



# FY 2015 ANNUAL PERFORMANCE REPORT

# FY 2017 ANNUAL PERFORMANCE PLAN

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## A Reader's Guide to the SEC's Performance Information

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The following chapters comprise the agency's FY 2015 Annual Performance Report (APR) and FY 2017 Annual Performance Plan (APP), which explains how the SEC uses resources to achieve each of its four strategic goals. These Strategic Goals, Strategic Objectives, and Performance Goals and Indicators were developed as part of the Strategic Plan process for FY 2014-2018. The process followed by SEC in verifying and validating the accuracy of all performance data is described in Appendix B.

The following outlines a brief description of each of the major components of the performance section:

**Strategic Goal Summary:** Each strategic goal section opens by reviewing the purpose of the goal, followed by information identifying the resources allocated toward achieving the goal.

**Strategic Objective:** This section provides a description of the SEC's strategic objectives that gauge the agency's performance within each strategic goal.

**FY 2015 Performance Achievements:** A brief summary that spotlights the year's performance achievements, including resource data and an overall discussion of performance.

**Budgeting for the Future (FY 2017):** A brief discussion of how the SEC plans to use resources requested in FY 2017 to achieve the strategic goal.

**Performance Goals and Indicators:** Each strategic goal section includes a presentation of performance goals and performance indicators by objective, comparing planned and actual performance levels for FY 2015. Four years of historical data is provided for performance goals and performance indicators where available.

## FY 2015 APR and FY 2017 APP

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The SEC focuses its resources on (1) establishing and maintaining an effective regulatory environment, (2) fostering and enforcing compliance with the Federal securities laws, (3) facilitating access to the information investors need to make informed investment decisions, and (4) enhancing the agency's performance through effective alignment and management of human, information, and financial capital. In FY 2015, total SEC obligations were \$1.479 billion<sup>1</sup> in support of 4,301 total full-time equivalents (FTE). Of 53 total performance targets, the agency met or exceeded 46 and did not meet seven.

The budget request for FY 2017 totals \$1.781 billion, an increase of about \$98 million (six percent) over the agency's FY 2016 funding level of \$1.683 billion. The FY 2017 budget funds 4,870 FTE, an increase of about 249 FTE (five percent) over the FY 2016 level, and increases the number of positions by 250 to a total of 5,196.

The additional resources requested for FY 2017 would bolster the SEC's efforts to achieve each of its four strategic goals, and improve the agency's ability to oversee the new markets and market participants that have been added to the SEC's jurisdiction. The agency is aware that increasing staffing in the program areas requires a commensurate increase in staff and funding for support offices. The requested funding will provide necessary resources for attracting and retaining a diverse and talented workforce, administering programs to enhance employee engagement and leadership development, and leveraging information technology that will improve the efficiency and effectiveness of agency programs.

To complement the FY 2015 APR, the agency also presents its FY 2015 budget by program. Each program chapter provides detailed information on program priorities, initiatives, and workload figures for the relevant divisions and offices.

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<sup>1</sup> This figure excludes use of budget authority to liquidate prior obligations for deficient leases.

## Performance Summary by Strategic Goal and Strategic Objective

### Strategic Goal 1: Establish and Maintain an Effective Regulatory Environment

The Commission's responsibility is to put the Federal securities laws into action by establishing and maintaining a regulatory environment that fulfills and sustains the agency's mission. In general, rulemaking and policies are designed to improve disclosure, facilitate the flow of important information to investors and the public, promote capital formation, improve governance, promote high-quality accounting standards, enhance the accountability of financial intermediaries and other market participants, and strengthen the structure of the trading markets, among other goals. The Commission aims to promulgate rules that are clearly written, easily understood, and tailored toward specific ends. In addition, the agency recognizes that regular reviews of Commission regulations and rulemaking processes are necessary to confirm that intended results are being achieved. When properly crafted, these rules serve to further the agency's mission and allow for accurate and reliable information to be made available to investors.

In FY 2015, approximately \$151.7 million and 463 full-time equivalents (FTEs) were directed at achieving results in Goal 1. Of 10 performance targets, the agency met or exceeded eight and did not meet two. During FY 2017, the SEC plans to pursue a vigorous investor-focused rulemaking agenda that will help protect investors and ensure that markets operate fairly. Under the Dodd-Frank Act the agency will continue to implement a more effective regulatory structure. In FY 2017, the agency is requesting a total of \$167.6 million and 488 FTEs toward achieving results in establishing an effective regulatory environment.

**Strategic Objective 1.1: The SEC establishes and maintains a regulatory environment that promotes high-quality disclosure, financial reporting, and governance, and prevents abusive practices by registrants, financial intermediaries, and other market participants.**

**Goal Leader(s):** Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management

#### Spotlight: FY 2015 Performance Achievements

The SEC has proposed or adopted nearly all of the mandatory rulemakings required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the Jumpstart Our Business Startups Act (JOBS Act), in addition to advancing other key rules in mission critical areas that protect investors and our markets. These efforts have included final rules addressing over-the-counter derivatives; new means for small businesses to access capital (including rules to update Regulation A and permit securities-based crowdfunding offerings); executive compensation disclosures; and the removal of references to credit ratings from our rules. In addition to implementing congressionally mandated rules, the SEC has also advanced other important policy objectives, including rules to enhance oversight of high-frequency traders and the supervision of investment advisers and mutual funds, including reforms to money market mutual funds; as well as adopting requirements for comprehensive new controls at critical market participants to strengthen key technological systems.

#### Budgeting for the Future (FY 2017)

The Division of Trading and Markets (TM) is responsible for more than 30 separate rulemaking initiatives under the Dodd-Frank Act. Many of these rulemakings are the first step in new ongoing supervisory and regulatory functions for the Division that will extend into FY 2017. These initiatives and functions include:

- Registration and regulation of security-based swap data repositories (SDRs), security-based swap dealers (SBSDs), major security-based swap participant (MSBSPs), and swap execution facilities;
- Regulatory reporting and public dissemination of security-based swap data;
- Mandatory clearing of security-based swaps;
- Application of security-based swap rules to cross-border activities and persons engaged in those activities;

- Expanded regulation and supervision of clearing agencies; and
- Ongoing implementation of final rules restricting certain proprietary trading activities of broker-dealers under the Volcker Rule, including interagency coordination of interpretations, examinations, and enforcement of the rules.

In FY 2017, the Division of Corporation Finance (CF) will assist the Commission in finalizing the study of the Commission's disclosure rules required by the Fixing America's Surface Transportation (FAST) Act and in developing recommendations arising out of that study for new or revised rules. In FY 2017, CF will also provide assistance and interpretive guidance to small businesses and other market participants related to the Commission's 2015 rules that allow for expanded access to capital through crowdfunding and under Regulation A.

In FY 2017, the Division of Investment Management (IM) expects to continue to focus considerable attention on a set of initiatives to enhance investment management industry resilience to portfolio composition risk and operational risk. The initiatives are designed to:

- Improve the data and other information used by the Commission to understand the risks of the asset management industry and develop appropriate regulatory responses.
- Ensure that registered funds enhance their fund-level controls so they are able to identify and address risks related to their liquidity and use of derivatives.
- Ensure that firms have a plan for transitioning their clients' assets when circumstances warrant.
- Implement new requirements for annual stress testing by large investment advisers and large funds.

**PERFORMANCE INDICATOR (PROCESS) 1.1.1  
Number of investor testing research projects**

**Description:** This metric tracks the number of research initiatives used to gather feedback from investors on the usefulness of disclosures and other input on SEC rulemaking.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of projects	0	2	2	0	0	0
<b>Responsible Division/Office:</b> Office of the Investor Advocate						
<b>Data Source:</b> Microsoft Office Suite Tools						

**Strategic Objective 1.2: The SEC promotes capital markets that operate in a fair, efficient, transparent, and competitive manner, fostering capital formation and innovation.**

**Goal Leader(s):** Director, Division of Trading and Markets

**Spotlight: FY 2015 Performance Achievements**

SEC's rulemaking agenda prioritizes investor protection, market stability, and capital formation. Through rulemaking and other initiatives, the agency works to assure that investors have fair access to securities markets and that their orders are handled in an efficient and transparent manner from order to settlement.

Additionally, the SEC oversees self-regulatory organizations (SRO) to ensure that securities markets operate in a fair, efficient and orderly manner; that they are competitive; and that they promote capital formation. The SEC has authority over the rulemaking and other activities of SROs, which include national securities exchanges, the Financial Industry Regulatory Authority (FINRA) and clearing agencies. The SEC, in approving SRO rules, must determine that these rules are constructed to prevent fraudulent and manipulative practices, promote just and equitable principles of trade, and foster cooperation in the clearing and settling of trades, and that they do not impose an unnecessary or inappropriate burden on competition (**Performance Goal 1.2.1**).

## Budgeting for the Future (FY 2017)

In FY 2017, the SEC must sustain and enhance its existing supervision of securities markets, securities market infrastructure, securities intermediaries, and other market participants. In FY 2017, the Division of Trading and Markets (TM) will face growing demands in its supervision of critical securities market infrastructure, with respect to both the implementation of new Dodd-Frank Act-related responsibilities and the expansion of its existing oversight program. The Division will expand its oversight of existing

clearing agencies, particularly those that are designated as systemically important by the Financial Stability Oversight Council (FSOC), and will continue to review their rule filings on an ongoing basis. As with exchanges, many clearing agency rule changes filed with the SEC must be handled on a significantly expedited basis under the Dodd-Frank Act. Additionally, TM will need to focus on significant industry initiatives to reform clearing agency practices with respect to disclosure of risk management information, tri-party securities lending activities, and the duration of the standard securities settlement cycle, among other matters.

### PERFORMANCE GOAL 1.2.1 Time to complete SEC review of SRO rules that are subject to SEC approval

**Description:** The SEC reviews SRO rule proposals for consistency with the Exchange Act standards of investor protection, fair and orderly operation of the markets and market structure, as well as other statutory requirements. This metric gauges the timeliness of those reviews.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Within 45 days	99%	82%	75%	74%	75%	70%	63%	60%	60%

**Target:** Not Met

**Analysis:** During FY 2015, the SEC approved or disapproved 211 SRO rule changes filed pursuant to Section 19(b)(2) of the Exchange Act. Of the 211 filings, 63 percent were approved or disapproved within the 45 day standard for publication, which falls below the 70 percent target established. The remaining SRO rule changes all met other statutory deadlines past the 45th day.

