor issues, and/or potential misconduct.

Investor Engagement Activities, defined above, include consultations with individual investors; small business investors; institutional investors; representatives from organizations that are comprised of, and/or represent the interests of, investors; and other market participants and industry experts. This also includes a number of public events such as investor roundtables, public meetings, and academic engagement.

Responsible Division/Office: Office of the Investor Advocate

Data Source: Office of the Investor Advocate Client Relationship Management System; Reporting from Other Divisions and Offices

Strategic Goal 2

Develop and implement a robust regulatory framework that keeps pace with evolving markets, business models, and technologies

- 2.1 Update existing SEC rules and approaches to reflect evolving technologies, business models, and capital markets.
- 2.2 Examine strategies to address systemic and infrastructure risks faced by our capital markets and our market participants.
- 2.3 Recognize significant developments and trends in our evolving capital markets and adjust our activities accordingly.

The SEC understands that capital markets will continue to be shaped by innovation and new technologies. The continued evolution of the markets will enable greater access to capital markets and bring new financial products, business models, and competitors into the markets. Additional SEC resources will be essential to address the regulatory challenges of capital markets that are more interconnected and interdependent than ever.

In FY 2024, the SEC must continue to enhance transparency in private markets and modify rules to ensure that core regulatory principles apply in all appropriate contexts. The SEC will continue to develop specific regulations to ensure investors remain informed and protected via a broad-based disclosure framework. The agency must continue to address issues relating to market structure, market data infrastructure, crypto assets, and security-based swaps. For example, the SEC will continue to focus on the investor implications of proposed mutual funds and exchange traded funds (ETF) seeking to invest in crypto-related investments, with an emphasis on bitcoin futures traded in the U.S.-regulated market. SEC staff will continue to evaluate the investor protection and legal implications of so-called stable value coins (also known as “stablecoins”) under the federal securities laws.

The capital markets touch many Americans’ lives, whether they’re saving for the future, borrowing for a mortgage, taking out an auto loan, or working for a company that raises money to fund growth or innovation. As such, it is critical to ensure that the SEC is adequately funded and staffed to oversee the capital markets on behalf of those American workers, investors, and families. In FY 2024, the agency is requesting a total of \$458.0 million and 941 FTEs to direct toward achieving results in developing and implementing a robust regulatory framework that keeps pace with evolving markets, business models, and technologies.

Goal Leader(s): Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management; Director, Division of Examinations; Director, Office of International Affairs; Director, Office of Investor Education and Advocacy; Director, Office of Information Technology

PERFORMANCE GOAL 7

Number of regulatory initiatives that enhance transparency in private markets or update the disclosure framework to reflect evolving technologies, business models, and capital markets

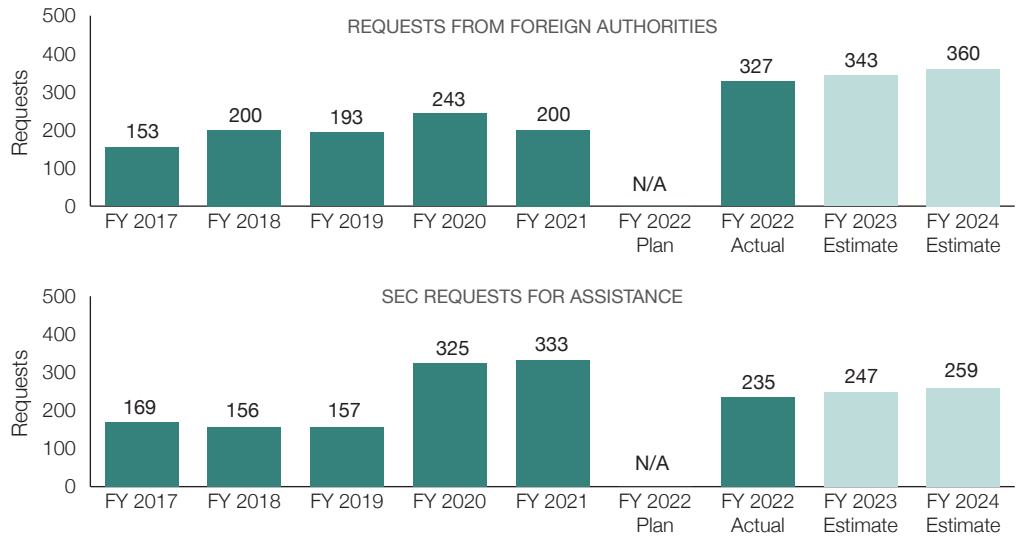
Description: This metric captures the number of regulatory initiatives (i.e., concept, requests for comment, proposing, and adopting releases) that increase or improve information in, or available about, offerings that are exempt from registration under the Securities Act of 1933 or update the disclosure framework to reflect evolving technologies, business models, and capital markets.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Division of Corporation Finance		Prior-year data not available				N/A	N/A	2	2
Division of Investment Management		Prior-year data not available				N/A	N/A	20	20
Division of Trading and Markets		Prior-year data not available				N/A	N/A	2	2

Responsible Division/Office: Division of Corporation Finance; Division of Investment Management; Division of Trading and Markets

Data Source: Internal Logs

PERFORMANCE GOAL 8
Number of supervisory cooperation requests from foreign authorities for SEC assistance and SEC requests for assistance on supervisory cooperation from foreign authorities



Description: The SEC makes requests to foreign authorities for supervisory cooperation assistance and responds to such requests from foreign regulators through both formal mechanisms, such as supervisory memoranda of understanding, and on an ad hoc basis.

Responsible Division/Office: Office of International Affairs

Data Source: SECOIA – Salesforce

PERFORMANCE GOAL 9
Percentage of supervisory engagements with broker-dealers and clearing agencies to address systemic and infrastructure risks

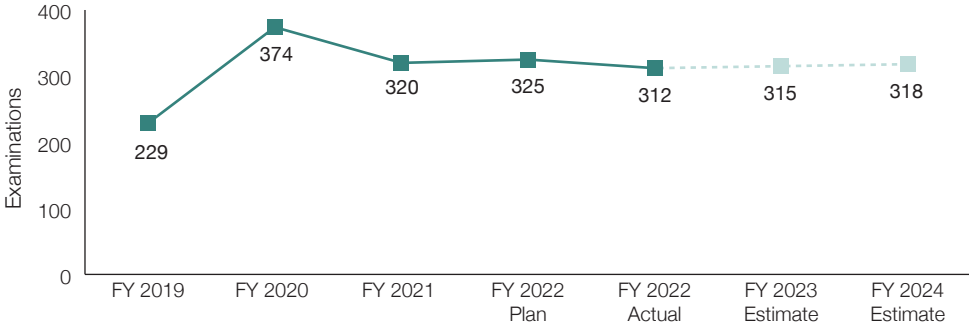
Description: Monitoring broker-dealers’ and clearing agencies’ compliance and risk management practices is critical to the operation of the financial markets. As a result, the SEC will ensure that a portion of its inspections each year assess whether regulated entities are monitoring, managing, and appropriately addressing these types of risks. The results of these important reviews will inform the SEC about industry developments and future work in this area.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Percentage	Prior-year data not available					N/A	N/A	50%	50%

Responsible Division/Office: Division of Trading and Markets

Data Source: Division of Trading and Markets SharePoint

PERFORMANCE GOAL 10
Number of examinations that request information related to an entity’s information security



Note: Data for FY 2017 – FY 2018 is not available.

Description: Managing cyber and information risks is critical to the operation of the financial markets. As a result, the SEC’s risk-based examination program ensures that a portion of its exams each year assess whether regulated entities are monitoring, managing, and appropriately addressing these types of risks. The results of these important reviews inform the SEC regarding industry developments and future work in this area. Overall, this metric reflects the continued focus of the SEC’s examination program in this area by measuring the number of examinations reviewing critical cyber and information risks.

Responsible Division/Office: Division of Examinations

Data Source: Tracking and Reporting Examination National Documentation System (TRENDS)

PERFORMANCE GOAL 11
Percentage of Systemically Important Financial Market
Utilities examined by the examinations program

Description: A Systemically Important Financial Market Utility (SIFMU) is an organization that is vital to the U.S. financial system. A failure of, or disruption to, services provided by a SIFMU could threaten the stability of the U.S. markets. The SEC is designated as the supervisory agency for four SIFMUs and is required by Title VIII of the Dodd-Frank Act to conduct at least one exam annually of each SIFMU that meets the requirements set forth in the Act.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Percentage	Prior-year data not available					N/A	N/A	100%	100%

Responsible Division/Office: Division of Examinations

Data Source: Tracking and Reporting Examination National Documentation System (TRENDS)

PERFORMANCE GOAL 12
Number of new investor education materials on emerging and popular investment topics

Description: Through the Office of Investor Education and Advocacy (OIEA), and often in conjunction with other organizations, the SEC issues Investor Alerts and Bulletins to inform investors about different permutations of fraud, new investment products, and other topical issues. This metric measures: (a) the number of new investor education materials issued by OIEA; and (b) the percentage of users who indicated that the investor education materials may positively impact their behavior in the future.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
New Investor Education Materials Issued	Prior-year data not available					N/A	16	16	16
Users Indicating a Positive Change	Prior-year data not available					N/A	94%	90%	90%

Responsible Division/Office: Office of Investor Education and Advocacy

Data Source: Investor.gov; Qualtrics Experience Management Platform

Strategic Goal 3

Support a skilled workforce that is diverse, equitable, and inclusive and is fully equipped to advance agency objectives

- 3.1 Focus on the workforce to increase capabilities, leverage shared commitment to investors, and promote diversity, equity, inclusion, accessibility, and equality of opportunity.
- 3.2 Promote collaboration within and across SEC offices, including through rotation and detail programs, and maximize telework opportunities.
- 3.3 Enhance the agency's internal control and risk management capabilities, including by the development of a robust and resilient program for dealing with threats to the security, integrity, and availability of the SEC's systems and sensitive data.
- 3.4 Modernize the SEC's technology to enable the mission in a cost-effective, secure, and resilient manner.

