



U.S. Securities and
Exchange Commission

FISCAL YEAR 2026
CONGRESSIONAL
BUDGET JUSTIFICATION
ANNUAL PERFORMANCE PLAN

FISCAL YEAR 2024
ANNUAL
PERFORMANCE REPORT



ON THE COVER

Accounting Room, Chicago, Illinois, 1943

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ABOUT THIS REPORT

The Congressional Budget Justification (CBJ) is the annual presentation to Congress that justifies the U.S. Securities and Exchange Commission's (SEC) budget request. This report also includes the Annual Performance Plan (APP) for fiscal year (FY) 2026 and the Annual Performance Report (APR) for FY 2024, focusing on the agency's performance results. This report provides information that satisfies requirements contained in the following laws and regulations listed below:

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

This report is compliant with Section 508 of the Rehabilitation Act (29 U.S.C. § 794 (d)). For a machine readable format of the tables found on pages 4-7, download the report and open the Attachments panel in Adobe Acrobat.

An electronic version of this document and its components is available at [SEC.gov/cj](https://sec.gov/cj). To comment on the SEC's FY 2026 CBJ and APP and FY 2024 APR, email OFM_budget_formulation@sec.gov.

EXECUTIVE SUMMARY

It is a new day at the U.S. Securities and Exchange Commission (SEC). We are returning to an embrace of innovation, rather than a fear of it, because innovation is essential to our core mission as set by Congress. They enunciated this three-part mission in the Securities Exchange Act of 1934 (Exchange Act): protecting investors; facilitating capital formation; and maintaining fair, orderly, and efficient markets. Investor protection is the cornerstone of our mission—to hold accountable those who lie, cheat, and steal. Capital formation is at the root of what we do. It is building a direct, economical route for investors' capital to find its way to entrepreneurs and industries that put capital to work to create products, services, and jobs. Finally, as it relates to fair, orderly, and efficient markets, Congress calls on the SEC to ensure that our regulations balance costs and benefits, and that they do not become too burdensome.

As markets evolve, the SEC's responsibilities continue to grow. The agency currently oversees over 33,000 entities, including: more than 13,500 registered funds, more than 15,900 investment advisers, more than 3,300 broker-dealers, 26 national securities exchanges, 109 alternative trading systems, more than 400 municipal advisors, 318 transfer agents, 3 security-based swap data repositories, 10 credit rating agencies, 35 self-regulatory organizations, and 6 active registered clearing agencies. The agency also reviews the disclosure and financial statements of more than 7,400 reporting companies. In addition, the SEC oversees the Public Company Accounting Oversight Board (PCAOB), the Financial Industry Regulatory Authority (FINRA), the Municipal Securities Rulemaking Board (MSRB), the Securities Investor Protection Corporation (SIPC), and the Financial Accounting Standards Board (FASB).

Evolving markets provide opportunities and efficiencies for investors. The SEC should use its authority to facilitate that evolution. To do so, it remains committed to maintaining and developing a navigable regulatory landscape that protects investors, allows businesses to prosper, and embraces innovation. In the realm of digital assets, the SEC will prioritize a firm regulatory foundation through a rational, coherent, and principled approach that ensures the United States remains the best and most secure place in the world to invest and do business. To that end, the SEC established a Crypto Task Force that initiated a new and transparent conversation on how and when federal securities laws should apply to digital assets. This Task Force will recommend practical policy measures that aim to foster innovation and protect investors. Today's SEC will work with staff and the Task Force appropriately to distinguish securities from non-securities, craft tailored disclosure frameworks, provide realistic paths to registration for both digital assets and market intermediaries, ensure that investors have the information necessary to make investment decisions, and make sure that enforcement resources are deployed judiciously.

The SEC is also making a concerted effort to publish new data and analyses on key market areas. On April 28, 2025, the Division of Economic and Risk Analysis published six reports on public issuers, exempt offerings, commercial mortgage-backed securities, asset-backed securities, money market funds, and security-based swap dealers. One of the reports analyzed the number of reporting issuers that in 2023 had a class of securities registered under the Exchange Act or registered securities offerings under the Securities Act of 1933. This study then divided the 8,351 issuers with a class of securities registered under the Exchange Act into categories that can be used to determine different counts of public companies based on various definitions and methodologies. The SEC will continue these efforts to increase transparency and understanding of our capital markets.

The SEC is pleased to submit its budget request for fiscal year (FY) 2026. With a focus on returning to the core mission that Congress set for the agency, to include priority areas as noted above, the SEC's FY 2026 request is \$2.149 billion in support of 4,101 full-time equivalents (FTE). This requested budget level is flat as compared to both the FY 2025 and FY 2024 enacted funding levels. As a result of attrition following early retirement and buy-out offers, the agency's FY 2026 request reflects a net reduction of 447 FTEs as compared to the FTE level for FY 2025.

The reduction in personnel, together with other actions we have undertaken, has resulted in the FY 2026 flat budget request to be approximately \$100 million more than we anticipate to be required under our current state of operations. At the same time, there are a number of uncertainties regarding the FY 2026 budget, including whether Congress will fold the functions of the PCAOB into the SEC. The excess funding could be allocated toward this consolidation or any other initiative that might arise. As the SEC's funding is deficit neutral, any amount appropriated to the agency will be offset by transaction fees.

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REQUEST SUMMARY OF CHANGES

<i>(DOLLARS IN THOUSANDS)</i>	FTE	Amount
FY 2025 Enacted	4,548	\$ 2,200,950
FY 2026 Base Changes		
Net Changes in Compensation Expenses	(447)	(74,226)
Net Changes in Non-Compensation Costs	—	47,276
Subtotal, Base Changes	(447)	\$ (26,950)
FY 2026 Current Services Level	4,101	\$ 2,174,000
FY 2026 Operational Budget Request	4,101	\$ 2,174,000
Less: Anticipated Recoveries of Prior Year Obligations	—	(25,000)
FY 2026 Request for SEC Operations	4,101	\$ 2,149,000

OBLIGATIONS BY OBJECT CLASS

<i>(DOLLARS IN THOUSANDS)</i>	FY 2024 Actual	FY 2025 Enacted	FY 2026 Request
Personnel Compensation and Benefits			
Personnel Compensation (11.0)	\$ 1,123,797	\$ 1,077,073	\$ 1,006,421
Personnel Benefits (12.0)	424,449	413,623	392,768
Subtotal, Cost of Compensation and Benefits	\$ 1,548,246	\$ 1,490,695	\$ 1,399,189
Other Expenses			
Benefits for Former Personnel (13.0)	51	21,788	26
Travel and Transportation of Persons (21.0)	5,411	5,560	5,083
Transportation of Things (22.0)	44	77	79
Rent, Communications, and Utilities (23.0)	94,920	94,894	107,593
Printing and Reproduction (24.0)	8,395	3,624	6,265
Other Contractual Services (25.0)	510,383	548,869	624,612
Supplies and Materials (26.0)	791	851	1,062
Equipment (31.0)	20,472	26,194	28,277
Land and Structures (32.0)	1,625	6,689	1,011
Insurance Claims and Indemnities (42.0)	2,322	1,709	802
Subtotal, Cost of Other Expenses	\$ 644,414	\$ 710,254	\$ 774,811
Total, Obligations	\$ 2,192,660	\$ 2,200,950	\$ 2,174,000
Less: Anticipated Carryover of Prior Year Unobligated Balances	—	(1,950)	—
Less: Anticipated Recoveries of Prior Year Obligations	—	(50,000)	(25,000)
Request for SEC Operations	\$ 2,192,660	\$ 2,149,000	\$ 2,149,000
Replacement Leases for the Commission's Office Facilities	\$ 72	\$ 40,000	—