**Plan for Improving Program Performance:** The adoption of Dodd-Frank in July 2010 required the SEC to approve or disapprove within certain statutory time frames from the date of publication of a rule change. The staff must publish within 15 days from when the filing is received, otherwise the publication date reverts to the day the SRO publishes the filing on their website, (i.e., within two days of filing with the SEC). Once a rule filing is published for comment, the SEC must complete a review within 45 days, or within longer periods of time as noted in the statute. Of the 211 SRO rule changes subject to the Dodd-Frank standards, 132 filings were subsequently approved or disapproved within 45 days of publication. The remaining 79 filings were approved or disapproved within the other statutory benchmarks, (i.e., within 90 days, within 180 days, within 240 days). The SEC met the statutory standards set by Dodd-Frank 100 percent of the time. The SEC will evaluate in FY 2016 whether to adjust this target to the Dodd-Frank standards, which represent a better measure of program performance.

**Responsible Division/Office:** Division of Trading and Markets

**Data Source:** SRO Rule Tracking System (SRTS)

### PERFORMANCE INDICATOR (PROCESS) 1.2.1 Percentage of SRO rule filings that are submitted for immediate effectiveness

**Description:** This indicator gauges the proportion of SRO rule proposals that can be submitted for immediate effectiveness, without Commission approval.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	69%	77%	72%	78%	72%	78%

**Responsible Division/Office:** Division of Trading and Markets

**Data Source:** SRO Rule Tracking System (SRTS)

**PERFORMANCE INDICATOR (PROCESS) 1.2.2**  
**Percentage of transaction dollars settled on time each year**

**Description:** This indicator measures the efficiency of the U.S. clearance and settlement system for equity securities.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	99%	99%	99%	98%	99%	99%

**Responsible Division/Office:** Division of Trading and Markets

**Data Source:** Depository Trust & Clearing Corporation and NYSE Technologies

**PERFORMANCE INDICATOR (PROCESS) 1.2.3**  
**Percentage of market outages at SROs and electronic communications networks (ECNs) that are corrected within targeted timeframes**

**Description:** Market outages reflect problems in the systems underlying the securities markets that could have an adverse effect on the markets' ability to function as required. The SEC assesses the reliability and resiliency of these systems to minimize the number and duration of outages. This metric gauges how quickly outages are resolved, so that market activity can resume.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Within 2 hours	74%	88%	71%	80%	80%	63%
Within 4 hours	85%	94%	89%	86%	85%	77%
Within 24 hours	100%	100%	100%	98%	96%	96%

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

**Data Source:** SROs

**Strategic Objective 1.3: The SEC adopts and administers regulations and rules that are informed by robust economic analysis and public comment and that enable market participants to understand their obligations under the securities laws.**

**Goal Leader(s):** Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management

**Spotlight: FY 2015 Performance Achievements**

In FY 2015, the SEC continued to pursue an investor-focused rulemaking agenda. The Commission's rulemaking has been supported by detailed economic analysis provided by the Division of Economic and Risk Analysis (DERA). DERA has provided guidance that outlines a road map for the rulemaking divisions and offices, listing concepts that the analysis should cover and helping ensure that economic analysis is integrated throughout the entire rule development and rule writing process.

The SEC devotes resources to responding to no-action letters, and interpretive and other requests from regulated entities, public companies, and other outside parties. In FY 2015, the Divisions of Corporation Finance (CF) and Investment Management (IM) met or exceeded their response rate targets for **Performance Goal 1.3.1**.

**Budgeting for the Future (FY 2017)**

In FY 2017, the SEC plans to continue to devote staff resources to rulemaking and interpretive guidance, including preparing remaining rules to implement the Dodd-Frank Act and JOBS Act, considering the impact of SEC rules and regulations on small business capital formation, and continuing efforts to modernize and simplify disclosure requirements. TM, IM and CF remain committed to exceeding timeliness goals in responding to written requests for no-action letters, exemptive applications, and written interpretive requests (**Performance Goal 1.3.1**).

**PERFORMANCE GOAL 1.3.1**  
**Length of time to respond to written requests for no-action letters (NAL),  
 exemptive applications, and written interpretive requests**

**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 such 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 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Trading and Markets: No-action letters, exemptive applications, and written interpretive requests (combined figure)									
Percentage within required timeframe	91%	98.5%	89%	93%	83%	85%	88%	80%	80%
<b>Target:</b> Exceeded									
<b>Analysis:</b> TM met the established target for FY 2015. Some requests are extremely complex and require extensive consideration and consultation both within and outside TM. TM's approach has been to allow these requests the thorough consideration they demand, even when that means the request is not closed within the targeted timeframe. The SEC decided to lower its target percentage for 2016 and 2017 to reflect the time involved in responding to these complex requests.									
<b>Responsible Division/Office:</b> Division of Trading and Markets									
<b>Data Source:</b> TM Request Tracking Log									
Investment Management									
No-action letters and interpretive requests	100%	100%	100%	100%	100%	80%	100%	80%	80%
Exemptive applications	100%	100%	100%	99%	99%	80%	100%	80%	80%
<b>Target:</b> No-action letters – Exceeded; Exemptive applications – Exceeded									
<b>Analysis:</b> For the seventh year in a row, IM exceeded its target for initial comments on exemptive applications within 120 days. The division considered but decided against raising its target percentage because the ability to meet the target is dependent on factors that could change materially during any fiscal year such as the total number of applications filed, concentration of filings at any particular time period (surges), and the types and complexity of the applications filed. For the sixth year in a row, IM processed 100 percent of initial comments on no-action letters within three weeks, surpassing its target of “80 percent within three weeks.” IM has been able to achieve this level of success because of its continued emphasis on providing initial comments within the targeted timeframe as a key priority.									
<b>Responsible Division/Office:</b> Division of Investment Management									
<b>Data Source:</b> OCC Letter Log, OICR and OIP Applications Tracking Systems (Access), Excel spreadsheet									
Corporation Finance									
No-action letters and interpretive requests	97%	97%	98%	98%	97%	90%	94%	90%	90%
Shareholder proposals	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Target:</b> No-action letters – Exceeded; Shareholder proposals – Met									
<b>Analysis:</b> CF surpassed its FY 2015 target by providing initial comments on no-action letters within 30 days for 94 percent of requests. CF achieved its target of responding to 100 percent of shareholder proposal requests prior to the company's proxy filing date.									
<b>Responsible Division/Office:</b> Division of Corporation Finance									
<b>Data Source:</b> Division No-Action Letter database and Division Shareholder Proposal database									

**PERFORMANCE GOAL 1.3.2**  
**Timeliness of responses to requests for informal guidance received by the Trading and Markets dedicated hotline or email box**

**Description:** The Division of Trading and Markets maintains a dedicated phone line and an email account to provide market participants with avenues to request information and informal guidance regarding the Exchange Act and rules thereunder. This metric reflects the timeliness of the staff's responses to these requests.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Respond to or refer inquiries within 2 weeks	Prior-year data not available			N/A	99%	95%	98%	95%	95%

**Target:** Exceeded

**Analysis:** TM surpassed its FY 2015 target by responding to or referring inquiries within two weeks for 98 percent of inquiries.

**Responsible Division/Office:** Division of Trading and Markets

**Data Source:** Division of Trading and Markets Office of Interpretation and Guidance (OIG) Log and email box

**PERFORMANCE INDICATOR (CONTEXTUAL) 1.3.1**  
**Number of published economic reports**

**Description:** This indicator gauges the number of economic reports that staff of the Division of Economic and Risk Analysis publishes annually on the SEC's website.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of reports	N/A	N/A	N/A	23	15	29

**Responsible Division/Office:** Division of Economic and Risk Analysis

**Data Source:** [www.sec.gov](http://www.sec.gov)

**PERFORMANCE INDICATOR (PROCESS) 1.3.2**  
**Number of amendments to national securities exchange registrations (Form 1)**

**Description:** This indicator provides information about the volume of material filed with the SEC that involves amendments to exchange registrations.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of amendments	Prior-year data not available				117	161

**Responsible Division/Office:** Division of Trading and Markets

**Data Source:** Manual spreadsheets

**PERFORMANCE INDICATOR (PROCESS) 1.3.3**  
**Number of Alternative Trading System registrations (Form ATS)**

**Description:** This indicator provides information about the volume of material filed with the SEC that involves filings related to ATS registrations.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of registrations	Prior-year data not available				12	9

**Responsible Division/Office:** Division of Trading and Markets

**Data Source:** ATS Database

**PERFORMANCE INDICATOR (PROCESS) 1.3.4**  
**Number of new investment product submissions**

**Description:** This indicator provides information about the volume of material filed with the SEC that involves new product submissions pursuant to Rule 19b-4(e) of the Exchange Act.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of submissions	Prior-year data not available				2,047	2,285

**Responsible Division/Office:** Division of Trading and Markets

**Data Source:** Form 19b-4(e) Database

**Strategic Objective 1.4: The SEC engages with a multitude of stakeholders to inform and enhance regulatory activities domestically and internationally.**

**Goal Leader(s):** Director, Office of International Affairs

**Spotlight: FY 2015 Performance Achievements**

In today’s markets, capital can cross jurisdictional boundaries with the tap of a screen. It is more important than ever to coordinate with other U.S. and foreign regulatory authorities and stakeholders on the best regulatory responses to the changing market landscape. Failure to effectively coordinate can significantly hamper the SEC’s ability to achieve its policy objectives or avoid significant unintended consequences.

The Office of International Affairs (OIA) handled an increased volume of requests in cross-border supervisory cooperation matters, cross-border examinations, asset verifications and registrations. During FY 2015, OIA continued to streamline its processes to provide assistance in an efficient and timely way. The Office also continued to provide technical assistance programs for regulators around the world **(Performance Goal 1.4.1 and Performance Goal 1.4.2).**

**Budgeting for the Future (FY 2017)**

The SEC will continue to actively participate in international multilateral organizations, including the International Organization of Securities Commissions (IOSCO), the Financial Stability Board, the Organization for Economic Cooperation and Development, and the Financial Action Task Force. These efforts will be complemented by direct bilateral consultations with foreign regulatory counterparts on enforcement and regulatory matters. In addition, the SEC continues to promote international coordination and cooperation through its technical assistance programs for foreign regulators **(Performance Goal 1.4.1 and Performance Goal 1.4.2).**

In FY 2017, the SEC Chair will continue to participate actively in the Financial Stability Oversight Committee (FSOC) with other FSOC members, such as the Chairman of the Board of Governors of the Federal Reserve, the Secretary of the Treasury, and the Chairman of the Commodity Futures Trading Commission (CFTC).