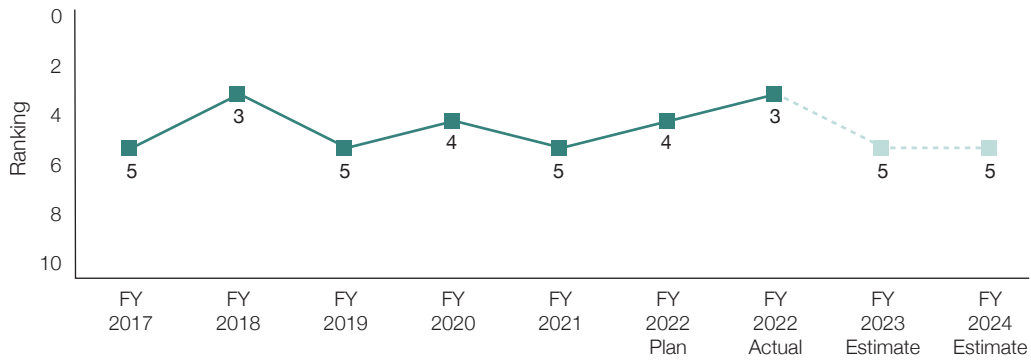
A diverse, effective, and highly-skilled workforce is essential to the SEC's success in protecting the public and fulfilling its mission. In FY 2024, the SEC will continue to focus on recruiting, training, and retaining staff with the right mix of skills, experience, and expertise. This includes setting workforce policies and practices that harness the lessons of the pandemic, promote effective interaction and collaboration among individuals and teams, and support diversity, equity, inclusion, and mutual respect to ensure every staff member has the chance to contribute and succeed. The SEC will also continue to build out the College of IT to enhance employee skills related to modern technology methods and tools.

In FY 2024, the SEC Cloud Center of Excellence will continue to help drive modernization efforts within the Commission. The cornerstone of this program is a cloud platform that will allow the SEC to increase mission capabilities and agility through the use of modern software tools to enable data visualization, artificial intelligence, and machine learning. Within this cloud platform is a new enterprise data warehouse that provides secure, controlled access to various datasets used across the agency. The SEC leveraged the data warehouse to support new capabilities to analyze data from the Consolidated Audit Trail (CAT). CAT data are far more timely, complete, accurate, and precise than other forms of regulatory market data on which the SEC and self-regulatory organizations previously relied. Specifically, the CAT tracks broker-dealer orders throughout their lifecycle, allowing regulators to efficiently monitor activity in U.S. markets, and represents a critical new tool for the Commission to detect abusive and fraudulent trading practices.

In addition, the SEC continued to invest significant time and resources to improve its information security, including by taking substantive steps to identify, assess, and mitigate cybersecurity risks. In FY 2024, the agency is requesting a total of \$480.0 million and 987 FTEs toward achieving results in supporting a skilled workforce that is diverse, equitable, and inclusive and is fully equipped to advance agency objectives.

Goal Leader(s): Chief Operating Officer; Director, Office of Human Resources; Director, Office of Minority and Women Inclusion; Director, Office of Equal Employment Opportunity; Director, Office of Information Technology

PERFORMANCE GOAL 13
Results of Federal Employee Viewpoint Survey



Description: The data gathered via the Federal Employee Viewpoint Survey (FEVS) will be used to determine the SEC's overall success in improving employee morale. Specifically, this performance goal will be measured via the Partnership for Public Service's *Best Places to Work* ranking for mid-size federal agencies.

Responsible Division/Office: Office of Human Resources

Data Source: Annual Partnership for Public Service Calculated Ranking based on Annual Employee Viewpoint Survey administered by the Office of Personnel Management

PERFORMANCE GOAL 14
Index Results from SEC Federal Employee Viewpoint Survey:
Diversity, Opportunity, and Employee Inclusion

Description: The Diversity, Equity, Inclusion, and Accessibility (DEIA) indices generated via the Federal Employee Viewpoint Survey (FEVS) will be used to determine the SEC's overall success in promoting diversity and inclusion. Specifically, this performance goal will be measured via the two indices: Diversity and Opportunity, and Employee Inclusion.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Diversity and Opportunity		Prior-year data not available				N/A	N/A	70%	70%
Employee Inclusion		Prior-year data not available				N/A	N/A	70%	70%

Responsible Division/Office: Office of Human Resources; Office of Minority and Women Inclusion

Data Source: FEVS Results for DEIA Indices

PERFORMANCE GOAL 15
Diversity Outreach

Description: This metric captures the number of SEC-wide diversity outreach recruitment events.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Events		Prior-year data not available				N/A	N/A	60	60

Responsible Division/Office: Office of Minority and Women Inclusion

Data Source: Office of Public Engagement Workforce Diversity Recruitment Tracker; Office of Human Resources Diversity Outreach Events; Office of Minority and Women Inclusion Outreach Reporting Tracker

PERFORMANCE GOAL 16
Equal Employment Opportunity Compliance – Sentiment and Assessment

Description: This compliance metric tracks two readily-available data points captured in the Federal Employee Viewpoint Survey (FEVS) related to federal sector Equal Employment Opportunity (EEO) programs:

- 1). The overall rating and the percentage difference by protected group category on FEVS Q8: “I can disclose a suspected violation of any law, rule or regulation without fear of reprisal.” Tracking whether employees feel empowered to raise concerns across all protected EEO groups (e.g., race, color, national origin, sex, age, disability) without fear of retaliation is an indication of the health of SEC culture as it relates to operationalizing equality of opportunity in the SEC’s everyday operations. This culture, in turn, impacts SEC’s ability to attract, develop, and retain the best diverse talent to perform SEC’s mission.
- 2). The percentage of “yes” (or N/A) responses to 156 questions prescribed by the Equal Employment Opportunity Commission (EEOC) related to a Model EEO Program. EEOC has established criteria for evaluating whether agencies have in place policies and procedures necessary to support a Model EEO Program. Reviewing whether SEC has such infrastructure in place communicates progress related to equality of opportunity at SEC by identifying gaps and areas for continuous improvement.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Positive Rating on FEVS Q8		Prior-year data not available				N/A	N/A	70%	70%
Percentage of “Yes” (or N/A) Responses to EEOC Questions		Prior-year data not available				N/A	N/A	100%	100%

Responsible Division/Office: Office of Equal Employment Opportunity

Data Source: Annual FEVS Results; Annual Management Directive-715 Report

PERFORMANCE GOAL 17
Employee Views on Intra-Agency Collaboration

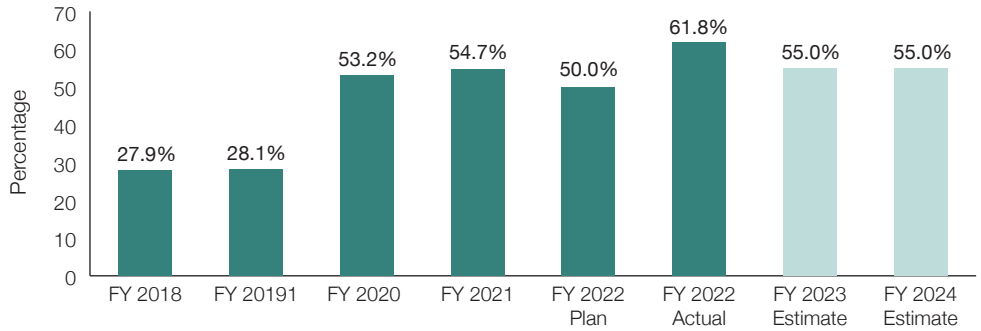
Description: To assess employee views on collaboration, this metric tracks the SEC’s performance on the Federal Employees Viewpoint Survey (FEVS) questions related to cooperation (Q14: “The people I work with cooperate to get the job done”) and sharing work knowledge (Q17: “Employees in my work unit share job knowledge”).

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Cooperation (Q14)		Prior-year data not available				N/A	N/A	70%	70%
Knowledge Share (Q17)		Prior-year data not available				N/A	N/A	70%	70%

Responsible Division/Office: Office of the Chief Operating Officer

Data Source: Annual FEVS Results

PERFORMANCE GOAL 18
Percentage of Plan of Action and Milestones (POA&Ms)
closed within six months from identification



Note: Data for FY 2017 is not available.

Description: POA&Ms are corrective action plans for tracking and planning the resolution of vulnerabilities and risks associated with information security and privacy. They detail resources required to accomplish the elements of the plan, any milestones in meeting the tasks, and scheduled completion dates for the milestones to address threats to the security, integrity, and availability of the SEC’s systems and sensitive data. Organizations implement a consistent process for developing POA&Ms that uses a prioritized approach to risk mitigation that is uniform across the organization. A risk assessment guides the prioritization process for items included in the POA&Ms. Risk mitigation resources include, for example, personnel, new hardware or software, and tools. (NIST SP 800-37, Rev 2)

Responsible Division/Office: Office of Information Technology

Data Source: Information Securities — Enterprise Governance, Risk, and Compliance Capability

¹ Beginning in FY 2019, the percentage is based on the new calculation methodology. POA&Ms are identified within a 12-month period, where the end of that 12-month period is 6 months prior to the reporting period.

PERFORMANCE GOAL 19
**Percentage of SEC information systems encrypting data-at-rest
and encrypting data-in-transit, as reported per FISMA**

Description: Compliance with the Federal Information Security Modernization Act (FISMA) requires that agency information systems encrypt data-at-rest and data-in-transit, and that agencies report certain of those systems to the Cybersecurity and Information Security Agency (CISA) and the Office of Management and Budget (OMB) as part of their annual agency FISMA Chief Information Officer (CIO) Metrics. Accordingly, encryption both of data-at-rest and data-in-transit for these systems are standard baseline controls and are reflected in the System Security Plan for each SEC system. The SEC submits its CIO Metrics, including its FISMA-reportable information systems that encrypt data, on an annual basis.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Data-at-Rest		Prior-year data not available				N/A	N/A	95%	96%
Data-in-Transit		Prior-year data not available				N/A	N/A	95%	96%

Responsible Division/Office: Office of Information Technology

Data Source: System Security Plan; Annual FISMA CIO Metrics Report

PERFORMANCE GOAL 20
Timely completion of corrective actions responsive to audit findings

Description: This metric consists of two data points measuring the SEC's ability to timely develop, complete, and submit for closure corrective actions responsive to Government Accountability Office (GAO) or Office of Inspector General (OIG) recommendations: (1) the percent of GAO and OIG audit recommendations submitted for closure within 12 months of the date of the recommendations' issuance; and (2) the percent of GAO and OIG audit recommendations not yet submitted for closure that are within 12 months of the recommendations' issuance.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Submitted Within 12 Months		Prior-year data not available				N/A	N/A	65%	65%
Not Yet Submitted Within 12 Months		Prior-year data not available				N/A	N/A	60%	60%

Responsible Division/Office: Office of the Chief Risk Officer

Data Source: Audit Management System (Archer)