OBLIGATIONS BY PROGRAM

<i>(DOLLARS IN THOUSANDS)</i>	FY 2024 Actual ¹	FY 2025 Enacted	FY 2026 Request
SEC Program			
Enforcement	\$ 695,319	\$ 698,432	\$ 682,718
Examinations	497,458	498,107	494,020
Corporation Finance	183,447	184,753	184,779
Trading and Markets	121,980	122,445	120,793
Investment Management	93,810	95,679	93,930
Economic and Risk Analysis	82,534	87,558	88,083
General Counsel	71,747	70,314	66,068
Other Program Offices	110,860	109,089	110,425
Agency Direction and Administrative Support	311,449	309,611	307,178
Inspector General	24,055	24,961	26,005
Total, Obligations	\$ 2,192,660	\$ 2,200,950	\$ 2,174,000
Less: Anticipated Carryover of Prior Year Unobligated Balances	—	(1,950)	—
Less: Anticipated Recoveries of Prior Year Obligations	—	(50,000)	(25,000)
Request for SEC Operations	\$ 2,192,660	\$ 2,149,000	\$ 2,149,000
Replacement Leases for the Commission's Office Facilities	\$ 72	\$ 40,000	—

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

FULL-TIME EQUIVALENTS (FTE) BY PROGRAM

	FY 2024 Actual	FY 2025 Enacted	FY 2026 Request
	FTE	FTE	FTE
Enforcement	1,424	1,304	1,178
Examinations	1,135	1,073	965
Corporation Finance	429	406	369
Trading and Markets	279	256	230
Investment Management	224	206	186
Economic and Risk Analysis	194	183	169
General Counsel	157	143	121
Other Program Offices			
Chief Accountant	46	41	37
Investor Education and Advocacy	44	41	37
International Affairs	58	56	55
Administrative Law Judges	7	8	6
Investor Advocate	18	16	14
Credit Ratings	45	40	37
Municipal Securities	10	8	7
Advocate for Small Business Capital Formation	10	11	12
Strategic Hub for Innovation and Financial Technology	8	—	—
Subtotal	246	221	205
Agency Direction and Administrative Support			
Executive Staff	29	18	18
Public Affairs	24	23	19
Secretary	24	21	17
Chief Operating Officer	47	27	25
Financial Management	86	76	62
Information Technology	222	194	171
Human Resources	123	117	107
Acquisitions	59	56	50
Support Operations	90	80	74
EDGAR Business Office	33	37	30
Office of the Chief Data Officer	—	26	27
Ethics Counsel	20	20	19
Minority and Women Inclusion	12	2	1
Equal Employment Opportunity	10	9	9
Subtotal	779	706	629
Inspector General	53	50	49
TOTAL FTE	4,920	4,548	4,101

FY 2026 Appropriations Language

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, and not to exceed \$3,500 for official reception and representation expenses, \$2,149,000,000, to remain available until expended; of which not less than \$20,050,000 shall be for the Office of Inspector General; of which not to exceed \$275,000 shall be available for a permanent secretariat for the International Organization of Securities Commissions; and of which not to exceed \$100,000 shall be available for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations and staffs to exchange views concerning securities matters, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance including: (1) incidental expenses such as meals; (2) travel and transportation; and (3) related lodging or subsistence: *Provided*, That any unobligated balances from funds made available under this heading in prior Acts for replacement leases for the Commission's headquarters and other regional office facilities may be used for such purposes at any Commission office facility, notwithstanding provisos in such Acts limiting use to particular office facilities, and notwithstanding provisos in such Acts requiring that de-obligated amounts derived from the general fund be returned to the general fund or that de-obligated amounts derived from fees or assessments be paid to national securities exchanges and national securities associations in proportion to any fees or assessments paid by such national securities exchange or national securities association.

For purposes of calculating the fee rate under section 31(j) of the Securities Exchange Act of 1934 (15 U.S.C. 78ee(j)) for fiscal year 2026, all amounts appropriated under this heading shall be deemed to be the regular appropriation to the Commission for fiscal year 2026: *Provided*, That fees and charges authorized by section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) shall be credited to this account as offsetting collections: *Provided further*, That not to exceed \$2,149,000,000 of such offsetting collections shall be available until expended for necessary expenses of this account; *Provided further*, That the total amount appropriated under this heading from the general fund for fiscal year 2026 shall be reduced as such offsetting fees are received so as to result in a final total fiscal year 2026 appropriation from the general fund estimated at not more than \$0.

FY 2026 Budget Request by Program

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DIVISION OF ENFORCEMENT

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

ENF is focused on bringing meaningful cases wherever there is evidence of misconduct, holding wrongdoers accountable with meaningful remedies that shape market behavior, and bolstering the public's trust in financial markets. ENF focuses on addressing (1) misconduct targeting investors; (2) the activities of investment advisers, broker-dealers, and other registrants; (3) financial reporting and disclosure issues involving public companies, their executives, and their auditors; (4) misconduct by gatekeepers; and (5) insider trading and other abusive market practices. Although these areas are priorities for ENF, the division also continues to pursue potential securities law violations in other areas where it has express authority to do so, as it seeks to protect investors and the integrity of the market.

DIVISION OF EXAMINATIONS

The Division of Examinations (EXAMS) maintains a critical presence among market participants by annually conducting examinations that provide timely, accurate, and reliable information that assists the SEC in fulfilling its tripartite mission. The results of the division's examinations are used by the SEC to identify and monitor risks, improve industry practices, prevent fraud, and inform regulatory policy.

The division's risk-based program is designed to focus its limited resources on those firms, products, and practices that pose the greatest potential risk of harm to investors and the markets. EXAMS remains significantly impacted by an industry that continues to evolve and grow at an increasingly rapid pace. Technological advancements continue to impact the way markets operate and have introduced a variety of new and sophisticated products, services, and business models. As the capital markets change, EXAMS will remain focused on monitoring these developments and deploying its resources efficiently and in the interests of the investing public.

DIVISION OF CORPORATION FINANCE

In support of the Commission’s mission, the Division of Corporation Finance (CF) seeks to ensure that investors have access to the information they need to make informed investment and voting decisions when a company offers its securities to the public, and on an ongoing basis as companies continue to provide information to the marketplace. CF also makes recommendations to the Commission for new or revised rules relating to the disclosure requirements for reporting companies and exemptions from registration and provides interpretive advice to companies on SEC rules and forms.