**PERFORMANCE GOAL 1.4.1**  
**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.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Supervisory cooperation requests from foreign authorities	Prior-year data not available			25	117	95	113	116	120
SEC requests for assistance on supervisory cooperation from foreign authorities	Prior-year data not available			118	96	99	135	139	143

**Target:** Supervisory cooperation – Exceeded; SEC requests – Exceeded

**Analysis:** The greater than expected results can be attributed to foreign authorities becoming more aware of OIA's Supervisory Cooperation section, which came into existence in FY 2013. During FY 2015, the supervisory cooperation group handled an increased volume of requests in cross-border supervisory cooperation matters, including cross-border examinations, asset verifications and registrations during FY 2015. OIA worked to streamline its processes to provide assistance in an efficient and timely way. Note the FY 2013 figures have been corrected from previous publications.

**Responsible Division/Office:** Office of International Affairs

**Data Source:** International Program Oversight Database and Business Objects reports

**PERFORMANCE GOAL 1.4.2**  
**Number of non-U.S. regulators trained**

**Description:** This metric shows the reach of the SEC's technical assistance programs for regulators around the world. The SEC conducts these training sessions to assist countries in developing and maintaining robust protections for investors and promoting cross-border enforcement and supervisory assistance.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of non-U.S. regulators	1,997	1,765	1,785	1,716	2,382	1,800	1,666	1,700	1,800

**Target:** Not Met

**Analysis:** Target FY 2015 was not met because several 2015 foreign programs were cancelled due to resource constraints of both the SEC and the foreign sponsoring authorities.

**Plan for Improving Program Performance:** OIA's Technical Assistance section will monitor resources available to foreign sponsoring authorities and the SEC. The FY 2016 and FY 2017 figures are contingent on the availability of sufficient domestic and foreign resources.

**Responsible Division/Office:** Office of International Affairs

**Data Source:** International Program Oversight Database and Business Objects reports

## Strategic Goal 2: Foster and Enforce Compliance with the Federal Securities Laws

Fostering compliance with Federal securities laws is interwoven through all of the SEC's programs and is central to fulfilling the critical mission of the agency. Through disclosure reviews and examinations of broker-dealers, investment advisers, self-regulatory organizations (SROs) and other market participants, the SEC seeks both to detect violations of the securities laws and rules and to foster strong compliance and risk management practices within these firms and organizations. The SEC's Enforcement program also investigates and prosecutes violations of the law, with the aims of holding wrongdoers accountable, returning funds to harmed investors whenever possible, and building deterrence against future violations. In FY 2015, approximately \$839.1 million and 2,474 full-time equivalents (FTEs) were directed at achieving results in Goal 2. Of 12 performance targets, the agency met or exceeded 10 and did not meet two.

In FY 2017, the agency is requesting a total of \$964.6 million and 2,823 FTE for Goal 2. The additional resources will allow the SEC to continue addressing the disparity between the reach of the exam staff and the growing number and complexity of registered firms and building out the agency's new responsibility areas. Additionally, the Commission will be able to take prompt action to halt misconduct, sanction wrongdoers effectively, and return funds to harmed investors. In all, the agency plans to devote approximately \$964.6 million to enforcing compliance with the Federal securities laws.

### Strategic Objective 2.1: The SEC fosters compliance with the Federal securities laws.

**Goal Leader(s):** Director, Office of Compliance Inspections and Examinations

#### Spotlight: FY 2015 Performance Achievements

The SEC seeks to encourage within firms that participate in the securities markets a strong culture of compliance that

fosters ethical behavior and decision-making. As part of its efforts to promote compliance within the industry, OCIE conducted 129 outreach and educational programs events during the year, including Compliance Outreach seminars, targeted sessions with never before examined advisers, and various other outreach initiatives with registrants and other regulators **(Performance Goal 2.1.1)**.

OCIE also works to enforce and foster compliance with Federal securities laws through its examination and inspection program. During examinations in FY 2015, the staff identified a number of areas where firms appeared not to be in compliance with Federal securities laws. In response to deficiency letters that were sent to firms by the staff, 90 percent of registrants have continued to assert that they are taking corrective action in response to all staff findings. In order to achieve this level of performance, the staff continued to make concerted efforts during the year to improve dialogue and communication with firms, including at the most senior levels **(Performance Goal 2.1.2)**.

#### Budgeting for the Future (FY 2017)

In FY 2017, the National Examination Program (NEP) will continue its focus on high-risk entities and activities. The additional resources requested will serve to: (1) address the disparity between the number of exam staff and the growing number and complexity of registered firms, particularly in the investment management industry; (2) continue implementation of certain legislative changes, including provisions of the Dodd-Frank and JOBS Acts; (3) enhance and expand quantitative and data analytic efforts; and (4) more effectively risk target, monitor, and examine market participants. OCIE will also enhance training and expertise of examiners in data analysis, fraud detection and prevention, technology, new products and trading strategies, and other critical areas. Also, in FY 2017, OCIE will continue its efforts to promote industry compliance efforts through initiatives such as the Compliance Outreach program **(Performance Goal 2.1.1)**.

**PERFORMANCE GOAL 2.1.1**  
**Number of industry outreach and education programs targeted to areas identified as raising particular compliance risks**

**Description:** Targeted communication with industry participants on topics shaping the examination program is intended to enhance compliance practices and prevent violations before they occur. This metric identifies the number of major outreach efforts conducted including the SEC’s national and regional compliance outreach events, published risk alerts, and other educational programs and initiatives.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of major outreach efforts	6	5	12	15	63	65	129	100	100

**Target:** Exceeded

**Analysis:** The SEC seeks to encourage a strong culture of compliance among organizations, to foster ethical behavior and decision-making. As part of its efforts to promote compliance within the industry, OCIE conducted 129 outreach and educational programs events during the year, including Compliance Outreach seminars, targeted sessions with never before examined advisers, and various other outreach initiatives with registrants, regulators, and industry groups. As part of this work, the NEP also issued six National Risk Alerts, presented at SEC Speaks and published other significant materials during the year. In addition to these efforts, staff from throughout the program participated in a number of other outreach efforts, including speaking at hundreds of industry conferences and related engagements that are not reflected in the above numbers.

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

**Data Source:** Internal tracking, although many of the events noted above are referenced in the SEC’s website

**PERFORMANCE GOAL 2.1.2**  
**Percentage of firms receiving deficiency letters that take corrective action in response to all exam findings**

**Description:** At the conclusion of examinations, the staff communicates identified deficiencies to registrants in the form of a deficiency letter. Registrants are then given a chance to respond to staff findings and often take action to remedy any problems and potential risks, including monetary compensation to clients and enhancements to disclosures, policies and procedures. Most often, registrants respond that they have corrected the deficiencies and implemented measures to prevent recurrence.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	90%	93%	92%	86%	89%	89%	90%	90%	90%

**Target:** Exceeded

**Analysis:** The SEC works to enforce and foster compliance with Federal securities laws through its examination program. During examinations in FY 2015, the staff identified a number of areas where firms appeared not to be in compliance with Federal securities laws. In response to deficiency letters that were sent to firms by the staff, the vast majority of registrants have continued to assert that they are taking corrective action in response to the staff’s findings. In order to achieve this level of performance, the staff made concerted efforts during the year to improve dialogue and communication with firms, including at the most senior levels. These efforts have helped to ensure that there is a clear understanding of issues and concerns between the staff and registrants. Overall, this measure continues to show that registrants are using examination results to improve operations and compliance with Federal securities laws.

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

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

**Strategic Objective 2.2: The SEC promptly detects and deters violations of the Federal securities laws.**

**Goal Leader(s):** Director, Office of Compliance Inspections and Examinations

**Spotlight: FY 2015 Performance Achievements**

In FY 2015, the National Examination Program continued to improve its risk assessment and surveillance capabilities, to ensure that the program is spending its limited resources on those firms presenting the highest risk. Examinations of high risk firms often take significant time to complete and are frequently of large and complex entities. Overall, the staff examined 10 percent of investment advisers in FY 2015; these firms manage more than 30 percent of the assets under management of currently registered advisers. Examination resources were also allocated during the past year to other efforts intended to improve the long-term performance of the program, including industry outreach initiatives, rule-making efforts and other program improvement efforts **(Performance Goal 2.2.1)**.

**Budgeting for the Future (FY 2017)**

The National Examination Program is requesting to hire 127 additional staff in FY 2017. These new positions would

directly affect the proportion of registered entities that would be examined each year. Since these staff would be hired during the course of FY 2017, the coverage rates would not reach their new steady-state levels until the staff are all on board, trained, and conducting examinations for a full fiscal year. Once that occurs, the percentage of investment advisers and investment companies examined is expected to reach approximately 13 percent and 15 percent, respectively **(Performance Goal 2.2.1)**.

The National Exam Program will continue to identify and communicate potential issues to firms to ensure that compliance problems and issues are corrected quickly. In FY 2017, the SEC will continue to complete all examinations within the statutory deadline. Overall, this helps the SEC to ensure that deficiencies are promptly detected and resolved by firms **(Performance Goal 2.2.2)**.

In FY 2017, the SEC will continue to focus on improving coordination with other regulators on areas of mutual interest, both to share expertise and to address key areas of risk. In that regard, the exam program continued to conduct coordinated exams and meetings with other regulators and also maintained a number of agreements with these regulators to help ensure that information could be shared in an appropriate and timely manner **(Performance Goal 2.2.3)**.

**PERFORMANCE GOAL 2.2.1**  
**Percentage of investment advisers, investment companies, and broker-dealers examined during the year**

**Description:** This metric indicates the number of registrants examined by the SEC or an 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 examinations by FINRA.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Investment advisers	9%	8%	8%	9%	10%	10%	10%	11%	12%
Investment companies	10%	13%	12%	11%	10%	12%	15%	15%	15%
Broker-dealers (exams by SEC and SROs)	44%	58%	49%	46%	49%	50%	51%	50%	50%

**Target:** Investment advisers – Met; Investment companies – Exceeded; Broker-dealers – Exceeded

**Analysis:** Building and maintaining examination coverage of the industry helps the Commission promptly detect violations of Federal securities laws and promote compliance with such laws. The staff continued to enhance its risk assessment and surveillance capabilities to ensure that the program is spending its limited time and resources on those firms presenting the highest risk. Overall, the program exceeded expectations and completed more examinations than in any of the previous five fiscal years. In addition, the NEP engaged in other critical efforts intended to improve the long-term performance of the program, including industry outreach initiatives, rulemaking projects, and other program improvement efforts.