PERFORMANCE GOAL 21
Number of innovative or analytical models, tools, capabilities, platforms, and other solutions deployed or made available to SEC staff

Description: New or enhanced innovative or analytical models, tools, capabilities, platforms, and other information technology solutions will further enable the SEC’s mission and allow the agency to gain new or enhanced insights into the markets it oversees, uncover frauds, help agency programs generate more value for the public, and increase work efficiencies. This metric captures the number of models, tools, capabilities, platforms, and other solutions deployed or made available to SEC staff.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Number	Prior-year data not available					N/A	N/A	20	20

Responsible Division/Office: Office of Information Technology

Data Source: Office of Information Technology Artificial Intelligence and Innovation Inventory and Technology Catalog

PERFORMANCE GOAL 22
Percentage of FISMA-reportable systems that are current (not legacy systems)

Description: A legacy system refers to outdated computer systems, programming languages, or application software that are used instead of more modern alternatives. A legacy system may be problematic due to compatibility issues, obsolescence, or the lack of support. Systems shall be determined to be legacy by the Chief Information Officer (CIO) or CIO designee.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual	FY 2023 Estimate	FY 2024 Estimate
Percentage	Prior-year data not available					N/A	N/A	90%	90%

Responsible Division/Office: Office of Information Technology

Data Source: Office of Information Technology Archer (list of FISMA-reportable systems)

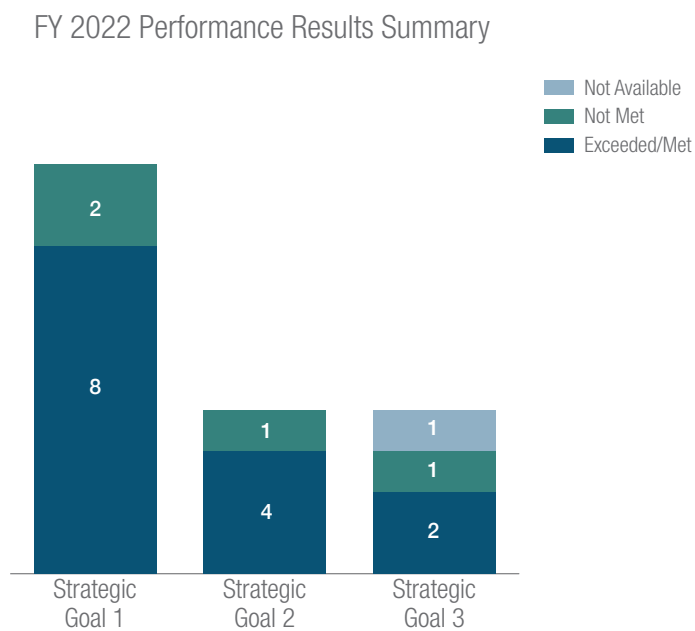
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FY 2022 Annual Performance Report

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FY 2022 ANNUAL PERFORMANCE REPORT SUMMARY

Under the SEC’s previous Strategic Plan for 2018–2022, the agency’s goals were to: (1) focus on the long-term interests of our Main Street investors; (2) recognize significant developments and trends in our evolving capital markets and adjust our efforts to ensure we are effectively allocating our resources; and (3) elevate the SEC’s performance by enhancing our analytical capabilities and human capital development. In FY 2022, total SEC obligations were \$2.024 billion in support of 4,505 total full-time equivalents (FTE). Of 19 total performance targets, the agency met or exceeded 14; did not meet 4; and data was not available for 1.



PERFORMANCE SUMMARY BY STRATEGIC GOAL

Strategic Goal 1

Focus on the long-term interests of our Main Street investors.

- 1.1 Enhance our understanding of the channels retail and institutional investors use to access our capital markets to more effectively tailor our policy initiatives.
- 1.2 Enhance our outreach, education, and consultation efforts, including in ways that are reflective of the diversity of investors and businesses.
- 1.3 Pursue enforcement and examination initiatives focused on identifying and addressing misconduct that impacts retail investors.
- 1.4 Modernize design, delivery, and content of disclosure so investors, including in particular retail investors, can access readable, useful, and timely information to make informed investment decisions.
- 1.5 Identify ways to increase the number and range of long-term, cost-effective investment options available to retail investors, including by expanding the number of companies that are SEC-registered and exchange-listed.

In FY 2022, the SEC remained focused on protecting the interests of retail investors by deterring misconduct and punishing wrongdoers. The Division of Enforcement (ENF) investigates and litigates a diverse mix of cases targeting fraud and other wrongdoing. During FY 2022, the Commission filed significant enforcement actions spanning a wide array of areas. The Commission filed several actions against financial firms and industry gatekeepers for violating their core obligations to the market. For example, in September 2022, the Commission [charged 16 Wall Street firms](#) with widespread recordkeeping failures. To settle these matters, the firms agreed to pay combined penalties of more than \$1.1 billion to the SEC and have begun to implement improvements to their compliance policies and procedures. The SEC conducted examinations covering 15 percent of all registered investment advisers and 48 percent of all registered broker-dealers. The Division of Examinations (EXAMS) conducted its risk-based inspections and exam program by collecting and analyzing a wide variety of data from registrants and other sources to identify potentially problematic activities and firms as well as prominent risk themes. In FY 2022, approximately \$1.358 billion and 3,018 FTEs were directed at achieving results in Strategic Goal 1. Of the 10 performance targets, the agency met or exceeded 8 and did not meet 2.

Goal Leader(s): Director, Office of the Investor Advocate; Director, Office of Investor Education and Advocacy; Director, Division of Corporation Finance; Director, Division of Investment Management; Director, Division of Trading and Markets; Director, Division of Enforcement; Director, Division of Economic and Risk Analysis; Director, Division of Examinations

PERFORMANCE GOAL 1
Investor research on the readability/usefulness of disclosures

Description: This metric indicates the number of times the Commission has collected data directly from investors through research projects such as surveys, focus groups, and one-on-one interviews in order to understand how investors process information to make investment decisions, and to evaluate potential methods for enhancing the readability or usefulness of disclosures.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual
Research Projects	4	16	2	15	13	6	6

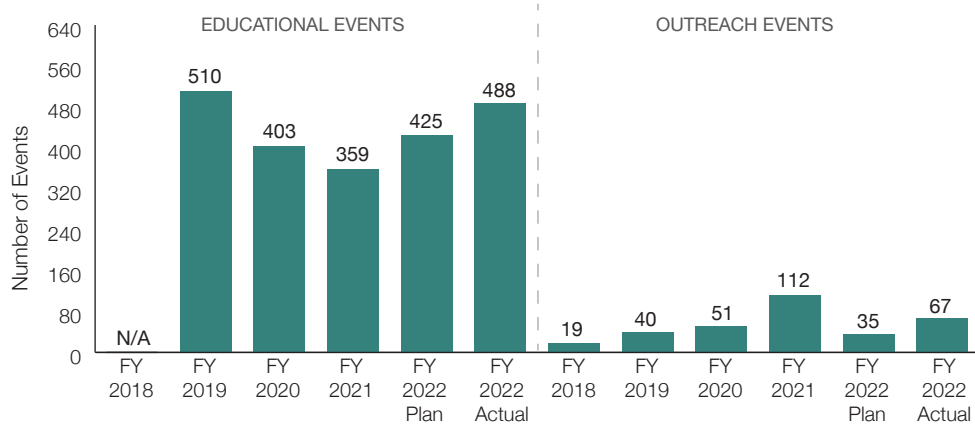
Target: Met

Analysis: In FY 2022, the Office of the Investor Advocate met its target by leveraging materials that had been developed in prior fiscal years, leading to a more efficient process for conducting research.

Responsible Division/Office: Office of the Investor Advocate

Data Source: Internal Tracking Log

PERFORMANCE GOAL 2
Number of outreach events, roundtables, educational, and information sessions for different types of investors/market participants



Note: Data for FY 2017 is not available.

Description: This metric indicates the number of two types of activities: (1) educational events that are designed primarily to provide individual investors and the general public with information about investing and the securities markets; and (2) outreach events that are designed primarily to engage with investors (including small business investors) and receive feedback about policy questions. Outreach events could include public events, meetings with groups of investors, or a coordinated series of one-on-one meetings (not routine meetings with advocacy groups).

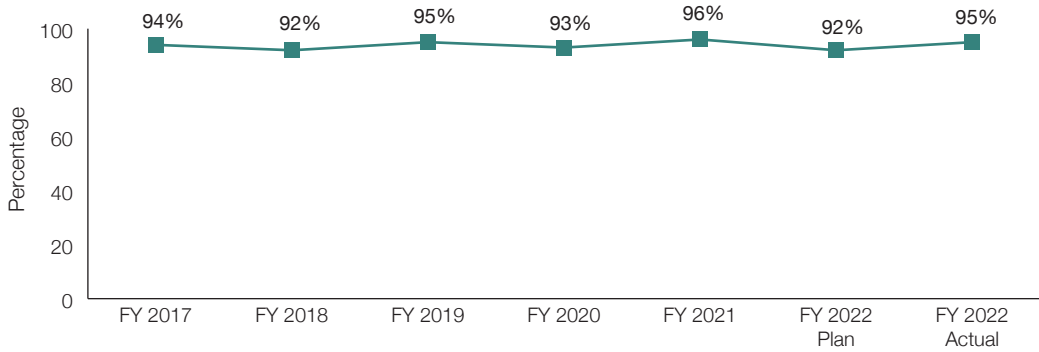
Target: Educational Events – Exceeded; Outreach Events – Exceeded

Analysis: In FY 2022, the SEC continued to educate retail investors by participating in investor education events serving different segments of the population, including military and veteran communities; seniors; minority and Native American communities; women; teachers; students and young adults; and rural communities. The Office of Investor Education and Advocacy (OIEA) and regional office staff participated in 488 investor education events, exceeding its performance target. The Office of the Investor Advocate continued to use a virtual engagement model to conduct 67 outreach events.

Responsible Division/Office: Office of Investor Education and Advocacy; Office of the Investor Advocate

Data Source: Internal Tracking Logs

PERFORMANCE GOAL 3
Percentage of enforcement actions in which the Commission obtained relief on one or more claims



Description: This metric identifies, as to all parties to enforcement actions that were resolved in the fiscal year, the percentage against whom the Commission obtained a judgment or order entered on consent, a default judgment, a judgment of liability on one or more charges, and/or the imposition of monetary or other relief.