Disclosure Review Program

CF reviews filings made under the Securities Act of 1933 and Securities Exchange Act of 1934, including new issuer registration statements, follow-on offerings, other transactional filings, and periodic reports, to both monitor and enhance compliance with disclosure and accounting requirements. The division focuses its review resources on disclosures that appear to be inconsistent with Commission rules or applicable accounting standards.

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

Rulemaking and Interpretive Advice

CF assists the Commission with proposing and finalizing rules that uphold the agency’s mission. As part of this effort, CF drafts rules and rule amendments to update disclosure requirements under the U.S. federal securities laws and implement congressionally mandated rulemaking directives. The division conducts its rulemaking and interpretative advice through its Office of Chief Counsel, Office of Chief Accountant, and Legal and Regulatory Policy Program, the latter of which includes the Office of Rulemaking, the Office of Mergers & Acquisitions, the Office of Structured Finance, the Office of International Corporate Finance, and the Office of Small Business Policy.

DIVISION OF TRADING AND MARKETS

The mission of the Division of Trading and Markets (TM) is to establish and maintain standards for fair, orderly, and efficient markets while fostering investor protection and confidence in the markets. TM fulfills this mission by:

- monitoring risks at large broker-dealer and clearing agencies;
- overseeing the rulemaking activities of the exchanges, clearing agencies, and FINRA; and
- engaging in rulemaking at the direction of the Commission.

TM supervises the major participants in the U.S. securities markets. In FY 2024, TM oversaw 26 national securities exchanges, over 3,300 broker-dealers, 88 funding portals, 109 alternative trading systems that trade various types of securities, 6 clearing agencies, 318 transfer agents, 53 security-based swap (SBS) dealers, 3 SBS data repositories, FINRA, security futures product exchanges, and securities information processors. TM also works with the SEC's Office of Credit Ratings to supervise 10 nationally recognized statistical rating organizations, and with the SEC's Office of Municipal Securities to supervise MSRB and municipal advisors.

TM continues to enhance its supervisory, market monitoring, and data-driven work with several key objectives including identifying market risks, facilitating compliance, and informing policy. TM economists, accountants, and financial analysts evaluate risks associated with clearing agencies and broker-dealers, and also analyze complex market structure trends across all the securities markets overseen by TM, including the SBS, equity, fixed-income, options, and government securities markets.

TM actively engages with its counterparts at other government and regulatory agencies—including the U.S. Commodity Futures Trading Commission, the U.S. Department of the Treasury, the Federal Reserve Board, and other financial and banking regulatory agencies—to enhance protection of critical market infrastructure from physical and cyber threats, and to implement protocols to address such threats or incidents. TM works with these and other regulatory agencies to find ways to further harmonize the agency's respective rules, increase effectiveness, and share critical information about securities markets to identify risks and inform policy. TM's coordination and cooperation with several of these agencies to monitor the Treasury market is of particular importance.

DIVISION OF INVESTMENT MANAGEMENT

The Division of Investment Management (IM) works to fulfill the SEC's mission by administering the Investment Company Act of 1940 and the Investment Advisers Act of 1940 and developing regulatory policy for open-end management investment companies (commonly known as mutual funds), closed-end funds, variable insurance products, other investment companies, and investment advisers.

IM is responsible for regulating an expansive and growing industry that includes the main mechanisms through which American investors participate in the nation's capital markets. The division oversees approximately 14,000 registered funds, including money market funds and exchange-traded funds. IM also regulates certain investment advisers to private funds, including private equity, hedge, venture capital, and similar funds. These funds have also experienced dramatic growth over the past decade, nearly tripling their population from approximately 35,000 to over 100,000 funds. An important part of IM's mandate is to protect American investors in these products, many of whom are working families investing for their future.

DIVISION OF ECONOMIC AND RISK ANALYSIS

The Division of Economic and Risk Analysis (DERA) advances the Commission's statutory mission through high-quality economic analysis and rigorous data analytics. DERA engages across the entire range of the Commission's functions, including rulemaking, examination, and enforcement. Its multi-disciplinary analyses are informed by research insights and rely on knowledge of institutions and practices when examining regulatory and risk-related matters.

DERA assists the Commission in its efforts to identify, analyze, and respond to economic and market issues, including those related to new financial products, investment and trading strategies, systemic risk, and fraud. DERA's data analytics work develops a variety of financial and market data analysis tools and supplies economic statistics.

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

- *Economic Analysis.* DERA conducts quantitative and qualitative economic analyses of proposed and final Commission rules, including analyses of costs, benefits, and the effects on competition. DERA also contributes economic analysis and data to Commission reviews of self-regulatory organizations' rules/fees, new products, National Market System plans, and other matters within the Commission such as reports and projects by other SEC components.
- *Risk Analysis.* DERA performs domestic and international risk analyses of the capital markets.
- *Examination and Enforcement.* DERA provides economic and data expertise for the Commission's examination- and enforcement-related activities.
- *Data Science.* DERA develops analytic tools and manages economic data in support of the entire Commission, including the development of artificial intelligence/machine learning capabilities.

OFFICE OF THE GENERAL COUNSEL

The General Counsel serves as the chief legal officer of the Commission and heads the Office of the General Counsel (OGC). OGC provides independent legal advice to the Chairman, Commissioners, and operating divisions and offices on all aspects of the Commission's mission and operations. OGC also defends the Commission in federal district courts, represents the Commission in appellate matters and *amicus curiae* filings, and oversees the agency's bankruptcy program. OGC represents the Commission at the trial and appellate levels in civil and administrative litigation. OGC also performs a variety of other legal functions (e.g., tort claims, labor law, Freedom of Information Act appeals and litigation, review of leases and contracts) in support of the Commission's day-to-day operations.

OTHER PROGRAM OFFICES

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

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

OFFICE OF THE CHIEF ACCOUNTANT

The Chief Accountant serves as the principal advisor to the Commission on accounting and auditing matters under the federal securities laws. Accordingly, the Office of the Chief Accountant (OCA) is responsible for establishing and interpreting accounting and auditing matters to enhance the transparency, relevancy, and credibility of financial reporting for the benefit of investors. High-quality financial statements that are subject to high-quality audits are the bedrock of the financial reporting system, establishing a consistent and enforceable framework that protects investors, contributes to the fair and efficient operation of U.S. markets, and promotes capital formation.

OCA achieves its responsibilities for the Commission through the following internal workflows.

The Accounting Group (AG) oversees accounting standard-setting by the FASB; addresses emerging accounting issues through consultations and stakeholder engagement; conducts technical and complex accounting consultations with external registrants and accounting firms; supports Commission rulemaking with respect to financial reporting matters; and supports the Division of Enforcement on matters related to financial reporting. A significant focus of the group is on oversight of the FASB, which has an active standard-setting agenda and post-implementation review process. The AG works with the FASB through its consultation process to ensure that amended and new accounting standards are implemented effectively and timely by issuers.