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

**Data Source:** Tracking and Reporting Exam National Documentation System (TRENDS) (IA, IC, and BD SEC data) and SRO Databases (BD SRO Data)

**PERFORMANCE GOAL 2.2.2**  
**Percentage of compliance exams that are timely concluded in accordance with the Office of Compliance Inspections and Examination’s (OCIE) statutory deadline**

**Description:** The staff conducts examinations each year of registered entities, including investment advisers, investment company complexes, transfer agents, and broker-dealers. The staff strives to complete its examinations and communicate findings in the most efficient and effective manner and within its statutory deadline. This metric reflects the percentage of examinations concluded within the statutory deadline.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	Prior-year data not available			100%	100%	100%	100%	100%	100%

**Target:** Met

**Analysis:** The staff’s goal is to identify and communicate potential issues to firms to ensure that compliance problems and issues are corrected quickly. During FY 2015, all completed examinations were done within OCIE’s statutory deadline. Overall, this performance goal helps the SEC to ensure that deficiencies are promptly resolved by firms.

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

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

**PERFORMANCE GOAL 2.2.3**  
**Number of joint exams, information sharing agreements, and formal meetings with other regulators**

**Description:** The SEC attempts to coordinate and collaborate with other regulators on areas of mutual interest. This helps to ensure that all regulators are informed of on-going risks and issues related to broad market practices as well as specific entities of mutual interest. This cooperation is critical to the exam program to ensure that certain higher risk firms and activities are addressed in the most efficient and effective manner. This metric tracks critical cooperation activities that are occurring between the SEC’s exam program and other regulators.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of joint exams, active sharing agreements, and formal meetings	Prior-year data not available				391	395	442	400	400

**Target:** Exceeded

**Analysis:** The exam program continued to conduct joint/coordinated exams and meetings with other regulators, which has proved an effective method of overseeing entities that cross jurisdictional lines. The program also maintained a number of sharing agreements with these regulators to help ensure that information could be shared in an appropriate and timely manner.

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

**Data Source:** Various (including internal tracking and TRENDS)

**PERFORMANCE INDICATOR (CONTEXTUAL) 2.2.1**  
**Percentage of exams that identify deficiencies, the percentage that result in a “significant finding,” and the percentage referred to the Division of Enforcement**

**Description:** Examiners find a wide range of deficiencies during examinations. Some of the deficiencies are more technical in nature, such as failing to include all information that is required to be in a record. However, other deficiencies may cause harm to customers or clients of a firm, have a high potential to cause harm, or reflect recidivist misconduct. The latter deficiencies are among those categorized as “significant.” This indicator identifies the percentage of exams that identified deficiencies, that resulted in significant deficiency findings, and that were referred to Enforcement.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage that identify deficiencies	72%	82%	80%	80%	76%	77%
Percentage that result in a “significant finding”	42%	42%	42%	35%	30%	31%
Percentage referred to the Division of Enforcement	Prior-year data not available			13%	12%	11%

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

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

**PERFORMANCE INDICATOR (OUTPUT) 2.2.2**  
**Number of cause exams that result from tips, complaints and referrals**

**Description:** Analysis of a tip can support the request for a cause exam. This indicator would identify the number of SEC cause exams that result from tips collected through outreach efforts.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of cause exams	Prior-year data not available			222	149	173

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

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

**PERFORMANCE INDICATOR (OUTPUT) 2.2.3**  
**Number of rule-making initiatives assisted by the National Exam Program**

**Description:** The examination program interacts with registrants on a regular basis and this work provides critical feedback to ensuring effective and practical rulemaking and policy efforts. This indicator tracks how frequently the examination program assists with rulemaking initiatives.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of rule-making initiatives assisted by the NEP	Prior-year data not available				30	26

**Responsible Division/Office:** Office of Compliance Inspections and Examinations

**Data Source:** Internal tracking

**PERFORMANCE INDICATOR (OUTPUT) 2.2.4**  
**Number of investigations or inquiries originating from a tip or complaint**

**Description:** Analysis of a tip or complaint can result in the need for further enforcement investigation. The indicator identifies the volume of SEC investigations that result from tips and complaints received by the SEC.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of investigations	303	349	296	289	291	325

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE INDICATOR (OUTPUT) 2.2.5**  
**SEC investigations in which requests for access to information were granted by the SEC to other authorities, such as SROs or other state, Federal, and foreign enforcement authorities**

**Description:** The SEC works closely with other regulators and authorities. This measure identifies the number of investigations in which the SEC granted one or more authorities access to information concerning an investigation during the fiscal year. This may include requests for access to SEC investigative files concerning investigations that the SEC continues to pursue, as well as those in which the SEC has completed its investigation.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of investigations	492	586	515	504	501	498

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE INDICATOR (OUTPUT) 2.2.6**  
**Requests from foreign authorities for SEC assistance and SEC requests for assistance from foreign authorities**

**Description:** Each year, the SEC makes hundreds of requests for enforcement assistance to foreign regulators, while responding to hundreds of such requests from other nations. To facilitate this type of assistance, and encourage other countries to enact laws necessary to allow regulators to cooperate with their foreign counterparts, the SEC has entered into bilateral information sharing arrangements, as well as the Multilateral Memorandum of Understanding, an information-sharing arrangement negotiated through the International Organization of Securities Commissions (IOSCO).

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of requests from foreign authorities	457	492	450	508	541	531
Number of SEC requests	605	772	718	717	966	929

**Responsible Division/Office:** Office of International Affairs

**Data Source:** International Program Oversight Database and Business Objects reports

**Strategic Objective 2.3: The SEC prosecutes violations of Federal securities laws and holds violators accountable through appropriate sanctions and remedies.**

**Goal Leader(s):** Director, Division of Enforcement

**Spotlight: FY 2015 Performance Achievements**

A key part of investor protection is to quickly and appropriately sanction those who prey on investors. The Division of Enforcement strives to obtain swift and strong judgments and orders, while remaining fair. The Division has continued to implement controls and strategies to resolve actions quickly and on a favorable basis, while at the same time, it does not hesitate to file matters on a contested basis where a favorable settlement was unavailable before filing **(Performance Goal 2.3.1)**.

Filing enforcement actions in a timely manner is an important measure of the Division’s effectiveness. In FY 2015, the average time between opening a matter under inquiry (MUI) or Investigation and commencing an enforcement action was 24 months. This exceeded the similar figure in the prior fiscal year. However, many of the Division’s cases are complex and can take extended periods of time to develop successfully, which will negatively impact the timeliness of actions. Indeed, many of the cases filed by the Division in FY 2015 involved complex financial products, market transactions, and other

types of conduct that are difficult to investigate. The Division continued to focus on complex areas of the marketplace, including emerging threats involving new trading technologies such as high-frequency and algorithmic trading, large volume trading, systemic insider trading and manipulation schemes, and financial disclosure, among other areas **(Performance Goal 2.3.3)**.

**Budgeting for the Future (FY 2017)**

For FY 2017, the Division of Enforcement is requesting 52 new positions. These new staff, along with new methods, initiatives, and organizational reforms, will help the program bring successful cases on a timely basis. To improve the quality and efficiency of its investigations, the SEC has placed new emphasis on data analytics, put seasoned investigators on the front lines, created specialized units focused on specific programmatic priorities, enhanced case management systems, and increased coordination efforts with other offices and divisions in the SEC and other regulators. In FY 2016, the SEC plans to obtain relief on one or more claims from approximately 92 percent of enforcement actions **(Performance Goal 2.3.1)**. The agency also plans to reduce in FY 2017 the average number months between the opening of an investigation and the commencement of an enforcement action arising out of that investigation **(Performance Goal 2.3.3)**.

**PERFORMANCE GOAL 2.3.1**  
**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.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	92%	93%	89%	93%	94%	92%	95%	92%	92%

**Target:** Exceeded

**Analysis:** In addition to victories in the specific cases the agency brings to trial, the SEC’s litigation efforts also help the SEC obtain strong settlements in other cases by making clear that the SEC will go deep into litigation and to trial, if necessary, in order to obtain appropriate relief. The SEC has implemented controls and strategies to resolve actions quickly and on a favorable basis, while at the same time, it does not hesitate to file matters on a contested basis where a favorable settlement was unavailable before filing.

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE GOAL 2.3.2**  
**Percentage of first enforcement actions filed within two years of the opening of an investigation**

**Description:** This metric concerns the pace of investigations that lead to the filing of enforcement actions. Specifically, this metric captures the rate at which the first enforcement action arising out of an investigation was filed within two years of the opening of the investigation. If the investigation was preceded by a matter under inquiry, the metric draws on the date of the opening of the matter under inquiry. In conducting investigations, the Enforcement program continually strives to balance the need for complete, effective and fair investigations with the need to file enforcement actions in as timely a manner as possible.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	67%	61%	63%	58%	64%	65%	58%	65%	65%

**Target:** Not Met

**Analysis:** In FY 2015, the percentage of first enforcement actions filed within two years of the opening of the matter under inquiry (MUI) or Investigation was 58 percent, which is a decrease compared to the FY 2014 result (64 percent) and is the same as FY 2013 result. Timeliness in filing actions is important because it can enhance the action's deterrent impact.

**Plan for Improving Program Performance:** To address the issue of timeliness and efficiency in investigations, the Division is taking measures that include emphasizing timeliness in quarterly case reviews, promoting best practices regarding efficiencies in various phases of the investigative process, and conducting training on tools that expedite investigations.