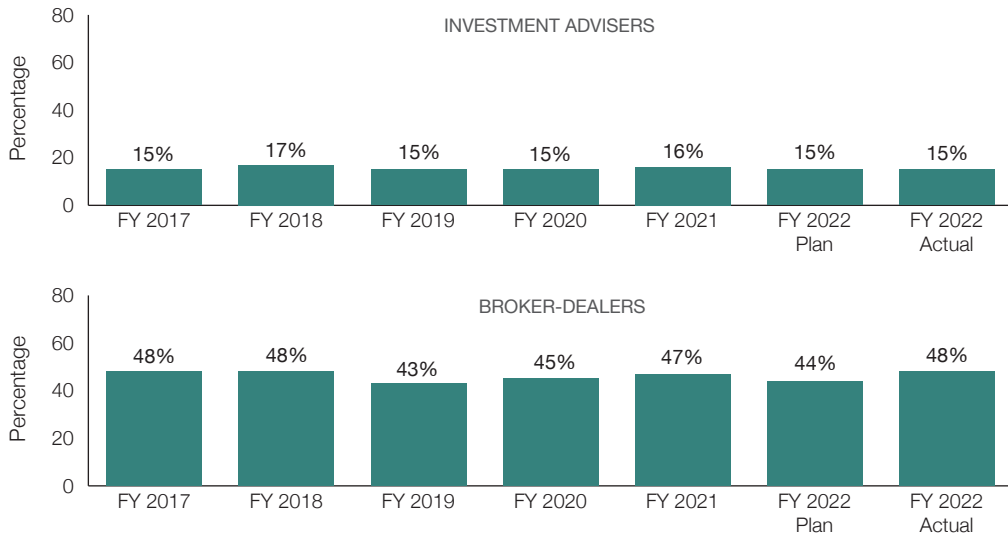
Target: Exceeded

Analysis: In addition to securing victories in specific cases, the SEC's litigation efforts also help the agency obtain appropriate settlements in other cases by demonstrating that it will pursue litigation and trial, if necessary, to obtain appropriate relief. The SEC endeavors to resolve actions quickly and on a favorable basis where practicable, while at the same time filing contested matters where favorable settlements are unavailable before filing. The agency seeks to direct its limited resources toward cases that are likely to have the greatest impact in furthering the SEC's mission.

Responsible Division/Office: Division of Enforcement

Data Source: Case Tracking System for the Division of Enforcement

PERFORMANCE GOAL 4
Percentage of investment advisers and broker-dealers examined during the year



Description: Investment advisers and broker-dealers are critical market participants in terms of their interactions with retail investors. This metric indicates the volume of advisers and broker-dealers examined by the SEC or a self-regulatory organization (SRO) as a percentage of the total number of registrants. This metric includes all types of examinations: risk priority examinations, cause inspections to follow up on tips and complaints, limited-scope special inspections to probe emerging risk areas, and oversight examinations of broker-dealers to test compliance and the quality of examination by the Financial Industry Regulatory Authority (FINRA).

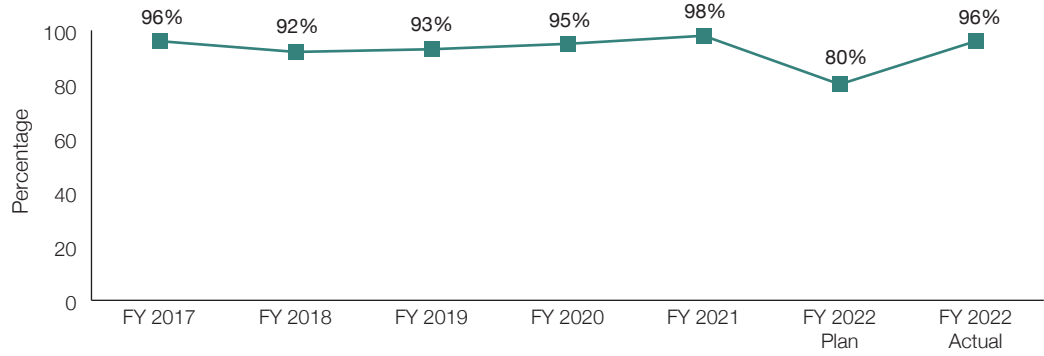
Target: Investment Advisers – Met; Broker-Dealers – Exceeded

Analysis: FY 2022 examination priorities focused on both investment advisers and broker-dealers in an effort to protect investors and address critical risks in the marketplace. Overall, coverage rates in FY 2022 by the Division of Examinations (EXAMS) and broker-dealer self-regulatory organizations met expectations and reflected the continued emphasis on these important market participants. Going forward, EXAMS will continue to prioritize outreach and examinations of investment advisers and broker-dealers as more and more individual investors rely on these financial intermediaries to gain access to the financial markets.

Responsible Division/Office: Division of Examinations

Data Source: Tracking and Reporting Examination National Documentation System (TRENDS) (IA and BD SEC Data) and SRO Databases (BD SRO Data)

PERFORMANCE GOAL 5
Percentage of Fair Fund and disgorgement fund plans that have distributed 80 percent of the available funds for distribution within 24 months of the approval of the distribution plan



Description: In addition to other types of relief, the SEC may seek orders requiring parties to disgorge any money obtained through wrongdoing. The SEC also is empowered to seek civil penalties for violations of the securities laws. Where appropriate, the SEC has sought to return disgorged funds to harmed investors and, as a result of the Fair Funds provisions in law, to combine amounts paid as penalties with disgorged funds, or to create a Fair Fund from penalties only, to reduce losses to injured parties and to maximize funds available for distribution. This metric identifies the percentage of distribution plans that reached a critical mass during the fiscal year and within 24 months of the approval of the distribution plan. The distribution plan includes the timeline and procedures required to return the funds to injured investors. This reflects Commission-wide efforts to implement plans to return money to investors quickly. Any funds not returned to investors are sent to the U.S. Treasury or the Investor Protection Fund established pursuant to Section 21F(g) of the Securities Exchange Act of 1934. Neither disgorgement nor penalties are used for the SEC’s own expenses.

Target: Exceeded

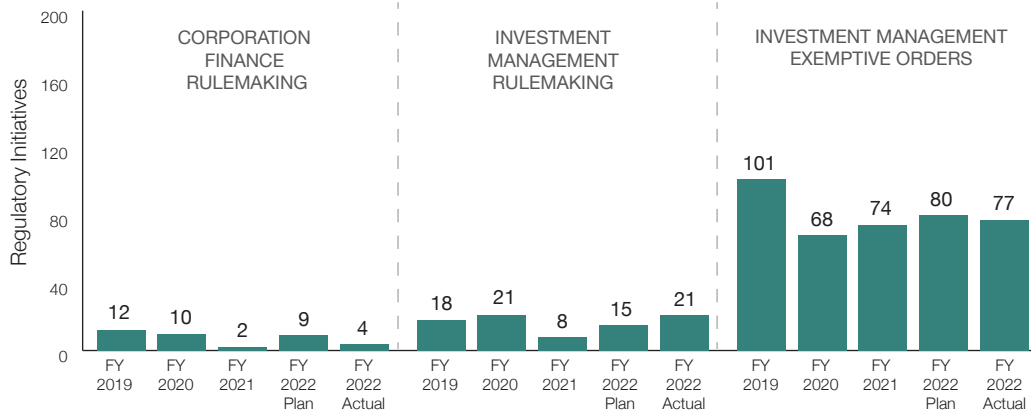
Analysis: In FY 2022, the Division of Enforcement exceeded the target by 16 percentage points. Going forward, the division will continue its efforts to prioritize the timeliness and efficiency of distributing funds, which have been enhanced through such efforts as centralizing certain functions and implementing various process improvements.

Responsible Division/Office: Division of Enforcement

Data Source: Case Tracking System for the Division of Enforcement

PERFORMANCE GOAL 6

Number of regulatory initiatives (i.e., concept, proposing, and adopting releases and exemptive orders) that could impact a company's ability to become and remain a public company, or that are designed to expand the number or range of cost-effective investment options available to retail investors



Note: Data for FY 2017 – FY 2018 is not available.

Description: The SEC staff provides policy recommendations to the Commission that are designed to promote capital formation while maintaining investor protection and to help improve the retail investor experience. This includes recommending proposed rules, final rules, public requests for comment, issuance of exemptive orders, and other initiatives that seek to facilitate investment product innovation, reduce regulatory burdens, and/or help retail investors have the tools and information they need to access and understand the investment options available to them.

Target: Corporation Finance Rulemaking – Not Met; Investment Management Rulemaking – Exceeded; Investment Management Exemptive Orders – Not Met

Analysis: In FY 2022, the Divisions of Corporation Finance (CF) and Investment Management worked on 25 proposed rules, final rules, concept releases, and guidance releases. CF did not meet its rulemaking target for FY 2022 because the length of time required for the Commission to complete a rulemaking project is inherently unpredictable. Competing priorities in the Commission, as well as the time needed to develop policy and related rulemaking documents, were factors that contributed to the division not achieving its FY 2022 target.

Plan for Improving Program Performance: The SEC has assembled project teams that are actively working on the rule proposals and final rules. For exemptive orders, it is important to note that exemptive applications are submitted voluntarily and not required by the Commission, thus the actual figures may vary greatly from year-to-year depending on market developments and trends.

Responsible Division/Office: Division of Corporation Finance; Division of Investment Management

Data Source: Internal Databases

PERFORMANCE INDICATOR 1
Number of companies that are SEC-registered and exchange-listed

Description: The estimated number of companies that are both SEC-registered (by annual filings 10-K, 20-F, and 40-F) and are listed on major U.S. exchanges.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Actual
Number of Companies	4,228	4,317	4,278	4,381	5,248	5,400

Responsible Division/Office: Division of Economic and Risk Analysis

Data Source: The Center for Research in Securities Prices (CRSP)

Strategic Goal 2

Recognize significant developments and trends in our evolving capital markets and adjust our efforts to ensure we are effectively allocating our resources.

- 2.1 Expand market knowledge and oversight capabilities to identify, understand, analyze, and respond effectively to market developments and risks.
- 2.2 Identify, and take steps to address, existing SEC rules and approaches that are outdated.
- 2.3 Examine strategies to address cyber and other system and infrastructure risks faced by our capital markets and our market participants.
- 2.4 Promote agency preparedness and emergency response capabilities.