The Professional Practice Group (PPG) provides expert advice related to auditing, independence, and internal control over financial reporting (ICFR). The PPG, along with OCA's OCC, supports the Commission's approval of the PCAOB annual budget and accounting support fee, approval of audit standard-settings and rulemakings, and oversight of the PCAOB Inspections Program. The PPG also monitors audit and independence standard-setting by other bodies (e.g., the American Institute of Certified Professional Accountants, the International Auditing and Assurance Standards Board [IAASB], and the International Ethics Standards Board for Accountants [IESBA]) to help identify where convergence with PCAOB standards should be considered. The PPG provides technical advice on rulemakings and enforcement matters pertaining to auditing matters, ICFR, and auditor independence.

The International Group (IG) leads OCA's efforts to engage and promote high-quality financial reporting and auditing globally. The IG works with the PPG and the AG to advance public interest in international audit, ethics, independence, and accounting standard-setting. In addition, the IG leads the Monitoring Group's oversight of the activities of the Public Interest Oversight Board, the IAASB, and the IESBA; serves in a leadership role on the International Organization of Securities Commissions' Committee on Issuer Accounting, Auditing, and Disclosure; and leads the oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board through its participation on the Monitoring Board, International Financial Reporting Standards (IFRS) Advisory Council, and IFRS Interpretations Committee.

OCC provides legal counsel to OCA with respect to Commission rulemaking, including compliance with administrative law requirements under the Sarbanes-Oxley Act of 2002 and the Securities Exchange Act of 1934 relating to the Commission's oversight of the PCAOB and the FASB. In addition, OCC leads OCA's process of advising the Commission on enforcement matters related to accounting, auditing, auditor independence, and internal controls, including administering the Commission's Rule 102(e) Program for accountants. OCC also provides OCA with legal advice relating to its administrative responsibilities, principally with respect to budget, accounting support fees, and appointments at the FASB, its governing body, the Financial Accounting Foundation, and the PCAOB.

OFFICE OF INVESTOR EDUCATION AND ADVOCACY

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

OIEA promotes this mission through two primary functions: (1) conducting educational outreach to individual investors, and (2) assisting investors with complaints and questions about the securities markets and market participants.

OIEA's Investor Education Program includes in-person outreach, digital and social media, and other communication channels, including the Commission's website for individual investors, [Investor.gov](https://www.investor.gov). OIEA's outreach efforts target different segments of the population, from students and teachers to older investors, military service members, and veterans. OIEA also issues Investor Alerts and Bulletins to inform individual investors about different types of fraud, new investment products, and other topical issues.

OIEA's Investor Assistance Program serves the tens of thousands of investors who contact the SEC each year with investment-related complaints and questions. A substantial portion of the complaints and questions received require input from the entities involved and cannot be resolved in less than 30 days. Nevertheless, OIEA staff aims to close as many new matters as quickly as possible.

OFFICE OF INTERNATIONAL AFFAIRS

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

The Regulatory Policy and Supervisory Cooperation (RP/SC) Group advises the Chairman, Commissioners, and staff on international regulatory policy matters, policy developments in overseas capital markets with implications for U.S. markets, and regulatory reform efforts in foreign jurisdictions. In FY 2026, among other duties, the RP/SC Group will facilitate cross-border cooperation with foreign authorities related to the examination and supervision of globally active firms; lead the staff’s engagement in bilateral dialogues with foreign counterparts and the policy work of multilateral organizations to advance the Commission’s priorities; and support the implementation of Commission rules with cross-border impacts. In addition, the RP/SC Group will lead the Commission’s response to the International Monetary Fund’s assessment of the U.S. financial sector (Financial Sector Assessment Program).

The Enforcement Policy and Cooperation (EPC) Group assists the Division of Enforcement (ENF) in conducting investigations by championing cross-border cooperation with foreign authorities related to enforcement investigations and litigation, and by partnering with ENF staff. The EPC Group also provides reciprocal assistance to foreign authorities and participates in enforcement-focused international engagements. In FY 2026, the EPC Group will continue to advance the Commission’s policy objectives for international cooperation and develop best practices in enforcement cooperation.

The Technical Assistance, Legal Compliance, and Planning (TLP) Group advances the agency's mission by building the capacity of, and establishing strong working relationships with, the SEC's international regulatory and law enforcement counterparts with a view toward ensuring that the SEC's counterparts are equipped to assist SEC staff in such matters. In FY 2026, the TLP Group will continue to partner with SEC staff experts in sharing their perspectives and expertise with the SEC's counterparts on best practices in securities regulation and enforcement. The TLP Group's Technical Assistance Program covers a range of topics, including creating robust examination and enforcement programs and establishing effective disclosure regimes for public companies and market participants. In addition, the TLP Group oversees OIA's core legal compliance and planning functions.

OFFICE OF ADMINISTRATIVE LAW JUDGES

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

OFFICE OF THE INVESTOR ADVOCATE

The mission of the Office of the Investor Advocate (OIAD) is to advocate for investors and ensure that investors' interests are appropriately considered in policy and practice at the Commission, at self-regulatory organizations (SRO), and in Congress. OIAD also supports the SEC's Investor Advisory Committee (IAC).

The office has five core functions, as outlined in [15 U.S.C. § 78d\(g\)\(4\)](#):

1. Assist retail investors with complaints against the SEC or SROs
2. Identify areas in which investors would benefit from regulatory changes
3. Identify problems with financial service providers and investment products
4. Analyze the potential impact of proposed rules and regulations on investors
5. Propose appropriate changes to the Commission and Congress

Investor Engagement

OIAD aims to understand the unique perspectives of investors through ongoing investor engagement activities,¹ which directly supports the statutory mandate. OIAD actively seeks input from several types of investors, including individual retail investors, smaller and regional investor groups, non-profits and consumer groups, academics and researchers, pension funds, and others.

Investor Advocacy

OIAD's Office of Legal and Policy is responsible for counseling the Investor Advocate regarding potential impacts of proposed regulations and rules on investors, helping identify areas in which investors would benefit from changes in regulations or rules.

Office of the Ombuds

The Ombuds acts as a confidential liaison between the SEC and retail investors who have questions, suggestions, or concerns about the SEC and/or any SRO subject to SEC oversight. The Ombuds provides investors with information and resources to help resolve the issues raised in their submission. The Ombuds may also engage in fact finding, escalate matters with significant investor impact, and advocate for fair and equitable processes.

¹ See [page 51](#).

Office of Investor Research

OIAD's Office of Investor Research (OIR) is a multidisciplinary research group that supports OIAD's statutory mandate to identify and analyze investors' concerns through testing, online surveys, qualitative interviews, statistical analysis, and other research efforts. This includes researching retail investors' behavior and understanding of new financial products. OIR developed and maintains the Thoughtful Households Relating InVesting Experiences (also known as "THRIVE") Panel, a nationally representative survey panel that facilitates frequent, direct survey research to provide timely data on investment-related topics.

Investor Advisory Committee

OIAD provides operational support to the IAC, which is independent from the Commission and advises, consults with, and is authorized to make recommendations to the SEC. Members of the IAC are appointed by the Commission.