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE GOAL 2.3.3**  
**Average months between opening a matter under inquiry or an investigation and commencing an enforcement action**

**Description:** This metric captures the average number of months between the opening of an investigation and the filing of the first enforcement action arising out of that investigation. If the investigation was preceded by a matter under inquiry, the metric draws on the date of opening of the matter under inquiry. In conducting investigations, the enforcement program continually strives to balance the need for complete, effective, and fair investigations with the need to file enforcement actions in as timely a manner as possible. While not all investigations result in the filing of enforcement actions, this metric provides information concerning the pace of investigations that do lead to such actions and supplements the previous goal, which measures the percentage of first enforcement actions filed within two years.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Months	Prior-year data not available	22	21	21	21	20	24	20	20

**Target:** Not Met

**Analysis:** In FY 2015, the average months between opening a MUI or Investigation and commencing an enforcement action was 24 months, an increase over the prior fiscal year (21). Timeliness in filing actions is important because it can enhance the action's deterrent impact. At the same time, many of the Division's cases are complex and can take extended periods of time to develop successfully.

**Plan for Improving Program Performance:** To address the issue of timeliness and efficiency in investigations, the Division is taking measures that include emphasizing timeliness in quarterly case reviews, promoting best practices regarding efficiencies in various phases of the investigative process, and conducting training on tools that expedite investigations.

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE GOAL 2.3.4**  
**Percentage of debts where either a payment has been made or a collection activity has been initiated within 180 days of the due date of the debt**

**Description:** The SEC can seek a wide range of remedies for failure to comply with the securities laws. These remedies include civil monetary penalties and disgorgement. When the remedies are imposed by the SEC or the Federal district court, payments must be made by a certain date. This metric identifies the percentage of debts where debtors have made payments or the SEC has initiated a collection activity within 180 days of the due date. Such collection activities include, among other things, demand letters, negotiation of payment plans, enforcing the payment of the debt through the courts, or other judicial remedies.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	86%	91%	92%	95%	92%	92%	95%	92%	92%

**Target:** Exceeded

**Analysis:** The Division has successfully integrated all collections functions within the Office of Collections and, as a result, exceeded the target for this performance measure.

**Responsible Division/Office:** Division of Enforcement

**Data Source:** DELPHI, HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE GOAL 2.3.5**  
**Percentage of Fair Fund and disgorgement fund plans that have distributed 80 percent of the available funds for distribution within twenty four (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 of the Sarbanes-Oxley Act and the Dodd-Frank Act, 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 twenty four (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.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	Prior-year data not available		80%	73%	81%	80%	96%	80%	80%

**Target:** Exceeded

**Analysis:** In FY 2015, the Division exceeded the target by 16 percentage points. Going forward, the Division will continue our efforts to prioritize the timeliness and efficiency of distributing funds, which we have enhanced through such efforts as centralizing the function and implementing various process improvements.

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE INDICATOR (CONTEXTUAL) 2.3.1**  
**Percentage of filed enforcement actions reflecting characteristics that present enhanced risk to investors and markets, as measured by the nature of the investigation, conduct, parties and impact**

**Description:** This indicator assesses the quality of the cases filed by the Division of Enforcement. The indicator focuses on cases filed by the SEC that involve factors reflecting enhanced risk to investors and markets. Such cases may involve: (i) those identified through risk analytics and cross-disciplinary initiatives to reveal difficult-to-detect or early stage misconduct, thus minimizing investor loss and preventing the spread of unlawful conduct and practices; (ii) particularly egregious or widespread misconduct and investor harm; (iii) vulnerable victims; (iv) a high degree of scienter; (v) involvement of individuals occupying substantial positions of authority, or having fiduciary obligations or other special responsibilities to investors; (vi) involvement of recidivists; (vii) high amount of investor loss prevented; (viii) misconduct that is difficult to detect due to the complexity of products, transactions, and practices; (ix) use of innovative investigative or analytical techniques; (x) effective coordination with other law enforcement partners; and/or (xi) whether the matter involves markets, transactions or practices identified as an enforcement priority, or that advances the programmatic priorities of other SEC Divisions or Offices.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	Prior-year data not available				62%	58%

**Responsible Division/Office:** Division of Enforcement

**Data Source:** Qualitative Index Spreadsheet

**PERFORMANCE INDICATOR (CONTEXTUAL) 2.3.2**  
**Total amount distributed within the fiscal year, and the number of Fair Funds from which those distributions came**

**Description:** In its enforcement actions, the SEC may seek to return funds to harmed investors through disgorgement of ill-gotten gains or through the Fair Funds provision of the Sarbanes-Oxley Act. This provision permits the SEC to combine amounts paid as penalties with disgorged funds, or to create a Fair Fund from penalties only, to reduce losses to injured parties. This reflects the SEC's efforts to return funds to injured investors. This indicator identifies the total amount distributed within the fiscal year, and the number of Fair Funds from which those distributions came. This indicator may increase or decrease in dollar amount and number of distribution funds based on the number of SEC enforcement actions brought involving distributions, amounts ordered and paid in those actions, and other factors. Due to the variation in reporting timelines established for each individual distribution, reported amounts are based on the agency's best available information. Reported amounts do not include those funds distributed through receiverships. 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 Commission's own expenses.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Amount distributed (dollars in millions)	Prior-year data not available		\$815	\$251	\$424	\$158
Number of Fair Funds	Prior-year data not available		31	22	28	34

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement Distributions Management System

**PERFORMANCE INDICATOR (OUTPUT) 2.3.3**  
**Percent of enforcement actions filed that arose out of national priority investigations**

**Description:** The Division of Enforcement conducts many enforcement actions each year that can be characterized as high impact and of national priority. High impact or national priority investigations include those investigations which are significant for one or more of the following reasons – the matter: (i) presents an opportunity to send a particularly strong and effective message of deterrence, including with respect to markets, products and transactions that are newly developing, or that are long established but which by their nature present limited opportunities to detect wrongdoing and thus to deter misconduct; (ii) involves particularly egregious or extensive misconduct; (iii) involves potentially widespread and extensive harm to investors; (iv) involves misconduct by persons occupying positions of substantial authority or responsibility, or who owe fiduciary or other enhanced duties and obligations to a broad group of investors or others; (v) involves potential wrongdoing as prohibited under newly-enacted legislation or regulatory rules; (vi) concerns potential misconduct that occurred in connection with products, markets, transactions or practices that pose particularly significant risks for investors or a systemically important sector of the market; (vii) involves a substantial number of potential victims and/or particularly vulnerable victims; (viii) involves products, markets, transactions or practices that the Enforcement Division has identified as priority areas; and/or (ix) provides an opportunity to pursue priority interests shared by other law enforcement agencies on a coordinated basis.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Percentage	Prior-year data not available	10%	20%	15%	16%	25%

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE INDICATOR (CONTEXTUAL) 2.3.4**  
**Criminal actions related to conduct under investigation by the SEC**

**Description:** In some instances, conduct may involve both civil and criminal violations and may be investigated by both the SEC and the criminal authorities. This indicator identifies the number of criminal actions that are related to conduct under investigation by the SEC.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of criminal investigations	139	134	126	126	127	134

**Responsible Division/Office:** Division of Enforcement

**Data Source:** HUB case management and tracking system for the Division of Enforcement

**PERFORMANCE INDICATOR (OUTPUT) 2.3.5**  
**Disgorgement and penalties ordered and the amounts collected**

**Description:** In addition to other types of relief, the SEC may seek orders requiring parties to disgorge any money obtained through wrongdoing. The SEC is also empowered to seek civil penalties for violations of the securities laws. In some cases, the SEC will seek to obtain large monetary sanctions even in instances where the prospects of collecting on a judgment are slight. The rationale for seeking monetary relief in these circumstances is that such relief, even when likely uncollectible, might become collectible in the future based on the defendant's changed circumstances, and also because such relief can serve to deter others from violating the securities laws. Where appropriate, the SEC has sought to return disgorged funds to harmed investors. Funds not returned to investors are sent to the Treasury or the Investor Protection Fund established pursuant to Section 21F(g) of the Securities Exchange Act of 1934. This indicator lists disgorgement and penalties ordered as a result of SEC cases in each fiscal year and the amounts collected in those actions as of the end of FY 2015. The indicator for collected amounts could change over time based on various factors.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Ordered amounts (dollars in millions)	\$2,846	\$2,806	\$3,104	\$3,424	\$4,166	\$4,195
Collected amounts (dollars in millions)	\$1,834	\$1,473	\$1,168	\$2,330	\$2,489	\$1,935

**Responsible Division/Office:** Division of Enforcement

**Data Source:** DELPHI

## Strategic Goal 3: Facilitate Access to the Information Investors Need to Make Informed Investment Decisions

A strong economy and a vibrant securities market rely on investor confidence and the widespread availability of relevant information about those securities. The SEC promotes informed investment decisions through two main approaches. The first is to require that investors have accurate, adequate, and timely public access to disclosure materials that are easily understood and analyzed. The second is to implement a variety of investor education initiatives aimed at giving investors a better understanding of the operations of the nation's securities markets.

In FY 2015, the agency dedicated approximately \$187.0 million and 609 FTEs toward achieving results in Goal 3. Of 12 performance targets, the agency met or exceeded eleven and did not meet one. For FY 2017, the SEC is requesting a total of \$216.8 million and 674 FTEs towards achieving results in Strategic Goal 3.

**Strategic Objective 3.1: The SEC works to ensure that investors have access to high-quality disclosure materials that facilitate informed investment decision-making.**

**Goal Leader(s):** Director, Division of Trading and Markets; Director, Division of Corporation Finance; Director, Division of Investment Management

### Spotlight: FY 2015 Performance Achievements

An educated investing public ultimately provides the best defense against fraud and costly mistakes. The Federal securities laws place great emphasis on requiring that corporations, investments companies, and other entities provide investors with timely, clear, complete and accurate financial and non-financial information, allowing investors to make wise investment decisions. Consistent with Section 408

of the Sarbanes Oxley-Act of 2002, the SEC completed its review of disclosures made by certain public issuers, including issuers' financial statements, no less frequently than once every three years (**Performance Goal 3.1.1**).

The SEC strives to review all significant disclosures made by registrants in Commission filings under the Investment Company Act, including initial registration statements and post-effective amendments with material changes. The SEC does not set a target for the number of filings that are reviewed in a fiscal year because the SEC does not dictate the number of filings that registrants make.

### Budgeting for the Future (FY 2017)

Investors who have access to information and know what questions to ask are more likely to invest wisely, and to choose professional intermediaries that will best meet their objectives. The SEC understands that not all investors need the same information and that those needs are affected by their backgrounds, resources and goals. In FY 2017, the SEC will continue to conduct the requisite number of disclosure reviews so that investors are armed with timely and useful information they need to make informed investment decisions (**Performance Goal 3.1.1**).