The SEC is committed to maintaining fair, orderly, and efficient markets. The SEC understands as capital markets continue to evolve rapidly and must stay up-to-date with market trends and developments to remain an effective regulator. For example, in FY 2022, EXAMS continued to carry out oversight responsibilities for security-based swap entities registered with the Commission, with an eye to whether these newly registered entities have implemented policies and procedures necessary to comply with relevant rules. The SEC also conducted over 300 examinations specifically requesting information related to an entity's information security, the results of which helped to evaluate whether market participants are actively engaged in monitoring and addressing critical cybersecurity risks. These examinations help the SEC monitor industry developments and ensure future oversight efforts can be appropriately planned and executed. In FY 2022, approximately \$267 million and 586 FTEs were directed at achieving results in Strategic Goal 2. Of five performance targets, the agency met or exceeded four and did not meet one.

Goal Leader(s): General Counsel; Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management; Director, Division of Economic and Risk Analysis; Director, Division of Examinations; Director, Office of Support Operations; Director, Office of Information Technology

PERFORMANCE GOAL 7
Respond to 95 percent of written requests for guidance within 90 days, in accordance with timeframes established by SEC policy

Description: The SEC staff responds to requests for guidance from individuals and market participants about specific provisions of the federal securities laws. These queries may seek interpretations of the securities laws or regulations, or assurances that no enforcement action will be taken if the individual or market participant engages in a specified activity. The staff also reviews applications for exemptions from the securities laws. Written responses to requests for guidance, when provided, generally are publicly available, as are applications and related notices and orders, when issued. This metric gauges the timeliness of initial comments issued by the Divisions of Trading and Markets, Investment Management, and Corporation Finance.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual
Division of Trading and Markets (TM)	Prior-year data not available		98%	99%	100%	95%	99%
Division of Investment Management (IM)	Prior-year data not available		100%	100%	98%	95%	100%
Division of Corporation Finance (CF)	Prior-year data not available		99%	100%	99%	95%	100%

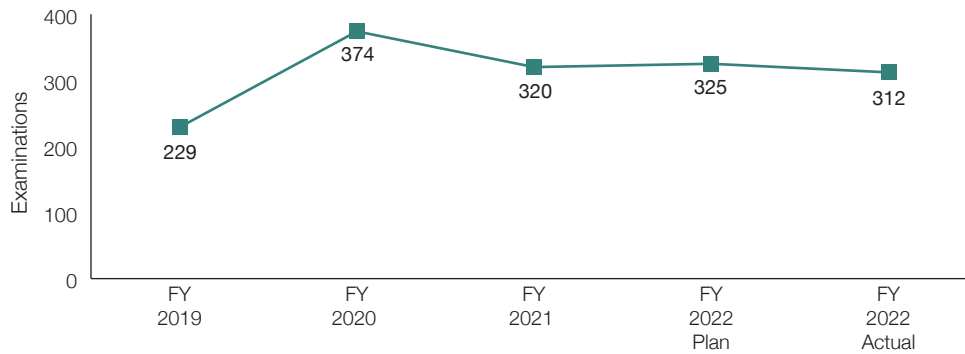
Target: TM – Exceeded; IM – Exceeded; CF – Exceeded

Analysis: During FY 2022, the SEC continued to exceed its target of issuing initial comments on exemptive applications and guidance letters within 90 days. The Divisions of Corporation Finance, Investment Management, and Trading and Markets were able to achieve this level of success because providing initial comments within the targeted timeframe has been a continuing priority.

Responsible Division/Office: Division of Trading and Markets; Division of Investment Management; Division of Corporation Finance

Data Source: CCO Project Tracker (IM); Internal Databases (CF, TM)

PERFORMANCE GOAL 8
Number of examinations that request information related to an entity's information security



Note: Data for FY 2017 – FY 2018 is not available.

Description: Managing cyber and information risks is critical to the operation of the financial markets. As a result, the SEC’s risk-based examination program will ensure that a portion of its exams each year will assess whether regulated entities are monitoring, managing, and appropriately addressing these types of risks. The results of these important reviews will inform the SEC regarding industry developments and future work in this area. Overall, this metric reflects the continued focus of the SEC’s examination program in this area by measuring the number of examinations reviewing critical cyber and information risks.

Target: Not Met

Analysis: The SEC protects and monitors developments in this area through examinations of market participants conducted by the Division of Examinations (EXAMS). During FY 2022, more than 310 examinations specifically requested information related to an entity’s information security, the results of which helped to evaluate whether market participants are actively engaged in monitoring and addressing critical cybersecurity risks. These examinations also helped the SEC monitor industry developments to ensure future oversight efforts can be appropriately planned and executed. The examination program intends to continue its significant cyber and information security examination work in future years.

Plan for Improving Program Performance: The performance target for this measure was set at an approximate level and the deviation from the target was minimal. Information security will be a continued focus for the Commission and the division during FY 2023 and FY 2024.

Responsible Division/Office: Division of Examinations

Data Source: Tracking and Reporting Examination National Documentation System (TRENDS)

PERFORMANCE GOAL 9
Conduct at least a certain number of disaster recovery, crisis management, or incident response exercises

Description: Emergency preparedness is tested in an annual FEMA-directed exercise (called Eagle Horizon) that focuses on Continuity of Operations (COOP). Additionally, the SEC will also conduct tests through Occupant Emergency Plan (OEP) evacuation and Shelter-In-Place (SIP) exercises, and aims to enhance its computing infrastructure to eliminate down time if systems at one site fail.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual
Number of Response Exercises	Prior-year data not available		12	6	7	11	18

Target: Exceeded

Analysis: The Office of Support Operations (OSO) typically conducts Incident Response evacuation drills during the spring and summer months. In total, OSO completed 17 COOP exercises in FY 2022. The Office of Information Technology performed one Disaster Recovery exercise during which services, applications, and systems were failed over and failed back between primary and secondary data centers. All applications, services, and systems that participated in these exercises were tested by the system owners and end users for their functionality.

Responsible Division/Office: Office of Information Technology; Office of Support Operations

Data Source: Data Center Services Branch and Internal Tracking Log

Strategic Goal 3

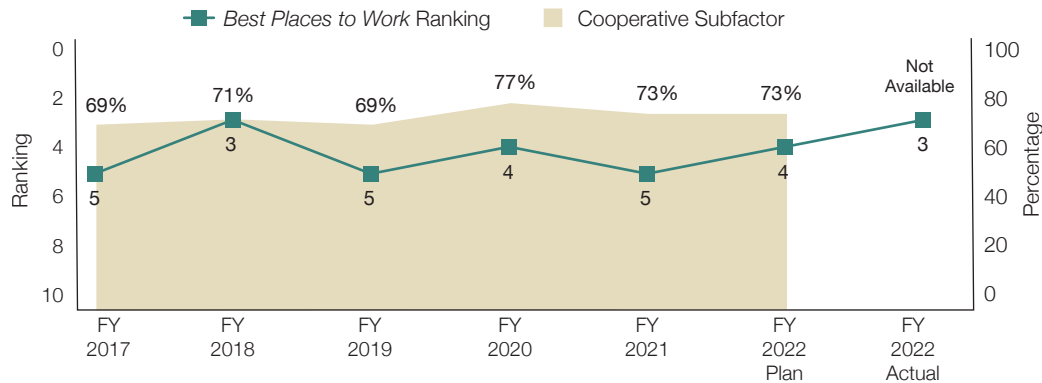
Elevate the SEC's performance by enhancing our analytical capabilities and human capital development.

- 3.1 Focus on the SEC's workforce to increase our capabilities and leverage our shared commitment to investors, and promote diversity, inclusion, and equality of opportunity among the agency's staff.
- 3.2 Expand the use of risk and data analytics to inform how we set regulatory priorities and focus staff resources, including developing a data management program that treats data as an SEC-wide resource with appropriate data protections, enabling rigorous analysis at reduced cost.
- 3.3 Enhance our analytics of market and industry data to prevent, detect, and prosecute improper behavior.
- 3.4 Enhance the agency's internal control and risk management capabilities, including developing a robust and resilient program for dealing with threats to the security, integrity, and availability of the SEC's systems and sensitive data.
- 3.5 Promote collaboration within and across SEC offices to ensure we are communicating effectively across the agency, including through evaluation of key internal processes that require significant collaboration.

The SEC recognizes that people are the agency's most important asset. In FY 2022, the SEC continued to vigorously pursue its mission while prioritizing the health and safety of its workforce in the face of the continued COVID-19 pandemic. SEC personnel have maintained high levels of productivity while both working offsite and conducting certain work activities, such as conducting depositions, in office settings. The Partnership for Public Service's *Best Places to Work* rankings recognized the SEC as one of the best agencies in which to work in the federal government, which further illustrates the commitment of the SEC's talented staff. The SEC does not take this for granted and understands enhancing diversity is a key ingredient to innovation and excellence. In FY 2022, the SEC continued to attract, hire, develop, and retain high-quality, diverse talent. Doing so allows the agency to build and maintain a workforce that reflects a diversity of backgrounds and experiences, as well as the diversity of the investors and market participants it serves. In FY 2022, approximately \$399 million and 901 FTEs were directed at achieving results in Strategic Goal 3. Of the four performance targets, the agency met or exceeded two and did not meet one. The fourth target, the Cooperative Subfactor, was discontinued by the Office of Personnel Management.

Goal Leader(s): Chief Operating Officer; Director, Office of Human Resources; Director, Office of Information Technology; Director, Office of Support Operations

PERFORMANCE GOAL 10
Results of Federal Employee Viewpoint Survey



Note: The Office of Personnel Management permanently removed the Cooperative Subfactor rating from the FY 2022 FEVS; therefore, the SEC will no longer be tracking this metric and the data is no longer available.

Description: The data gathered via the Federal Employee Viewpoint Survey (FEVS) will be used to determine the SEC’s overall success in improving employee morale and cooperation. Specifically, this performance goal will be measured via the Partnership for Public Service’s *Best Places to Work* ranking for mid-size federal agencies, as well as the percentage of positive responses to the cooperative subfactor of the FEVS, which focuses on managerial communication and collaboration.