OFFICE OF CREDIT RATINGS

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

OFFICE OF MUNICIPAL SECURITIES

The Office of Municipal Securities (OMS) coordinates the Commission's activities relating to the \$4 trillion municipal securities market and administers the Commission's rules pertaining to municipal securities brokers and dealers, municipal advisors, investors in municipal securities, and municipal issuers. OMS' responsibilities include three primary areas: municipal advisor regulation, municipal securities market structure initiatives, and municipal securities disclosure initiatives. OMS advises the Commission on policy matters and current market issues relating to the municipal securities market and is responsible for policy development, coordination, and implementation of Commission initiatives to improve the municipal securities market, including working with other divisions on cross fixed-income market issues.

OMS provides technical assistance to other SEC divisions and offices, including the Division of Enforcement and the Division of Examinations. OMS is also responsible for oversight of the MSRB, which includes reviewing and processing proposed rule changes filed by the MSRB as well as assisting with examinations of the MSRB. OMS works closely with the municipal securities industry to educate state and local officials and conduit borrowers about the Commission's rules. OMS also acts as the SEC's liaison to FINRA, the Internal Revenue Service, bank regulators, the U.S. Department of the Treasury, and a wide variety of investor and industry groups on municipal securities issues.

OFFICE OF THE ADVOCATE FOR SMALL BUSINESS CAPITAL FORMATION

The Office of the Advocate for Small Business Capital Formation (OASB) focuses on small businesses and their investors through all lifecycle stages, from early-stage startups to small public companies. Congress established the office via the SEC Small Business Advocate Act of 2016 as an independent office within the SEC that reports to the entire Commission.

In FY 2026, OASB seeks to increase and expand its in-person and virtual outreach and engagement efforts to small businesses, their investors, and the third-party entities that support them. This outreach and engagement helps further to identify the challenges these stakeholders face when raising capital and ensures their valuable perspectives are heard and considered in policymaking by the SEC. The office also seeks to expand the SEC's educational resources and tools for small businesses, including for small public companies, which will help facilitate capital formation as companies and investors navigate changing economies and investment markets. Additionally, OASB will continue to publish robust data on small business capital formation in its congressionally mandated annual report, provide input on proposed rules and policy changes, and develop informed policy solutions and recommendations.

AGENCY DIRECTION AND ADMINISTRATIVE SUPPORT

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

Agency Direction includes:

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

Administrative Support includes:

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

EXECUTIVE STAFF

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

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

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

OFFICE OF PUBLIC AFFAIRS

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

OPA leverages technology and multimedia to deliver news, data, and other information to inform investors and facilitate internal and external audiences' interactions with the SEC. The office maintains the SEC's digital platforms, including The Exchange—the agency's intranet—and [SEC.gov](https://www.sec.gov).

Staff in OPA will also continue to respond to media inquiries, write and edit news releases and other materials, and facilitate media interactions with agency officials to promote understanding of the SEC's work.

OFFICE OF THE SECRETARY

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

OFFICE OF THE CHIEF OPERATING OFFICER

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

There are eight offices within OCOO:

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

OFFICE OF THE CHIEF OPERATING OFFICER (FRONT OFFICE)

The front office of OCOO oversees and coordinates the activities of the seven other component offices. In addition, the front office manages several key functions, as detailed below.

Chief Risk Officer

The Office of the Chief Risk Officer (OCRO) provides timely, decision-useful information on agency risks to promote risk-informed decision-making. OCRO plans to enhance the agency's enterprise risk management and internal control programs through new and revised policies that clarify governance, enhance standards, and improve information sharing. OCRO will also expand its collaborative work with SEC divisions and offices to better document processes and associated risks, and to ensure appropriate, cost-effective controls are effectively operating.

Managing Executive for Small Offices

The Office of the Managing Executive for Small Offices (MESO) provides vital business operations, planning, and management services to support 14 small offices throughout the agency. MESO works collaboratively with the small offices' senior leadership to manage financial and human resources, acquisitions management, and technology initiatives to achieve organizational goals and objectives. MESO also oversees the Information Management Services Program, which provides enhanced data management and records management support to the small offices.

OFFICE OF FINANCIAL MANAGEMENT

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

OFFICE OF INFORMATION TECHNOLOGY

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

The Office of Information Technology (OIT) devotes resources to enhancing and modernizing technology systems to keep pace with commercial best practices, increase staff effectiveness and efficiency, and safeguard registrant data. In particular, the SEC will continue prioritizing cybersecurity investments in SEC systems with a focus on implementing the Zero Trust Architecture (ZTA) roadmap; modernizing key systems; and complying with the Financial Data Transparency Act of 2022. Additionally, to derive value from the increasing volumes of data the Commission receives, the SEC will continue to leverage artificial intelligence/ machine learning applications and their governance.

OIT supports the Commission and staff of the SEC in all aspects of IT. The office has overall management responsibility for the SEC's IT program, including application development, data engineering and management, infrastructure operations and engineering, end-user support, capital planning, security, privacy, and enterprise architecture. In addition, OIT maintains a dynamic and robust website that has a wealth of information about the Commission and the securities industry, and hosts the Electronic Data Gathering, Analysis, and Retrieval system's database for free public access.

Continuous investment in cybersecurity—including ZTA—in the SEC's environment will enhance cybersecurity readiness, optimize and modernize existing processes, and facilitate focus on higher-value activities. The SEC will continue to set and uphold technology standards for development and operations in the cloud and will continue to invest in automation to implement inherited security controls and improve delivery time. These strategies will help the SEC to stay adaptable and aligned with evolving financial markets and technologies.

OFFICE OF HUMAN RESOURCES

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

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

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

OFFICE OF ACQUISITIONS

The Office of Acquisitions (OA) develops and executes the SEC's acquisitions policy, procedures, and guidance; procurement strategies; awards and manages contract and contractor performance through contract closeout as well as acquisitions workforce training and certification; the Government Purchase Card Program; and other related federal procurement activities within the general framework of the Federal Acquisition Regulations.

OA reports detailed information on expenditures and assures contract-related data is properly reported to federal systems and SEC financial systems viewable by other agencies and the general public. OA tracks and reports a broad range of information, in addition to financial data, required by the SEC for its financial reporting. Examples include Buy American Act and Federal Activities Inventory Reform (or "FAIR") Act information; awards by congressional district, state, vendor, business type, and competition information; and small business and other data necessary to ensure transparency and accountability for federal programs such as the Small Business Act and Competition in Contracting Act.

OFFICE OF SUPPORT OPERATIONS

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

The Office of FOIA Services (OFS) is responsible for receiving and responding to all requests for non-public records submitted under the FOIA (5 U.S.C. § 552) and the PA (5 U.S.C. § 552a). The office's primary objective is to foster openness and transparency in government. Congressional interest in the Commission's mission and activities remains high, as does public demand for SEC records. OFS estimates it will receive approximately 10,500 FOIA requests in FY 2026.

The Office of Records Management Services (ORMS) maintains SEC records schedules and develops guidelines and procedures under the Federal Records Act and other records requirements. The office also coordinates the retrieval of non-active records from records storage facilities. The Office of Management and Budget's *Update to Transition to Electronic Records* (M-23-07) drives the increased demands on the program. ORMS also employs the Capstone approach methodology to manage permanent and temporary electronic message records.