As technology and the complexity of financial instruments change, so too do the needs of modern day investors. Providing investors with information in concise, easy-to-use formats that are tailored to their needs helps investors to help themselves. In FY 2017, the Commission will continue to examine its filing review program to explore whether its disclosure requirements, review criteria, approach to comments, and professional and technology resources provide maximum impact to benefit investors.

**PERFORMANCE GOAL 3.1.1**  
**Percentage of public companies and investment companies with disclosures reviewed each year**

**Description:** The Sarbanes-Oxley Act requires that the SEC review, at least once every three years, the disclosures of all companies and investment company portfolios reporting under the Exchange Act. These reviews help improve the information available to investors and may identify possible violations of the Federal securities laws. This metric gauges the number of public companies and investment companies reviewed each year.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Division of Corporation Finance									
Corporations	44%	48%	48%	52%	52%	33%	51%	33%	33%

**Target:** Exceeded

**Analysis:** CF exceeded its targeted level of companies reviewed in FY 2015. This review level is expected to deter fraud in public securities transactions and should help investors receive accurate material information about the companies they invest in.

**Responsible Division/Office:** Division of Corporation Finance

**Data Source:** Electronic, Data Gathering, Analysis, and Retrieval (EDGAR)/Filing Activity Tracking System (FACTS)

Division of Investment Management									
Investment company portfolios	35%	33%	36%	34%	35%	33%	35%	33%	33%

**Target:** Exceeded

**Analysis:** Consistent with Section 408 of the Sarbanes Oxley-Act of 2002, IM strives to review disclosures made by certain public issuers, including issuers' financial statements, no less frequently than once every three years. The targeted number of annual reviews assumes that IM meets this goal.

**Responsible Division/Office:** Division of Investment Management

**Data Source:** Microsoft Office Suite Tools

**PERFORMANCE GOAL 3.1.2**  
**Time to issue initial comments on Securities Act filings**

**Description:** The target of 30 days or less has become a de facto industry standard for the maximum time to receive initial comments.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Days	24.1 days	24.4 days	24.9 days	25.6 days	25.8 days	<30 days	26.0 days	<30 days	<30 days

**Target:** Exceeded

**Analysis:** CF achieved its goal of having an average response time for initial comments of less than 30 days. The Division's timely review allows companies to raise capital and to build offering schedules around this de facto standard.

**Responsible Division/Office:** Division of Corporation Finance

**Data Source:** Division of Corporation Finance Management Dashboards

**PERFORMANCE GOAL 3.1.3**  
**Percentage of investment company disclosure reviews for which initial comments are completed within timeliness goals**

**Description:** For initial registration statements, the SEC’s goal is to issue initial comments within 30 days after they are filed (60 days for registration statements of insurance product separate accounts and related mutual funds). The SEC also aims to comment on post-effective amendments within 45 days and preliminary proxy statements within 10 days after they are filed.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Initial registration statements	93%	92%	96%	98%	98%	85%	98%	85%	85%
Post-effective amendments	94%	94%	95%	99%	99%	90%	98%	90%	90%
Preliminary proxy statements	99%	98%	100%	98%	99%	99%	98%	99%	99%

**Target:** Initial registration statements – Exceeded; Post-effective amendments – Exceeded; Preliminary proxy statements – Not Met

**Analysis:** For FY 2015, the Division of Investment Management continued its goal of providing comments on proxy statements within 10 days of filing at least 99 percent of the time. In FY 2015, the Division missed its 10-day goal for only five of 268 filings – due largely to staff turnover.

**Plan for Improving Program Performance:** We note that with respect to performance goal 3.1.3 (preliminary proxy statements) in FY 2015 the Division missed its 10-day target for initial comments for five of 268 filings (1.87 percent). Because the performance goal is high (initial comments given within the 10-day target period 99 percent of the time) it takes only a handful of individual instances of missing the target to result in the performance goal being missed for the entire year. Because the target period for initial comments is short (10 days from date of filing), it can be challenging to meet the target in rare cases where we are faced with a combination of difficult conditions, such as when we receive a complicated filing during a period of heavy workload. This risk is exacerbated if the responsible office is experiencing substantial staff changes.

Nevertheless, the Division has met the 99 percent goal during most fiscal years.

**Responsible Division/Office:** Division of Investment Management

**Data Source:** Electronic, Data Gathering, Analysis, and Retrieval (EDGAR)

**PERFORMANCE INDICATOR (CONTEXTUAL) 3.1.1**  
**Total digital audience including website, social media and mobile media**

**Description:** Digital media has become the dominant channel for investors seeking to access information. These statistics will help evaluate the extent to which investors are turning to the SEC, identify the channels they use, and quantify the amount of information they receive.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual	
SEC.gov page views	Prior-year data not available			3.72B	5.57B	6.37B	
Social media followers	83,141	193,837	236,700	258,733	308,261	382,702	
Total email/mobile subscriptions	Prior-year data not available		519,602	631,839	740,318	799,055	982,817
Total email bulletins sent	12.80M	23.97M	33.44M	40.85M	47.01M	56.45M	
Total mobile bulletins sent	62,324	107,848	150,303	238,815	366,302	461,753	

**Responsible Division/Office:** Office of Public Affairs

**Data Source:** Akamai Technologies, Google Analytics, GovDelivery, Hootsuite, Social Media Channels

**Strategic Objective 3.2: The SEC works to understand investor needs and educate investors so they are better prepared to make informed investment decisions.**

**Goal Leader(s):** Director, Office of Investor Education and Advocacy

**Spotlight: FY 2015 Performance Achievements**

Understanding the interests and concerns of investors is critical to carrying out the Commission’s investor protection mission. The SEC advances this mission by regularly communicating with investors, responding to their complaints and inquiries, and providing educational programs and materials. The SEC serves thousands of investors each year who contact the SEC with investment-related complaints and questions. During FY 2015, the SEC closed out 65 percent of new investor assistance matters within seven days and 93 percent of new investor assistance matters within 30 days. The Office of Investor Education and Advocacy (OIEA) was able to achieve these levels in part by identifying and referring key investor assistance matters to the agency’s Tips, Complaints and Referrals (TCR) system **(Performance Goal 3.2.2)**. During FY 2015, the SEC had 23.6 million page views of online investor education content and OIEA participated in 71 in-person events **(Performance Goal 3.2.1)**.

**Budgeting for the Future (FY 2017)**

In FY 2017, the SEC will continue to seek more comprehensive data about investors and build upon the Commission’s investor education efforts. Working in partnership with other Federal and state agencies, financial industry associations, consumer groups and educational organizations, the SEC will develop investor education initiatives that are targeted to specific audiences that will prevent future victims of fraud **(Performance Goal 3.2.4)**.

The SEC also works to provide individual investors with useful and helpful investor education materials, including clear explanations of Commission rules, and other activities through a variety of communication channels, including social media **(Performance Goal 3.2.3)**. Through the Investor Advisory Committee and other avenues, the SEC will continue to gather information about the views and experience of a broad spectrum of investors, which will serve as an additional source of information concerning investors’ priorities and perspectives on the Commission’s regulatory agenda.

**PERFORMANCE GOAL 3.2.1**  
**Number of page views of online investor education content, and number of in-person events, including those with specifically targeted communities and organizations**

**Description:** The Office of Investor Education and Advocacy (OIEA) initiates investor education campaigns on key strategies for making informed investment decisions, including publicizing online resources for researching investment professionals and investments, understanding fees, and identifying fraud. OIEA staff also participates in in-person events for investors generally and those targeted to specific investors, such as seniors, service members, and other affinity groups. This metric tracks page views of SEC online investor education materials and the number of investor events in which OIEA staff participated.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of page views (in millions)	Prior-year data not available			12.1	22.2	20	23.6	30	37.5
Number of “in-person” events	Prior-year data not available			52	51	50	71	75	80

**Target:** Number of page views – Exceeded; Number of “in-person” events – Exceeded

**Analysis:** The public’s use of Investor.gov and investor education materials on SEC.gov exceeded the SEC’s performance target, with particular interest in the calculators, tools, and resources for checking the background of investment professionals. OIEA exceeded its target for in-person events by identifying new outreach opportunities, including events targeting affinity groups.

**Responsible Division/Office:** Office of Investor Education and Advocacy

**Data Source:** Google Analytics, Microsoft Office Suite Tools

**PERFORMANCE GOAL 3.2.2**  
**Timeliness of responses to investor contacts**

**Description:** OIEA serves the tens of thousands of investors each year who contact the SEC with investment-related complaints and questions. The staff aims to close out as many new investor assistance matters as possible within seven and thirty business days.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Closed within 7 days	72%	67%	54%	62%	62%	60%	65%	62%	62%
Closed within 30 days	93%	92%	93%	93%	92%	90%	93%	90%	90%

**Target:** Closed within 7 days – Exceeded; Closed within 30 days – Exceeded

**Analysis:** OIEA continued to focus its efforts on identifying and referring key investor assistance matters to the agency’s Tips, Complaints, and Referrals (TCR) system and exceeded its seven-day and thirty-day targets for FY 2015.

**Responsible Division/Office:** Office of Investor Education and Advocacy

**Data Source:** Internal log using IRIS data

**PERFORMANCE GOAL 3.2.3**  
**Customer satisfaction rating of OIEA's online investor education resources**

**Description:** This metric gauges the effectiveness, helpfulness, and usability of OIEA's online investor education resources.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate	
Satisfaction index	Prior-year data not available				81	83	Benchmark score for Federal government websites (72)	84	TBD	TBD

**Target:** Exceeded

**Analysis:** Investor.gov’s customer satisfaction scores continued to exceed Federal government benchmarks due in part to site refinements based on feedback from Investor.gov visitors.

**Responsible Division/Office:** Office of Investor Education and Advocacy

**Data Source:** ForeSee results online portal

**PERFORMANCE GOAL 3.2.4**  
**Number of new investor education materials designed specifically to help investors protect themselves from fraud**

**Description:** Through OIEA, and often in conjunction with other organizations, the staff issues Investor Alerts and other forms of educational material that inform investors about different permutations of fraud, new investment products, and other topical issues. This metric measures the number of new investor education materials issued by OIEA.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of education materials	16	24	24	26	28	26	31	32	34

**Target:** Exceeded

**Analysis:** In FY 2015, OIEA published 31 investor alerts and bullets to exceed its goal, including joint SEC-FINRA alerts on automated investment tools and dormant shell companies and a joint SEC-Consumer Financial Protection Bureau bulletin on planning for diminished capacity and illness.