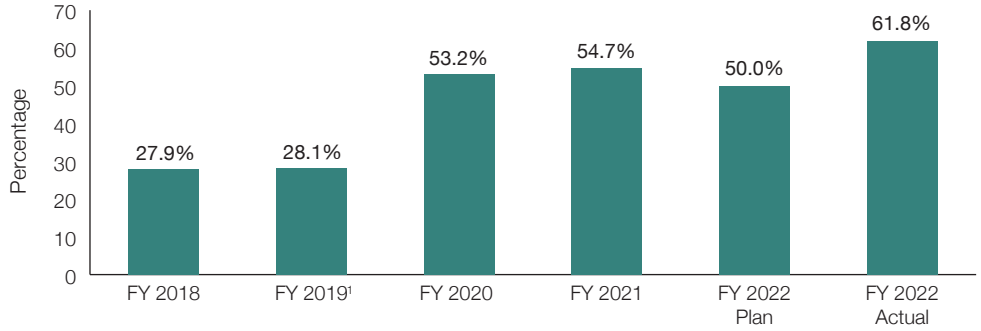
Target: *Best Places to Work* Ranking – Exceeded; Cooperative Subfactor – N/A

Analysis: The SEC continues to maintain a top 5 ranking because of the efforts of hundreds of managers, frontline staff, and union representatives working together to improve employee satisfaction and engagement.

Responsible Division/Office: Office of Human Resources

Data Source: Annual Partnership for Public Service calculated ranking based on Annual Employee Viewpoint Survey administered by the Office of Personnel Management

PERFORMANCE GOAL 11
Percentage of Plan of Action and Milestones (POA&Ms) closed or mitigated within six months from identification



Note: Data for FY 2017 is not available.

Description: The metric captures the percent of POA&Ms closed or mitigated within six months from identification, as determined by the Enterprise Governance, Risk, and Compliance Capability.

Target: Exceeded

Analysis: The continued improvement of POA&Ms closure performance during FY 2022 was the result of several reporting enhancements implemented by the Office of Information Technology (OIT), including: (1) adding this and several other POA&Ms performance metrics to status reports; (2) tracking POA&Ms submission due date changes and failed POA&Ms closure attempts to support more proactive identification of challenging POA&Ms; (3) tracking additional information about upcoming POA&Ms due dates; and (4) providing statistics related to common risks identified by POA&Ms to support root cause analysis. OIT presented these expanded POA&Ms reports to the Chief Operating Officer, Chief Information Officer, and other key management stakeholders consistently on a biweekly basis to improve situational awareness and support a risk-based approach to prioritizing mitigation efforts. OIT anticipates even further improved POA&Ms closure performance in future years due to a continuation of the actions described as well as new automated reminder messages and an enhanced extension request approval process.

Responsible Division/Office: Office of Information Technology

Data Source: Information Securities — Enterprise Governance, Risk, and Compliance Capability

¹ Beginning in FY 2019, the percentage is based on the new calculation methodology. POA&Ms are identified within a 12-month period, where the end of that 12-month period is 6 months prior to the reporting period.

PERFORMANCE GOAL 12
Percentage of GAO and OIG recommendations closed out within 12 months

Description: Timely completion of audit recommendations is an important SEC priority. This metric measures how well the Commission is doing completing corrective action on GAO and OIG audit recommendations within 12 months.

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Plan	FY 2022 Actual
GAO and OIG Recommendations	Prior-year data not available	72%	50%	67% ¹	41%	65%	56%

Target: Not Met

Analysis: The SEC did not meet its FY 2022 target for the timely completion of corrective actions on Government Accountability Office (GAO) and Office of Inspector General (OIG) audit recommendations but made important progress in closing its aged recommendations—those outstanding for over one year. Also, it is important to note that this metric is highly dependent on the substance of the recommendations received from GAO and OIG. Some recommendations can be addressed more quickly, while others may require sustained efforts that take in excess of 12 months.

Plan for Improving Program Performance: The SEC will continue to use data analysis, bolster efforts to increase transparency and accountability, and increase its use of risk assessments to help improve the agency's ability to effectively address audit recommendations in a timely, risk-based manner. Specifically, the Office of the Chief Operating Officer (OCOO) will continue to augment its data analysis of recommendation remediation efforts to better identify specific efforts that may need increased resources or attention. OCOO is also developing additional guidance for the development of corrective action plans and providing senior management with enhanced transparency into the proposed actions.

Responsible Division/Office: Office of the Chief Operating Officer

Data Source: Audit Management System (Archer)

¹ The FY 2020 percentage is based on the percentage of closed GAO and OIG recommendations submitted to the auditor for closure within 12 months of report issuance. The change was made to more accurately measure the time it takes SEC to complete its corrective actions.

Appendices

Appendix A: Verification and Validation of Performance Data	146
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APPENDIX A: VERIFICATION AND VALIDATION OF PERFORMANCE DATA

The SEC's programs require accurate data to properly assess program performance and make sound management decisions. To ensure data is correct, a system of data verification and validation is used. Data verification is a systematic process for evaluating a set of data against a set of standards to ascertain its completeness, correctness, and consistency using the methods and criteria defined in the project documentation. Data validation follows the data verification process in an effort to ensure that performance data is free of systematic error or bias, and that what is intended to be measured is actually measured. Together, these processes are used to evaluate whether the information has been generated according to specifications, satisfies acceptance criteria, and is appropriate and consistent with its intended use.

Below is a list of steps taken to ensure the performance data presented in this report is complete, reliable, and accurate.

1. The agency develops performance goals through its strategic planning process.
2. The SEC's divisions and offices provide:
 - The procedures used to obtain assurance as to the accuracy and reliability of the data;
 - The data definitions for reference;
 - Documentation and explanation of the performance goal calculations; and
 - The sources of the underlying data elements.
3. The performance data is approved by the division directors and office heads. This process ensures that the data used in the calculation of performance goals is accurate and reliable, and that internal control is maintained throughout the approval process.

APPENDIX B: SEC'S RESPONSES TO GOVERNMENT ACCOUNTABILITY OFFICE REPORTS

The following are copies of the SEC's responses sent to the Committees on Appropriations of both Houses of Congress. Substantially similar responses were sent to the Committee on Homeland Security and Governmental Affairs of the Senate, the Committee on Oversight and Government Reform of the House of Representatives, the congressional committees with jurisdiction over the agency program or activity that is the subject of the recommendation, the Office of Management and Budget, and the Government Accountability Office.

GAO Report: “Federal Personal Property: Better Internal Guidance and More Action from GSA Are Needed to Help Agencies Maximize Use of Excess” (GAO-22-104626, dated June 2022)



OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 19, 2022

The Honorable Rosa DeLauro
Chairwoman
Committee on Appropriations
U.S. House of Representatives
H-307, The Capitol
Washington, DC 20515

Dear Chairwoman DeLauro,

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its June 2022 report, *Federal Personal Property: Better Internal Guidance and More Action from GSA Are Needed to Help Agencies Maximize Use of Excess* (GAO-22-104626). Before purchasing “personal property,” which range from office supplies and food to precious metals, the Federal Management Regulation (FMR) requires executive agencies to consider whether excess property can meet their needs. GAO was asked to review federal use of excess personal property, and the SEC was one of five agencies examined. The SEC recognizes the importance of this work, and our efforts are ongoing to strengthen our use of excess personal property.

In its report, the GAO found SEC guidance did not address elements of the FMR in considering excess personal property and made a recommendation to the SEC for improvement. The recommendation states that “*The Chair of the [SEC] should ensure that internal guidance on considering excess personal [property] incorporates, at a minimum, the requirement to consider excess property, relevant roles and responsibilities, when it is practicable to check for and obtain excess property, and how to evaluate the suitability of excess property for meeting agency needs.*”

Following the issuance of GAO’s report, the SEC promptly began developing corrective action plans. To ensure these plans would meet the intent of GAO’s recommendations, the SEC submitted these plans to GAO in August 2022. GAO responded in October 2022 that “the tasks outlined, if implemented would meet the intent of the recommendation.” Since then, responsible offices within the SEC’s Office of Chief Operating Officer have made progress implementing these corrective action plans and expect to complete implementation by June 2023.

GAO Report: “Federal Personal Property: Better Internal Guidance and More Action from GSA Are Needed to Help Agencies Maximize Use of Excess”
(GAO-22-104626, dated June 2022) (*continued*)

The Honorable Kay Granger
Page 2

If you have any questions or would like to discuss this response in more detail, please contact me at (202) 551-2100 or have a member of your staff contact Kevin Burris, Director of the Office of Legislative and Intergovernmental Affairs, at (202) 551-2010.

Sincerely,



Gary Gensler
Chair

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OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 19, 2022

The Honorable Kay Granger
Ranking Member
Committee on Appropriations
U.S. House of Representatives
1036 Longworth House Office Building
Washington, DC 20515

Dear Ranking Member Granger,

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its June 2022 report, *Federal Personal Property: Better Internal Guidance and More Action from GSA Are Needed to Help Agencies Maximize Use of Excess* (GAO-22-104626). Before purchasing “personal property,” which range from office supplies and food to precious metals, the Federal Management Regulation (FMR) requires executive agencies to consider whether excess property can meet their needs. GAO was asked to review federal use of excess personal property, and the SEC was one of five agencies examined. The SEC recognizes the importance of this work, and our efforts are ongoing to strengthen our use of excess personal property.

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OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 19, 2022

The Honorable Patrick Leahy
Chairman
Committee on Appropriations
United States Senate
S-128, The Capitol
Washington, DC 20510

Dear Chairman Leahy,

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its June 2022 report, *Federal Personal Property: Better Internal Guidance and More Action from GSA Are Needed to Help Agencies Maximize Use of Excess* (GAO-22-104626). Before purchasing “personal property,” which range from office supplies and food to precious metals, the Federal Management Regulation (FMR) requires executive agencies to consider whether excess property can meet their needs. GAO was asked to review federal use of excess personal property, and the SEC was one of five agencies examined. The SEC recognizes the importance of this work, and our efforts are ongoing to strengthen our use of excess personal property.

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The Honorable Patrick Leahy
Page 2

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Gary Gensler
Chair

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(GAO-22-104626, dated June 2022)



OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

December 19, 2022

The Honorable Richard Shelby
Vice Chairman
Committee on Appropriations
United States Senate
S-128, The Capitol
Washington, DC 20510

Dear Vice Chairman Shelby,

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its June 2022 report, *Federal Personal Property: Better Internal Guidance and More Action from GSA Are Needed to Help Agencies Maximize Use of Excess* (GAO-22-104626). Before purchasing “personal property,” which range from office supplies and food to precious metals, the Federal Management Regulation (FMR) requires executive agencies to consider whether excess property can meet their needs. GAO was asked to review federal use of excess personal property, and the SEC was one of five agencies examined. The SEC recognizes the importance of this work, and our efforts are ongoing to strengthen our use of excess personal property.