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

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

The Business Management Office (BMO) is responsible for the oversight and management of all business functions of the OSO organization, ensuring that the most efficient and effective business practices are followed. BMO serves as the conduit for OSO offices to plan, manage, and execute mission requirements, and also provides essential organizational management support. BMO serves the SEC by providing Continuity of Operations Program oversight to ensure the continuity of SEC's operations and essential functions across a spectrum of circumstances.

EDGAR BUSINESS OFFICE

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

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

OFFICE OF THE CHIEF DATA OFFICER

The Office of the Chief Data Officer (OCDO) ensures the secure, effective, and efficient use of data in service of the agency's mission. OCDO will continue to coordinate the ongoing refinement and execution of the SEC Data Strategy; lead the design and implementation of the Commission's data architecture; support identity and access management and implement a ZTA; develop and deploy enterprise data standards; maintain the agency's inventory of data assets via the SEC Data Catalog; oversee compliance with internal data policies and standards governing access, use, and sharing as well as licensing and terms of use; and coordinate implementation of open data requirements under the OPEN Government Data Act and Financial Data Transparency Act. OCDO will also continue to promote effective management of the agency's Library and third-party research and data resources. OCDO will efficiently ingest data for use by agency staff and continue to provide opportunities to divisions and offices to use data in the Enterprise Data Warehouse for mission-critical programs. Finally, OCDO will continue to support the agency's compliance with the Paperwork Reduction Act.

OFFICE OF THE ETHICS COUNSEL

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

OFFICE OF MINORITY AND WOMEN INCLUSION

The Office of Minority and Women Inclusion was established pursuant to Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This office is currently comprised of one office director.

OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY

The Office of Equal Employment Opportunity (OEEO) leads the agency's Equal Employment Opportunity (EEO) Program under the authority of Title VII of the Civil Rights Act of 1964. The regulations associated with this law mandate specific and time-bound redress processes and detail agency roles and responsibilities. OEEO enforces anti-discrimination laws, regulations, and policies while continually advancing model workplace practices. The director reports to the Chairman of the SEC and is the designated decision-maker who adjudicates formal administrative EEO complaints.

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

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

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

OFFICE OF INSPECTOR GENERAL

In FY 2026, the Office of Inspector General (OIG) will continue to fulfill its core oversight mission to strengthen agency programs and operations and to reduce fraud, waste, and abuse through investigations, audits, evaluations, and reviews. This includes statutory mandates regarding cybersecurity and privacy, review of purchase and travel card risks, and operation of the Employee Suggestion Program required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) to collect recommendations from employees for improving the SEC's work efficiency, effectiveness, and productivity.

Through discretionary audit and evaluation work set forth in an annual audit plan, the OIG will focus on the SEC's management challenges, as well as emerging risks and issues, to support the SEC's three-part mission of capital formation, market regulation, and investor protection. To support the integrity and accountability of the SEC and its staff and contractors, the OIG will continue to investigate allegations of fraud, waste, and abuse, as well as individual misconduct. The OIG's oversight workload remains high due to a variety of factors, including sustained congressional interest in the oversight of the SEC and the number of tips and complaints received by the OIG. This office's work is integral to achieving the agency's mission, and the OIG expects workload levels to remain high through FY 2026.

The OIG anticipates a continuing need to support coordination of oversight across the federal financial regulatory structure. The SEC Inspector General (IG) currently serves on the Council of Inspectors General on Financial Oversight (CIGFO), established by Section 989E of the Dodd-Frank Act, through which the OIG collaborates to provide comprehensive oversight of the financial sector. To that end, the OIG participates in annual analysis of, and reporting on, trends and crosscutting issues, plus special projects determined by CIGFO from time to time.

Increased coordination and initiatives undertaken by the Council of Inspectors General on Integrity and Efficiency have increased demands on OIG resources, and the office expects this trend to continue for the foreseeable future. This includes responding to proposed and enacted legislation containing new oversight mandates, actively participating in crosscutting issues that enhance oversight of the SEC and supporting a variety of initiatives that promote the professional development of SEC OIG staff.

Collaborative work and resource sharing promote consistency of oversight throughout the federal government and enhance learning opportunities that contribute to the OIG's mission. The OIG has much to contribute and much to gain from active engagement in the oversight community and will enhance IG-focused community engagement in FY 2026.

FY 2026 Request

The OIG currently has 61 authorized positions. For FY 2026, the OIG requests no new positions but seeks to backfill critical positions as the OIG full-time equivalents level is significantly below its authorized ceiling. The budget request will also fund operating expenses necessary to accomplish its statutory oversight mission to reduce waste, fraud, and abuse along with the requisite funding that will enable it to carry out its core requirements.

The OIG will increase its outreach efforts to regional offices and key federal prosecutors in order to better accomplish its important responsibility to investigate allegations of fraud and abuse and to increase agency efficiency. The proposed budget reflects the costs associated with that effort.

Other Information

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RISKS, INTERNAL CONTROLS, AND MANAGEMENT CHALLENGES

The SEC serves investors building for a better future and issuers raising money to fund innovation by overseeing the approximately \$100 trillion capital markets. The agency's responsibilities include overseeing more than 33,000 registered entities and reviewing the disclosure and financial statements of more than 7,400 reporting companies. To maximize the impact of the resources provided to the SEC and ensure its resources are deployed in a manner that efficiently and effectively meets agency priorities, the agency continually evaluates its operations to identify emerging risks and, where appropriate, implement effective internal controls.

Risk Management

The SEC's Office of the Chief Risk Officer, which is within the Office of the Chief Operating Officer, leads the agency's enterprise risk management (ERM) program, as required under the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility of Enterprise Risk Management and Internal Control*, and OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*. ERM assists the agency in achieving its strategic and operational objectives by providing an enterprise-wide approach for managing risk. With input from the Risk Management Oversight Committee, the ERM program coordinates the development and implementation of risk management frameworks and methodologies; produces and maintains the agency's risk profile; collaborates with risk owners to help ensure risks are sufficiently and consistently managed; and provides reports that assist senior management in making risk-informed decisions.

Management Assessments of Internal Control

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

The SEC’s process and methodology for conducting the required annual assessment of internal control and the assurance statements based on this assessment is discussed in the SEC’s Agency Financial Report (AFR), which can be found at [SEC.gov](https://www.sec.gov).

Management Challenges Identified by the Office of Inspector General

The SEC’s FY 2024 AFR provides a summary of the most significant management and performance challenges facing the SEC, as identified by the OIG, in the *Other Information* section. The AFR also details the actions being taken to address these challenges. The following table describes how the resources requested for FY 2026 will help address the challenges identified by the IG.