**Responsible Division/Office:** Office of Investor Education and Advocacy

**Data Source:** [www.sec.gov](http://www.sec.gov) and [www.investor.gov](http://www.investor.gov)

**PERFORMANCE INDICATOR (PROCESS) 3.2.1**  
**Number of investor testing research projects**

**Description:** This indicator tracks the number of research initiatives used to gather feedback from investors on the usefulness of disclosures and other input on SEC rulemaking.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of projects	0	2	2	0	0	0

**Responsible Division/Office:** Office of the Investor Advocate

**Data Source:** Microsoft Office Suite Tools

**PERFORMANCE INDICATOR (PROCESS) 3.2.2**  
**Number of sets of recommendations prepared by the investor advisory committee**

**Description:** This indicator tracks the recommendations from the Investor Advisory Committee regarding investors' perspectives and priorities.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Actual
Number of sets of recommendations	Prior-year data not available		0	4	4	4

**Responsible Division/Office:** Office of the Investor Advocate

**Data Source:** [www.sec.gov](http://www.sec.gov)

## Strategic Goal 4: Enhance the Commission’s Performance through Effective Alignment and Management of Human, Information, and Financial Capital

The investing public and the securities markets are best served by an efficient, well-managed, and agile SEC. In FY 2017, the Office of the Chief Operating Officer (OCOO) along with its six operational offices – the Office of Support Operations (OSO), the Office of Financial Management (OFM), the Office of Human Resources (OHR), the Office of Strategic Initiatives (OSI), the Office of Acquisitions (OA), and the Office of Information Technology (OIT) – will focus on providing organizational and infrastructure improvements necessary to effectively support the increase in the SEC’s workforce detailed in this request and advance the Commission’s mission. Given the immense size of the securities markets the SEC regulates, the agency’s success in fulfilling its mission is highly dependent upon its ability to continually direct its resources towards the most productive uses for investors and the public. The SEC also is extremely mindful of its responsibility to maximize the impact of public funds.

In FY 2015, approximately \$300.7 million and 755 full-time equivalents (FTEs) were directed at achieving results in Goal 4. Of 19 performance targets, the agency met or exceeded 17 and did not meet two. During FY 2017, the agency will continue to focus on recruiting and retaining high-performing staff, and updating the expertise of SEC employees so they are abreast of the latest developments in the industry. Furthermore, the SEC will continue to strengthen internal controls. The agency is requesting a total of \$358.1 million and 885 FTEs in FY 2017 to achieve results in Strategic Goal 4.

**Strategic Objective 4.1: The SEC promotes a results-oriented work environment that attracts, engages, and retains a technically proficient and diverse workforce, including leaders who provide motivation and strategic direction.**

**Goal Leader(s):** Director, Office of Human Resources; Director, Office of Minority and Women Inclusion

### Spotlight: FY 2015 Performance Achievements

The SEC’s employees are its most vital strategic resource. In FY 2015, the SEC continued to refine a series of programs aimed at enhancing employee engagement and to help

maintain the agency’s turnover rate at well below eight percent (**Performance Goal 4.1.1**). In order to improve the SEC’s ranking in the survey of best places to work in the Federal government (**Performance Goal 4.1.4**) the agency has continued to focus on improving communications, working constructively on key issues with the National Treasury Employees Union, and other initiatives.

### Budgeting for the Future (FY 2017)

The SEC is committed to being an employer of choice by consistently attracting, hiring, developing, and retaining a high-quality, diverse, and results-oriented workforce. In FY 2017, the SEC will continue to refine its programs to enhance human capital, such as rewarding high performance, promoting high employee satisfaction and updating staff skills.

In FY 2017, the SEC will continue to implement an effective training program to deepen the expertise of its employees in the rapidly evolving markets and the areas of new responsibility for the agency. The training supports employees directly involved in examinations, investigations, fraud detection, litigation, and other core mission responsibilities of the SEC. Such training can focus on new trends in the securities industry and changing market conditions, as well as analytics and forensics. It also allows staff to obtain certain specialized financial certifications and regulatory credentials, as well as the advanced continuing education credits required for maintaining legal and financial credentials (**Performance Goal 4.1.2**).

The SEC’s success at meeting its mission depends upon effective leadership at all levels. From branch chiefs to the agency’s senior leadership, the SEC’s leaders must motivate, manage employees effectively, and play a critical role in identifying the key areas on which staff should focus their attention to generate the greatest benefit for investors. Through leadership and employee development programs, the SEC will continue to maintain a diverse group of technically proficient leaders that can conduct their supervisory responsibilities effectively and meet the dynamic challenges of market oversight (**Performance Goal 4.1.5**).

**PERFORMANCE GOAL 4.1.1  
Turnover**

**Description:** When employee morale and engagement are high, high-performing employees tend to remain in the organization. Although turnover can fluctuate based on a variety of factors, the SEC aims to keep its turnover rate relatively low, below eight percent per year.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent turnover	5.0%	6.4%	6.58%	6.58%	5.60%	<8%	6.20%	<8%	<8%

**Target:** Met

**Analysis:** The SEC continued to maintain an attrition rate well below the FY 2015 target. In FY 2015, employee retirements increased but were largely offset by decreases in voluntary resignations and transfers to other Federal agencies.

**Responsible Division/Office:** Office of Human Resources

**Data Source:** The National Business Center at Department of Interior (DOI)

**PERFORMANCE GOAL 4.1.2  
Expanding staff expertise**

**Description:** Internal training and hiring programs are designed to help the agency recruit and develop a diverse and qualified staff with the key skills, industry knowledge, and expertise to support the SEC mission. In particular, there is a need to train examiners, attorneys, economists, and other experts for subject matter expertise relevant to the marketplace and investment and trading practices. This metric tracks whether certain areas requiring significant training are being addressed. The agency will track the number of SEC staff participants in mission-focused training and development programs and will report on specific items through the use of post-course evaluations to assess the impact and results of this training on a five-point scale.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Mission-focused training attendance		Prior year data not available			16,270	17,000	17,093	17,500	17,750
Post-course evaluations of mission-focused training		Prior year data not available			4.14	4.25	4.24	4.30	4.35

**Target:** Mission-focused training attendance – Exceeded; Post-course evaluations of mission-focused training – Not Met

**Analysis:** SEC University will continue to improve upon the quality of its training programs to ensure that the learner receives the skills and knowledge to perform more effectively. This improved quality will be reflected in increased post-course evaluations. At the same time, SEC University will diversify its methods of delivery to a more blended learning approach. This will result in more learning items, at times delivered in smaller, more focused portions, aimed at specific knowledge or skill areas.

**Plan for Improving Program Performance:** SEC University will work closely with internal stakeholders to identify specific learning needs, and will revise the content of training materials and programs to better address these needs.

**Responsible Division/Office:** Office of Human Resources

**Data Source:** Course Attendance Identified in LEAP (Instructor-led courses only) and End of Course Evaluation Report Summary provided by Metrics that Matter

**PERFORMANCE GOAL 4.1.3**  
**Number of diversity-related partnerships/alliances**

**Description:** Increased numbers of diversity-related partnerships or alliances with professional associations and educational organizations provide opportunities to educate students about the SEC's work and to recruit career professionals from all segments of society. The SEC will track the number of partnerships and/or alliances with diverse professional associations and educational organizations.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of partnerships/alliances	2	10	12	13	18	15	18	18	22

**Target:** Exceeded

**Analysis:** OMWI exceeded its goal for the number of partnerships/alliances in FY 2015, by building upon its relationships with various diverse organizations and associations and by proactively seeking additional partnerships.

**Responsible Division/Office:** Office of Minority Women and Inclusion

**Data Source:** Office of Minority Women and Inclusion Internal Records and Section 342 of DFA

**PERFORMANCE GOAL 4.1.4**  
**Survey rankings**

**Description:** Annual and other rankings, together with other metrics and indicators of Federal government agencies will be used as one kind of metric to determine the SEC's overall success in improving employee morale and employee engagement.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
<i>Best Places to Work</i> ranking	Ranked #24	Ranked #27	Ranked #19	Ranked #15	Ranked #14	Ranked #12	Ranked #10	Ranked #9	Ranked #8
Average of employee engagement and global satisfaction index	Prior-year data not available			61%	66%	67%	68%	69%	70%

**Target:** *Best Places to Work* ranking – Exceeded; Average of satisfaction index – Exceeded

**Analysis:** In 2015, the SEC was ranked 10th out of 24 mid-sized Federal agencies. These results showed many positive upward trends in multiple categories, including Work-Life Balance (6th), Training and Development (7th), Effective Leadership – Leaders (8th), and Strategic Management (8th).

**Responsible Division/Office:** Office of Human Resources

**Data Source:** Annual Partnership for Public Service calculated ranking based on Annual Employee Viewpoint Survey (EVS) administered by OPM and Average of Employee Engagement and Global Satisfaction Index from OPM Employee Viewpoint Survey (EVS)

**PERFORMANCE GOAL 4.1.5  
Bench strength**

**Description:** To maintain mission effectiveness, it is essential that attrition in the leadership ranks is quickly addressed by having a highly qualified and diverse pool of internal candidates ready to assume those critical roles. This metric is calculated as an average ratio of the number of qualified internal candidates for key leadership positions.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage	Prior-year data not available				68%	85%	149%	230%	250%

**Target:** Exceeded

**Analysis:** Increase in bench strength measurement resulted from continued leadership training of the SK-14 to SK-17 population. The FY 2014 percentage is the actual and serves as the baseline. Each year we expect to send more eligible employees through leadership training which will increase the number of employees prepared to assume Senior Officer positions thus increasing our bench strength.

**Responsible Division/Office:** Office of Human Resources

**Data Source:** Course Attendance Identified in LEAP (Instructor-led courses only) and End of Course Evaluation Report Summary provided by Metrics that Matter

**Strategic Objective 4.2: The SEC encourages a collaborative environment across divisions and offices and leverages technology and data to fulfill its mission more effectively and efficiently.**

**Goal Leader(s):** Director, Office of Information Technology

**Spotlight: FY 2015 Performance Achievements**

The SEC's divisions and offices collaborate in a variety of ways to advance the Commission's mission. Such coordination is critical for any organization as large and complex as the SEC to bring together different perspectives, decide on the best course of action, and implement that course in the most effective way. Given the importance and complexity of the SEC's mission, it is imperative that the Commission continuously improve its ability to break down silos, share information and work jointly towards a common purpose through enhanced information technology.