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The Honorable Richard Shelby
Page 2

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Sincerely,



Gary Gensler
Chair

GAO Report: “COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls” (GAO-21-583, dated September 2021)



OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 28, 2022

The Honorable Chris Van Hollen
Chair
Subcommittee on Financial Services and General Government
Committee on Appropriations
United States Senate
110 Hart Senate Office Building
Washington, DC 20510

Dear Chair Van Hollen:

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its September 2021 report, *COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls* (GAO-21-583). The Coronavirus Aid, Relief, and Economic Security Act (CARES) contains a provision for GAO to monitor the federal response to the COVID-19 pandemic. GAO was asked to examine federal agencies' preparedness to support expanded telework, and the SEC was one of 12 agencies examined. The SEC recognizes the importance of this work, and our efforts to strengthen our telework-related security controls are ongoing.

In its report, the GAO found the SEC had established and documented elements of a telework security policy and made two recommendations to SEC for improvement. The first recommendation states that "*The Chair of SEC should ensure that the agency documents relevant IT security controls and enhancements in the security plan for the system that provides remote access for telework.*" The second recommendation (Recommendation 4 in the report) states that "*The Chair of SEC should ensure that the agency assesses and sufficiently documents the assessment of relevant IT security controls and enhancements for the system that provides remote access for telework.*"

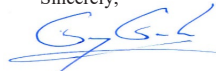
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The Honorable Chris Van Hollen
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Sincerely,

A handwritten signature in blue ink, appearing to read "GG", with a horizontal line underneath.

Gary Gensler
Chair

GAO Report: “COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls” (GAO-21-583, dated September 2021)



OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 28, 2022

The Honorable Cindy Hyde-Smith
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
United States Senate
702 Hart Senate Office Building
Washington, DC 20510

Dear Ranking Member Hyde-Smith:

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its September 2021 report, *COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls* (GAO-21-583). The Coronavirus Aid, Relief, and Economic Security Act (CARES) contains a provision for GAO to monitor the federal response to the COVID-19 pandemic. GAO was asked to examine federal agencies' preparedness to support expanded telework, and the SEC was one of 12 agencies examined. The SEC recognizes the importance of this work, and our efforts to strengthen our telework-related security controls are ongoing.

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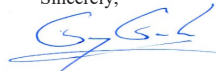
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The Honorable Cindy Hyde-Smith
Page 2

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Gary Gensler
Chair

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OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 28, 2022

The Honorable Mike Quigley
Chairman
Subcommittee on Financial Services and General Government
Committee on Appropriations
U.S. House of Representatives
2078 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Quigley:

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its September 2021 report, *COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls* (GAO-21-583). The Coronavirus Aid, Relief, and Economic Security Act (CARES) contains a provision for GAO to monitor the federal response to the COVID-19 pandemic. GAO was asked to examine federal agencies' preparedness to support expanded telework, and the SEC was one of 12 agencies examined. The SEC recognizes the importance of this work, and our efforts to strengthen our telework-related security controls are ongoing.

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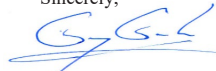
Following the issuance of GAO's report the SEC immediately began developing its plans for corrective actions. To better ensure these actions would meet the intent of GAO's recommendations, the SEC submitted these plans to GAO in November 2021. GAO responded in December 2021 that the "corrective action plans appear to be on the right track." Since then, the SEC's Office of Information Technology (OIT) has made further progress implementing these corrective action plans.

GAO Report: “COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls” (GAO-21-583, dated September 2021) (*continued*)

The Honorable Mike Quigley
Page 2

If you have any questions or would like to discuss this response in more detail, please contact me at (202) 551-2100, or have a member of your staff contact Kevin Burris, Director of the Office of Legislative and Intergovernmental Affairs, at (202) 551-2010.

Sincerely,

A handwritten signature in blue ink, appearing to read 'GG-1', with a horizontal line underneath.

Gary Gensler
Chair

GAO Report: “COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls” (GAO-21-583, dated September 2021)



OFFICE OF THE CHAIR

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 28, 2022

The Honorable Steve Womack
Ranking Member
Subcommittee on Financial Services and General Government
Committee on Appropriations
U.S. House of Representatives
2412 Rayburn House Office Building
Washington, DC 20515

Dear Ranking Member Womack:

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its September 2021 report, *COVID-19: Selected Agencies Overcame Technology Challenges to Support Telework but Need to Fully Assess Security Controls* (GAO-21-583). The Coronavirus Aid, Relief, and Economic Security Act (CARES) contains a provision for GAO to monitor the federal response to the COVID-19 pandemic. GAO was asked to examine federal agencies' preparedness to support expanded telework, and the SEC was one of 12 agencies examined. The SEC recognizes the importance of this work, and our efforts to strengthen our telework-related security controls are ongoing.

In its report, the GAO found the SEC had established and documented elements of a telework security policy and made two recommendations to SEC for improvement. The first recommendation states that "*The Chair of SEC should ensure that the agency documents relevant IT security controls and enhancements in the security plan for the system that provides remote access for telework.*" The second recommendation (Recommendation 4 in the report) states that "*The Chair of SEC should ensure that the agency assesses and sufficiently documents the assessment of relevant IT security controls and enhancements for the system that provides remote access for telework.*"

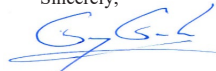
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The Honorable Steve Womack
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Gary Gensler
Chair

APPENDIX C: DISCONTINUED PERFORMANCE METRICS

The following performance metrics have been removed and will no longer be reported on beginning with the FY 2023 Annual Performance Report.

RESPONSIBLE DIVISION/OFFICE	PERFORMANCE GOAL/ INDICATOR NUMBER	PERFORMANCE GOAL/ INDICATOR TITLE
Office of the Investor Advocate	Performance Goal 1	Investor research on the readability/ usefulness of disclosures
Office of Investor Education and Advocacy; Office of the Investor Advocate	Performance Goal 2	Number of outreach events, roundtables, educational, and information sessions for different types of investors/market participants
Division of Corporation Finance; Division of Investment Management	Performance Goal 6	Number of regulatory initiatives (i.e., concept, proposing, and adopting releases and exemptive orders) that could impact a company's ability to become and remain a public company, or that are designed to expand the number or range of cost-effective investment options available to retail investors
Division of Economic and Risk Analysis	Performance Indicator 1	Number of companies that are SEC-registered and exchange-listed
Division of Trading and Markets; Division of Investment Management; Division of Corporation Finance	Performance Goal 7	Respond to 95 percent of written requests for guidance within 90 days, in accordance with timeframes established by SEC policy
Office of Information Technology; Office of Support Operations	Performance Goal 9	Conduct at least a certain number of disaster recovery, crisis management, or incident response exercises
Office of the Chief Operating Officer	Performance Goal 12	Percentage of GAO and OIG recommendations closed out within 12 months

APPENDIX D: SEC'S GOOD ACCOUNTING OBLIGATION IN GOVERNMENT ACT (GAO-IG ACT) REPORT

The following information is provided pursuant to Section 2(b) of the GAO-IG Act relating to U.S. Government Accountability Office (GAO) and SEC Office of Inspector General (OIG) audit recommendations outstanding for longer than one year. Specifically, the following information is being submitted within the SEC's annual budget justification submitted to Congress:

- Status of public GAO recommendations outstanding for longer than one year, along with whether they have a clear budget implication and the estimated completion date (Section 1);
- Status of public OIG recommendations outstanding for longer than one year, status of corrective actions being taken, and the estimated completion date (Section 2);
- A reconciliation of the GAO recommendations listed in this report with the recommendations identified on the GAO website (Section 3);
- A reconciliation of the OIG recommendations listed in this report compared with the recommendations shown in the latest OIG Semiannual Report (Section 4); and
- A statement by the agency regarding corrective actions on audit recommendations outstanding for less than one year (Section 5).

Section 1: Status of public GAO recommendations outstanding for longer than one year that are designated by GAO as “open” or “closed, unimplemented” recommendation status, and the estimated timeframe for completion¹

The open recommendation listed in the below table does not have clear budget implications, and the SEC is taking corrective actions on this recommendation.

SECTION 1 Status of Public GAO “Open” Recommendations		
Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
GAO-18-256 Financial Services Regulation: Procedures for Reviews under Regulatory Flexibility Act Need to Be Enhanced (dated 1/30/2018)	SEC should publicly disclose its section 610 reviews, or summaries of the reviews, with the basis for any conclusions. Such disclosure could include publishing results in the Federal Register or on the agency’s website.	Submitted for Closure

¹ The SEC is not reporting on closed recommendations that are greater than five years old. The SEC does not have any recommendations designated by GAO as “closed, unimplemented” that are less than five years old.

Section 2: Status of public OIG recommendations outstanding for longer than one year, recommendation status, and estimated timeframe for completion

There are 11 OIG recommendations in this category as of February 10, 2023.

SECTION 2 Status of Public OIG Recommendations with No Final Action Taken		
Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
546 Audit of SEC's Compliance with the Federal Information Security Modernization Act for Fiscal Year 2017 (dated 3/30/2018)	Redacted Text	Corrective actions in progress (Q4 FY 2023)
559 The SEC's Office of Broker-Dealer Finances Provides Effective Oversight, But Opportunities To Improve Efficiency Exist (dated 2/26/2020)	Finalize steps deemed feasible and prudent and, as necessary, (a) require broker-dealers to electronically file with the Commission annual reports and risk assessment reports, and (b) raise the capital threshold for reporting under the 17-H rules.	Corrective actions in progress (Q1 FY 2024)
562 Opportunities Exist To Improve the SEC's Management of Mobile Devices and Services (dated 9/30/2020)	Establish and implement comprehensive processes and procedures and/or update existing guidance to: (a) Require periodic reviews and reconciliations of mobile device usage reports, rate plan analysis reports, and mobile device management system reports to identify and address key indicators of potential inefficient or unauthorized use including overuse, underuse, or zero use; and (b) Require periodic reviews of wireless service providers' invoices to ensure unusual or additional charges, such as international charges, are accurate, are for authorized purposes, and are adequately supported.	Corrective actions in progress (Q2 FY 2023)
	Update existing guidance to include periodic assessments and re-certifications of the continued need for mobile devices, specify criteria for assigning rate plans to mobile device users, and establish a process for communicating the plans' limits to users.	Corrective actions in progress (Q2 FY 2023)
	Redacted Text	Corrective actions in progress (Q2 FY 2023)
	Redacted Text	Corrective actions in progress (Q2 FY 2023)

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SECTION 2
Status of Public OIG Recommendations with No Final Action Taken

Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
563 Fiscal Year 2020 Independent Evaluation of SEC's Implementation of the Federal Information Security Modernization Act of 2014 (dated 12/21/2020)	Redacted Text	Corrective actions in progress (Q2 FY 2023)
568 Additional Steps Are Needed For the SEC To Implement a Well-Defined Enterprise Architecture (dated 9/29/2021)	Define the SEC's expectations including the core artifact and relevant elective artifacts needed to support each of the six enterprise architecture reference models, and processes, including roles and responsibilities, to develop and periodically update these artifacts.	Corrective actions in progress (Q3 FY 2023)
570 Fiscal Year 2021 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014 (dated 12/21/2021)	To mature the U.S. Securities and Exchange Commission's Configuration Management program, Kearney & Company, P.C. recommends that the Office of Information Technology develop, document, and implement a formal process to consistently capture and share lessons learned on the effectiveness of its configuration baseline program and make updates, as necessary.	Corrective actions in progress (Q2 FY 2023)
	Develop, document, and implement a process to consistently utilize automated testing for information system contingency plan efforts, including any identified exemptions due to system configuration requirements or limitations that would prevent such automated testing to be conducted, as necessary.	Corrective actions in progress (Q3 FY 2023)

Section 3: GAO.gov Recommendation Database Reconciliation

Section 1 of this report lists a single open GAO recommendation. The [GAO.gov](#) Recommendation Database lists six open recommendations as of February 10, 2023. The table below provides more detailed information on the five recommendations currently listed as “open” on the [GAO.gov](#) site but not listed in Section 1. The recommendations are not listed in Section 1 because they have been outstanding for less than one year.

SECTION 3 Analysis of Discrepancies Between Section 1 Table and GAO.gov Recommendation Database		
Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
GAO-22-104626 Federal Personal Property: Better Internal Guidance and More Action from GSA Are Needed to Help Agencies Maximize Use of Excess (dated 6/28/2022)	The Chair of the Securities and Exchange Commission should ensure that internal guidance on considering excess personal incorporates, at a minimum, the requirement to consider excess property, relevant roles and responsibilities, when it is practicable to check for and obtain excess property, and how to evaluate the suitability of excess property for meeting agency needs.	Corrective actions in progress (Q3 FY 2023)
GAO-23-105465 Securities and Exchange Commission: Additional Guidance Needed for Assessing Staff Procedures (dated 11/18/2022)	The Director of the Division of Enforcement should ensure that the division’s memorandum regarding certification under section 961 of the Dodd-Frank Act include a summary of the work performed for and results of the assessment of the effectiveness of staff procedures.	Corrective actions in progress (Q3 FY 2023)
	The 961 Working Group should revise its Reference Guide for Compliance with Section 961 of the Dodd-Frank Act to include guidance on using program data to help assess the effectiveness of staff procedures.	Corrective actions in progress (Q3 FY 2023)
	The 961 Working Group should revise its Reference Guide for Compliance with Section 961 of the Dodd-Frank Act to require the relevant divisions and office to include in their written plans for assessing the effectiveness of staff procedures a requirement that they review their program manuals on a periodic and comprehensive basis.	Corrective actions in progress (Q3 FY 2023)
GAO-23-105459 Securities and Exchange Commission: Employee Views of Personnel Management Improved, but Action Needed on Measuring Diversity and Inclusion Goals (dated 12/22/2022)	The Director of SEC’s Office of Minority and Women Inclusion should ensure that performance measures for SEC’s diversity and inclusion strategic plan for fiscal years 2023 – 2026 align with the plan’s goals and are clear, measurable, objective, and reliable.	Corrective actions in progress (Q3 FY 2023)

Section 4: OIG Semiannual Report Reconciliation

There are 19 discrepancies between Table 4 in the OIG Semiannual Report dated April 1, 2022 – September 30, 2022 (OIG Report) and the table presented in Section 2 of this report. Fourteen discrepancies exist because the OIG has closed these recommendations since the release of the OIG Report. Three discrepancies exist because corrective actions have been completed and submitted to the auditors for closure. The remaining five discrepancies exist because these recommendations have been outstanding for less than one year as of February 10, 2023.

SECTION 4 Analysis of Discrepancies Between Section 2 Table and OIG Semiannual Report Recommendations Listed in OIG Semiannual Report		
Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
546 Audit of SEC's Compliance with the Federal Information Security Modernization Act for Fiscal Year 2017 (Nonpublic) (dated 3/30/2018)	Redacted Text	Closed by auditors on 11/30/2022
549 The SEC Made Progress But Work Remains To Address Human Capital Management Challenges and Align With the Human Capital Framework (dated 9/11/2018)	Finalize standard operating procedures for the agency's performance management program.	Closed by auditors on 1/30/2023
552 Fiscal Year 2018 Independent Evaluation of SEC's Implementation of the Federal Information Security Modernization Act of 2014 (dated 12/17/2018)	Redacted Text	Closed by auditors on 11/4/2022
563 Fiscal Year 2020 Independent Evaluation of SEC's Implementation of the Federal Information Security Modernization Act of 2014 (dated 12/21/2020)	Define and implement a process to incorporate results from the assessments of knowledge, skills, and abilities into the security training strategy.	Submitted for Closure

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SECTION 4
Analysis of Discrepancies Between Section 2 Table and OIG Semiannual Report
Recommendations Listed in OIG Semiannual Report

Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
568 Additional Steps Are Needed For the SEC To Implement a Well-Defined Enterprise Architecture (dated 9/29/2021)	Define and/or establish processes, including roles and responsibilities, to prepare and timely update the SEC enterprise roadmap at regular intervals and to submit the roadmap to OMB in accordance with federal guidance.	Closed by auditors on 10/21/2022
	Update existing policies and/or procedures to (a) specify a designated entity ultimately accountable for enterprise architecture development and maintenance, and for aligning enterprise architecture with the SEC's capital planning efforts; and (b) reflect the Technology Management Board as a governance authority, and remove the Information Officer's Council and the Enterprise Architecture Council.	Closed by auditors on 10/21/2022
	Update existing policies and/or procedures to define the roles and responsibilities of key stakeholders involved in enterprise architecture, including the roles, responsibilities, and accountability to develop standard operating procedures to support the implementation of the SEC's enterprise architecture policy.	Closed by auditors on 10/21/2022
570 Fiscal Year 2021 Independent Evaluation of the SEC's Implementation of the Federal Information Security Modernization Act of 2014 (dated 12/21/2021)	Redacted Text	Closed by auditors on 12/13/2022
	Develop, document, and implement a formal process to consistently capture and share lessons learned on the effectiveness of its cybersecurity Risk Management program and make updates, as necessary.	Submitted for Closure
	Develop, document, and implement a formal process to consistently capture and share lessons learned to improve the effectiveness of its Information Security Continuous Monitoring policies and strategy and make updates, as necessary.	Submitted for Closure

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SECTION 4
Analysis of Discrepancies Between Section 2 Table and OIG Semiannual Report
Recommendations Listed in OIG Semiannual Report

Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
571 Registered Investment Adviser Examinations: EXAMS Has Made Progress To Assess Risk and Optimize Limited Resources, But Could Further Improve Controls Over Some Processes (dated 1/25/2022)	Develop controls that help ensure timely supervisory approval of an examination's pre-fieldwork phase.	Closed by auditors on 12/13/2022
	Reiterate to examination staff and management the importance of and requirements for timely supervisory approval of each examination's pre-fieldwork phase.	Closed by auditors on 12/13/2022
	Review examination documentation requirements regarding communications with registrants to ensure they are clear and examiners maintain such documentation in a consistent manner; update examination policies as needed.	Closed by auditors on 12/13/2022
572 The SEC Can Improve in Several Areas Related to Hiring (dated 2/28/2022)	Update the service level commitment (SLC) available to SEC employees based on information gathered from the pilot to ensure that the SLC clearly presents the hiring process in phases and steps that are (a) measurable in the Workforce Transformation and Tracking System (WTTS), and (b) useful to measure and enhance the efficiency and effectiveness of the SEC's hiring process.	Corrective actions in progress (Q2 FY 2023)
	Reassess the SLC review process and accompanying guidance to (a) align with the updated SLC phases and steps, once codified; (b) ensure consistency in measuring hiring actions that may enter the process at different points or include steps that do not apply, (c) determine whether pay-setting data fields in WTTS can be used to gain efficiencies when measuring the compensation SLC phase, and (d) make better use of automated features in the WTTS reporting tools to reduce manual updates, which are prone to errors.	Corrective actions in progress (Q2 FY 2023)

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SECTION 4
Analysis of Discrepancies Between Section 2 Table and OIG Semiannual Report
Recommendations Listed in OIG Semiannual Report

Report Number, Title, and Date	Recommendation	Recommendation Status (Estimated Completion)
572 The SEC Can Improve in Several Areas Related to Hiring (dated 2/28/2022)	Update the pay-setting guidance for SK positions to clarify the pay-setting process, including the mapping of the four pay matrices to job requirements, and establish plans to provide recurring workshops for hiring officials to explain and clarify pay-setting processes.	Closed by auditors on 2/10/2023
	Revise the policy regarding pay-setting for SK positions to require that the Total Rewards Group ensures it always shares the most current pay matrices with SEC employees and hiring officials, and immediately share the current pay matrices with hiring officials.	Corrective actions in progress (Q2 FY 2023)
	Evaluate, in conjunction with the compensation contractor's July 2021 recommendations, whether changes to the current pay matrix structure are needed to ensure salary amounts are commensurate with the years of experience—both relevant and specialized—that each candidate brings to the position.	Closed by auditors on 2/10/2023
	Establish written standard operating procedures that outline documentation requirements for attorney hiring and establish, to the extent necessary, nuances between internal and external attorney hiring actions and verification procedures.	Closed by auditors on 2/10/2023

Section 5: Recommendations outstanding for less than one year, for which the agency is determining whether to implement the recommendation

As of February 10, 2023, the SEC has 24 OIG and 5 GAO recommendations outstanding for less than one year. The agency is in agreement with all 29 recommendations and is currently implementing corrective action plans.

The SEC's FY 2024 Congressional Budget
Justification/Annual Performance Plan
and FY 2022 Annual Performance Report
were successfully produced through
the efforts of our talented staff. To
these individuals, we offer our sincerest
appreciation. To comment on this report,
please send an email to
OFM_budget_formulation@sec.gov.

U.S. Securities and Exchange Commission
Washington, DC 20549

[SEC.gov](https://www.sec.gov)