Management Challenge Identified by the Inspector General	How the FY 2026 Budget Addresses the Challenge
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Meeting Regulatory and Oversight Responsibilities

Given that the SEC oversees U.S. capital markets totaling more than \$100 trillion and more than 33,000 entities, including 13,000 registered funds, 15,400 investment advisers, 3,400 broker-dealers, and 26 national securities exchanges, the SEC must apply its resources toward the most significant potential risks. The Division of Enforcement will use current resources and positions to: (1) detect and investigate potential violations of the federal securities laws, including in new and emerging risk areas, and bring enforcement actions to protect investors, hold wrongdoers accountable, and bolster the public’s trust in financial markets; (2) provide operational support for its investigation, litigation, and trial functions; and (3) leverage existing tools and technology for purposes such as case management and analysis of data obtained during investigations and litigation.

The Division of Examinations’ (EXAMS) will continue to focus its limited resources on examining the firms, products, and practices that pose the greatest risk of harm to investors and the markets. Among other things, EXAMS will use its resources to: (1) address critical and evolving risks; (2) examine a diverse and growing registrant population, including the firms, such as investment advisers and broker-dealers, that interact with individual investors; and (3) continue to oversee entities responsible for critical market infrastructure.

Recruiting and Retaining a Skilled Workforce

The SEC prioritizes human capital management programs and strategies that support the agency’s goal of recruiting and retaining a skilled workforce that is fully equipped to advance agency objectives. During FY 2024, the SEC continued to tend to the important areas identified in the OIG’s statement. The agency’s continued ranking among the best places to work in the federal government reflects its ongoing attention to key drivers of employee satisfaction and engagement and has contributed to a positive work environment. While budget constraints have necessitated limitations on hiring and adjustments to some aspects of compensation, the agency continues to offer a wide range of flexibilities, benefits, and learning and development opportunities that support workforce engagement and satisfaction. The SEC will continue to carefully monitor key data related to the agency’s human capital management program, and will make necessary adjustments consistent with budgetary allocations and the Administration’s priorities.

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Management Challenge Identified by the Inspector General	How the FY 2026 Budget Addresses the Challenge
<p>Protecting Systems and Data</p>	<p>Protecting information systems and data is a top priority that must meet the challenges introduced by new technology, new threats, and new business drivers. SEC management remains mindful that governmental agencies, financial market participants, and private sector entities must remain vigilant because they are subject to frequent attempts by unauthorized actors to disrupt public-facing systems, access data, or otherwise damage technology infrastructure.</p> <p>In FY 2024, the Office of Information Technology (OIT) worked to make enhancements in several areas and continued to prioritize addressing and mitigating the cybersecurity risks identified by the OIG and the U.S. Government Accountability Office (GAO). During FY 2024, the OIG closed seven information technology-related audit recommendations, and GAO closed eight cybersecurity-related audit observations. In FY 2025, OIT will continue to allocate resources toward addressing outstanding prior year audit recommendations, including the 10 new OIG recommendations issued as part of the FY 2024 FISMA report.</p> <p>OIT continues to implement requirements from Executive Order 14028, <i>Improving the Nation's Cybersecurity</i> (May 12, 2021); OMB memoranda, including OMB M-22-09, <i>Moving the U.S. Government Toward Zero Trust Cybersecurity Principles</i>; and Department of Homeland Security Binding Operational Directives. With its FY 2026 budget request, OIT will advance the maturity of the agency's zero trust posture; implement additional data loss prevention capabilities; enhance identity, credential, and access management by transitioning to enterprise platforms; increase protections around the Commission's supply chains; and move more systems into a continuous authorization program.</p>
<p>Contract Management</p>	<p>The SEC recognizes the inherent risks associated with time-and-materials (T&M) contracts and appreciates the OIG's recommendations to further improve on the agency's efforts to monitor T&M contracts and minimize their use. The FY 2026 budget will support the Office of Acquisitions in improving contract management throughout the agency by continuing these actions aimed at lowering contract risk to the SEC, as well as further enhancing reporting and automation capabilities for improved tracking and documentation of procurement actions.</p>

CROSS-AGENCY COLLABORATION

The SEC values its many partnerships with other federal agencies, financial regulators, and foreign governments. Collaborating across regulatory boundaries, market segments, and national borders furthers the SEC's ability to achieve its mission. The securities markets are large and dynamic, and the SEC understands that cooperation is essential to meet its strategic goals. Some examples of cross-agency collaboration efforts during FY 2024–FY 2026 are highlighted below.

In FY 2024, the SEC launched the Interagency Securities Council (ISC), which includes federal, state, and local regulatory and law enforcement professionals who meet quarterly to discuss the latest in scams, trends, frauds, and mitigation strategies, and to provide specialized briefings on emerging and complex topics. The ISC now includes nearly 2,000 representatives from more than 250 departments and agencies, including federal financial and law enforcement agencies, state offices of attorneys general and state police, state securities regulators, and local police departments and sheriff's offices.

The SEC's Office of Municipal Securities frequently works with other regulators to ensure that critical issues and risks impacting the municipal securities market are addressed in an efficient and effective manner. This includes information sharing, periodic meetings, joint outreach events, and other strategic efforts with domestic regulators such as the MSRB, the FINRA, the Internal Revenue Service, and the Office of State and Local Finance within the U.S. Department of the Treasury. These efforts have proven effective for conducting broad oversight of the municipal market and improving compliance by regulated entities operating in the municipal securities space.

The Division of Enforcement continues to prioritize effective coordination with criminal authorities in bringing parallel enforcement actions seeking to hold wrongdoers accountable and remove bad actors from the markets. In more than 440 SEC enforcement investigations in FY 2024, other regulators and law enforcement offices requested and obtained access to materials contained in the SEC's investigative files. In many of these cases, the SEC and its criminal law enforcement counterparts employed complementary tools to further a shared goal of investor protection. Frequently, this entailed collaboration with overseas regulatory and law enforcement counterparts.

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

The SEC's Division of Economic and Risk Analysis provides testimony and other litigation support to the U.S. Department of Justice on cases related to securities fraud and the capital markets. This work leverages the expertise of DERA's economists to help authorities hold wrongdoers accountable and remove bad actors from the markets. The division also represents the SEC on several national and international working groups collaborating with other agencies on economic issues related to the capital markets.

The SEC also collaborates with external partners to protect the financial well-being of American seniors. The SEC works closely with the Elder Justice Interagency Working Group (EJWG), the Elder Justice Coordinating Council (EJCC), and the Federal Trade Commission's Scams Against Older Adults Advisory Group to safeguard their interests. The EJWG is responsible for carrying out elder justice activities, including elder abuse prevention; research, grant, and program funding; and prosecution. The EJCC is a federal entity charged with identifying and proposing solutions to the problems surrounding elder abuse, neglect, and financial exploitation. The SEC's Office of Investor Education and Advocacy also participates on the Advisory Committee to the North American Securities Administrators Association's Senior Issues Committee and FINRA's Senior Investor Roundtable.

OIEA also represents the SEC on the Financial Literacy and Education Commission (FLEC), which was established under the Fair and Accurate Credit Transactions Act of 2003. FLEC is chaired by the Secretary of the Treasury and made up of the heads of more than 20 additional federal agencies. The Commission was tasked with developing a national financial education website (MyMoney.gov) and a national strategy on financial education.