In FY 2015, the SEC continued to consolidate and centralize its collaborative technologies to a commonly used enterprise set and met its target of 40 percent of the SEC's offices and divisions utilizing enterprise collaboration solutions **(Performance Goal 4.2.2)**.

**Budgeting for the Future (FY 2017)**

In FY 2017, information technology will continue to play a crucial role in the mission of the SEC and its ability to share information and data both internally and externally. The SEC will continue to gather a wide variety of data from corporate disclosures, equity exchange feeds, investigations and examinations, tips, complaints, and referrals, and commercial vendors. The SEC will continue to work to develop systems that will allow more of this information to be quickly shared, analyzed, and combined with other information about the same entity or individual. These efforts should save staff time, provide better information about the firms the SEC regulates, and enhance the ability to uncover hidden risks to investors **(Performance Goal 4.2.2 and Performance Goal 4.2.3)**.

The increasing size and complexity of the U.S. markets require that the SEC continue to leverage technology to improve its productivity, as well as identify and address the most significant threats to investors and eliminate downtime to SEC systems **(Performance Goal 4.2.1)**.

**PERFORMANCE GOAL 4.2.1**  
**Ensure SEC's systems and applications are available**

**Description:** The SEC aims to enhance its computing infrastructure to eliminate downtime if systems at one site fail, among other objectives. This metric will capture the percentage of systems and applications that can fail over within eight hours.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percentage of servers virtualized	22%	38%	79%	93%	95%	95%	95%	95%	95%
Percentage fail over within 8 hours	Prior-year data not available				100%	100%	100%	100%	100%

**Target:** Percentage of servers virtualized – Met; Percentage fail over within 8 hours – Met

**Analysis:** OIT has effectively decreased its physical footprint with the adoption of virtual servers and increased infrastructure stability. OIT expects to maintain a 95 percent rate for systems and services using virtualized servers in the future based on the current trend.

**Responsible Division/Office:** Office of Information Technology

**Data Source:** OIT Network Operations Center (NOC) – automated network monitoring tools

**PERFORMANCE GOAL 4.2.2**  
**Equip the SEC with an enhanced technology infrastructure to support enterprise infrastructure**

**Description:** The SEC aims to promote collaboration and information sharing across the enterprise. To improve efficiency and knowledge management, the SEC will consolidate and centralize its collaborative technologies to a commonly used enterprise set by 2020. This metric will measure the percentage of the SEC's offices and divisions that utilize centralized enterprise collaboration solutions.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Number of enterprise solutions	10%	20%	25%	30%	35%	40%	40%	45%	45%

**Target:** Met

**Analysis:** In FY 2015, OIT successfully promoted the use of enterprise solutions, producing cost savings and efficiencies. For example, the Office reduced telecommunications cost and enhanced the agency's infrastructure through technology refresh and increased overall bandwidth. As a result of better contract management, OIT produced significant savings by changing the contract vehicle for the MI-FI data contract, and OIT achieved greater efficiency through expanded WI-FI to allow users to have secure wireless access anywhere in the SEC.

**Responsible Division/Office:** Office of Information Technology

**Data Source:** Approved software applications list

**PERFORMANCE GOAL 4.2.3**  
**Expand the SEC’s video teleconferencing (VTC) capabilities to support an increasingly geographically dispersed workforce**

**Description:** The SEC seeks to develop a state of the art video teleconference solution that allows users to conduct a video/teleconference meeting between HQ, regional offices and multiple endpoints simultaneously; collaborate and share presentation materials; and use VoIP technology to host video teleconferences from their offices/workspaces with other SEC users or conference rooms. This metric will measure the average “uptime” or availability of all VTC systems.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Availability rate for VTC solutions	Prior-year data not available			80.00%	99.99%	99.99%	99.99%	99.99%	99.99%

**Target:** Met

**Analysis:** OIT monitors the availability of the SEC’s video bridges on a 24/7/365, basis as well as the number of VTC sessions which terminate abnormally (as a percentage of the total number of VTC sessions). These metrics indicate that the VTC infrastructure has a consistent 99.99 percent uptime and availability rating. The VTC infrastructure resides on the redundant network architecture, which is being monitored by various monitoring tools.

**Responsible Division/Office:** Office of Information Technology

**Data Source:** Telecommunications monitoring system

**PERFORMANCE GOAL 4.2.4**  
**Pursue continuous technology cost reductions and efficiencies**

**Description:** Recent technology enhancements – e.g., data center consolidation, virtualization and maintenance contract reductions – are producing technical efficiencies and cost savings. This metric will measure the amount of these costs savings.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Percent reduction in operational run cost leveraging technology and process efficiencies	Prior-year data not available			18.7% cost reduction in steady state run costs	1% reduction in cost				

**Target:** Met

**Analysis:** The one percent cost reduction is due primarily to replacing contractor support with Federal staff in the Network Operations Center. OIT anticipates these savings will continue in future years.

**Responsible Division/Office:** Office of Information Technology

**Data Source:** OIT Network Operations Center (NOC)

**PERFORMANCE GOAL 4.2.5**  
**Enhance the SEC's enterprise data warehouse infrastructure and performance**

**Description:** The Enterprise Data Warehouse (EDW) infrastructure will enable the provisioning of data to Commission staff for search and analysis through a virtual data warehouse platform. This metric will measure the availability of EDW and data sources.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Availability rate for the EDW infrastructure components in production		Prior-year data not available			99%	99%	99%	99%	99%

**Target:** Met

**Analysis:** The implementation of the Enterprise Data Warehouse delivers enhanced business intelligence; allows users to quickly search and access critical data from a single place; enhances data quality and consistency; and provides historical intelligence by allowing users to analyze different time periods and performance trends in order to make future predictions.

**Responsible Division/Office:** Office of Information Technology

**Data Source:** OIT Network Operations Center (NOC) – automated network monitoring tools

**Strategic Objective 4.3: The SEC maximizes the use of agency resources by continually improving agency operations and bolstering internal controls.**

**Goal Leader(s):** Chief Financial Officer, Chief Operating Officer

**Spotlight: FY 2015 Performance Achievements**

Given the SEC's role in overseeing the securities markets, it is important that the agency maintain strong internal controls and sound financial management practices in its own operations. In FY 2015 the SEC successfully received an unqualified audit opinion with no material weaknesses or significant deficiencies **(Performance Goal 4.3.1 and Performance Goal 4.3.2)**.

**Budgeting for the Future (FY 2017)**

In FY 2017, the SEC will continue to maintain strong financial management practices and robust internal controls **(Performance Goal 4.3.1)**. The SEC will continue to focus on enhancing its processes and systems in its budgeting, accounting, and internal controls over operations **(Performance Goal 4.3.2)**. In addition, the SEC will continue delivering complete, concise, and meaningful information about the financial and operating performance of the agency that supports management decision-making.

As an agency of the Federal government entrusted with public funds, the SEC must always strive to enhance the value for investors it creates from every budget dollar. In FY 2017, the SEC will continue to strive to allocate the resources approved by Congress and the President towards the highest and best uses for the agency's mission **(Performance Goal 4.3.3)**. The SEC also constantly reevaluates its operations to identify cost savings and maximize their benefit.

**PERFORMANCE GOAL 4.3.1**  
**Financial audit results**

**Description:** Under the Accountability of Taxpayer Dollars Act of 2002, the agency is required to meet all proprietary and budgetary accounting guidelines for Federal agencies and to undergo annual audits. The SEC's audits are conducted by the Government Accountability Office.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Unqualified opinion	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Material weaknesses	2	0	0	0	0	0	0	0	0
Significant deficiency	0	4	2	1	1	0	0	0	0

**Target:** Unqualified opinion – Met; Material weaknesses – Met; Significant deficiency – Met

**Analysis:** In FY 2015, GAO issued an unmodified opinion on SEC's financial statements and internal controls, which found no material weaknesses or significant deficiencies. To achieve this result, the SEC worked aggressively in FY 2015 to downgrade a previously identified significant deficiency related to accounting for disgorgement and penalties.

**Responsible Division/Office:** Office of Financial Management

**Data Source:** GAO SEC Financial Audit Report

**PERFORMANCE GOAL 4.3.2**  
**Assurance statement on internal control over operations**

**Description:** In accordance with OMB A-123 and Section 961 of the Dodd-Frank Act, the SEC conducts an annual assessment of the effectiveness of internal controls. The SEC will continue to develop its Operational Risk program and enhance cross-organizational processes to support all division and office management assurance statements. Success is measured by the quality of risk and control assessments and management self-identification and resolution of improvement opportunities.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Unqualified opinion	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Material weakness	0	0	0	0	0	0	0	0	0

**Target:** Unqualified opinion – Met; Material weakness – Met

**Analysis:** Performance goals were met with an unqualified opinion and no material weaknesses. The Office of the Chief Operating Officer will continue to focus on enhancing management assurance reviews of internal controls over operations, including by augmenting division/office inventories of risks and controls and enhanced testing of controls.

**Responsible Division/Office:** Office of the Chief Operating Officer

**Data Source:** SEC Financial Audit Report

**PERFORMANCE GOAL 4.3.3**  
**Timely completion of corrective action on Office of Inspector General (OIG) and the GAO audit recommendations<sup>1</sup>**

**Description:** Timely completion of audit recommendations is an important SEC priority. This metric measures how well the Commission is doing in completing corrective action on OIG audit recommendations within established timeframes.

Fiscal Year	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Plan	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
OIG recommendations completed in less than one year	Prior-year data not available			78%	76%	76%	74%	75%	75%

**Target:** Not Met

**Analysis:** The SEC experienced a higher-than-expected proportion of corrective actions that are complex enough to take longer than one year to address.

**Plan for Improving Program Performance:** The OCOO will continue to receive regular reports from all SEC divisions and offices with open audit recommendations, and to hold meetings with appropriate offices to ensure timeliness of resolution decisions and corrective actions. Audit close-out will remain a priority for the SEC.

**Responsible Division/Office:** Office of the Chief Operating Officer

**Data Source:** Audit Recommendation Tracking System

<sup>1</sup> This measure was developed as part of the FY 2014-2018 SEC strategic planning process and is under evaluation.