Recognizing that small businesses often have questions about regulatory regimes and programs overseen by other agencies, the SEC's Office of the Advocate for Small Business Capital Formation (OASB) collaborates with the U.S. Small Business Administration, the U.S. Patent and Trademark Office, and the Minority Business Development Agency on public events to help spread the word about these agencies' various programs. OASB also includes other agencies' educational resources in the SEC's *Resources for Small Businesses* section on SEC.gov to help companies and investors find the appropriate agency information sources.

The SEC is a member of the Financial Stability Board (FSB), which promotes coordination among national financial authorities and international standard-setting bodies as they work toward developing strong regulatory, supervisory, and other financial sector policies. In addition to its monitoring functions, the Division of Trading and Markets assists the Commission with its work in various domestic and international regulatory groups, including FSB, the Financial Stability Oversight Council (FSOC), the International Organization of Securities Commissions (IOSCO), and the Senior Supervisors Group, by providing technical expertise on market and risk management developments and emerging financial issues. TM also cooperates and collaborates with CFTC, the Federal Reserve Board of Governors (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Banks, the Bank of England, the Financial Conduct Authority, the Japanese Financial Services Agency, Canadian securities regulators, and other regulators. This collaboration spans several areas including operations and risk management practices of financial market infrastructures, as well as the capital, liquidity, internal controls, funding sources, and financial condition of firms and their holding companies that are supervised by the SEC.

The Division of Investment Management participates in various workstreams related to the FSOC, including monthly meetings of the FSOC Systemic Risk Committee. On occasion, IM presents before FSOC or its committees on matters relating to the securities markets—including issues or concerns with potential implications for systemic risk—or otherwise provides input or advice. In addition, IM staff coordinate with other U.S. and foreign regulators on analysis and monitoring of activity in the fund industry and the markets in which funds participate. IM staff are also active participants in international securities standards-setting bodies such as IOSCO and FSB, where they lead or serve on various workstreams. IM also frequently coordinates with colleagues at Treasury on important priorities, including new and proposed rules that may affect the asset management industry, the Committee on Foreign Investment in the United States reviews, and specific questions.

The Division of Corporation Finance worked with the FDIC, CFTC, OCC, the Consumer Financial Protection Bureau, the Board of Governors of the Federal Reserve System, the National Credit Union Administration, the Federal Housing Finance Agency, and Treasury to develop recommendations for a joint proposal required by the Financial Data Transparency Act of 2022 that seeks public comment on a proposed rule to establish data standards to promote interoperability of financial regulatory data across these agencies.

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

The Office of the Chief Data Officer helps the SEC advance its capabilities and gain efficiencies by participating in regular meetings with other chief data officers (CDO) from across the federal government, including via the Federal CDO Council, to share best practices and standards and discuss government-wide data issues and priorities. In FY 2024, OCDO participated in discussions to support the joint issuance of proposed rules by the federal financial regulatory agencies to establish data standards for the collection of information reported to each agency by financial entities as well as the data collected on behalf of the FSOC.

The SEC's Office of Human Resources participates in the Enterprise Data & Analytics Community of Practice—a collaborative effort led by the SEC that includes the OCC, NASAA, the U.S. General Services Administration, and the U.S. Department of Veterans Affairs—to share human capital analytics and data visualization best practices. OHR also collaborates with other financial regulatory agencies to discuss labor relations issues such as safety protocols and workplace flexibilities.

EVIDENCE BUILDING

Internal and external evaluations play a significant role in monitoring and improving SEC program performance. Through objective measurement and analysis, agency managers determine the extent to which programs are achieving mission objectives, allowing them to direct SEC resources accordingly. In FY 2024, there were six U.S. Government Accountability Office reports and five Office of Inspector General reports or management letters issued related to agency operations. Examples of reviews and evaluations the agency initiated and plans to continue are listed below.

The SEC's Division of Economic and Risk Analysis provides insight into numerous aspects of the Commission's mission. With respect to rulemaking, DERA leverages the SEC's robust processes for obtaining public input and performs rigorous economic analyses of the agency's rules at both the proposal and adoption stages. These efforts are critical to identifying the benefits and costs of regulatory actions, including situations in which a rule's effects may not be consistent with expectations. For the Commission's enforcement activities, DERA provides economic analysis that helps staff in the Division of Enforcement analyze and quantify potential misconduct. DERA also provides evidence-based analysis to other Commission programs, which allows for insight into areas of potential risk.

DERA facilitates data availability that allows the public and private sectors to monitor markets and develop a deeper and more comprehensive view of market trends and dynamics. This helps to maintain market integrity and inform policy. To facilitate consistent data collection, DERA publishes taxonomies that allow both the Commission and market participants to better analyze and understand critical data collected pursuant to Commission rules. In addition, DERA publishes numerous data sets on topics such as capital formation, short-selling, and mutual fund disclosures, among others. These data sets are used by the public to better understand the capital markets.

In FY 2024, the SEC conducted surveys focused on understanding investor behavior, monitoring participation and perceptions of capital markets, and improving the experience and satisfaction of investors using the agency's online resources and tools. The Office of Investor Education and Advocacy and the Office of the Investor Advocate will continue to gather information regarding the behavior of individual investors, the type of information they need and use when making investment decisions, and the usefulness of the SEC's investor education efforts and related programs.

Section 763(i) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires the Commission to issue a written report on a semi-annual and annual basis to make available to the public information relating to: (1) trading and clearing in the major securities-based swaps categories; and (2) market participants and developments in new products. Since November 8, 2021, market participants have been required to submit security-based swaps data to security-based swaps data repositories. Division of Trading and Markets staff published the most recent report on security-based swaps, pursuant to Section 13(m)(2) of the Securities Exchange Act of 1934, on June 20, 2024.

In late 2024, TM staff participated in the preparation and publication of the annual report by the staff of the Inter-Agency Working Group (IAWG) for Treasury Market Surveillance entitled *Enhancing the Resilience of the U.S. Treasury Market: 2024 Staff Progress Report* (2024 IAWG Report). The 2024 IAWG Report presents the views of the IAWG, which consists of staff from the U.S. Department of the Treasury, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, the Commodity Futures Trading Commission, and the SEC. The 2024 IAWG Report summarizes the Treasury market-related activities—i.e., rule proposals, studies, data collections, and statements—that have occurred since the publication of the IAWG 2023 Report.

As part of the SEC's continued effort in furtherance of its statutory mission, the Division of Corporation Finance enhanced the disclosure review program to support the staff's review of issuer-offering documents and periodic reports, with the primary goal of ensuring company compliance with disclosure, reporting, accounting, and other obligations under the federal securities laws. In FY 2024, the division continued to play an integral role in the agency's efforts to ensure investors have the information they need to make informed investment decisions with respect to unique risks posed by investments in China-based issuers and Commission-identified issuers. During the year, the division continued to issue comments designed to obtain enhanced disclosure for investors about key China-related matters, such as variable interest entity structures and risks, and to ensure that proper disclosures were made by those issuers.

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

LINKS TO ADDITIONAL INFORMATION AND RESOURCES

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

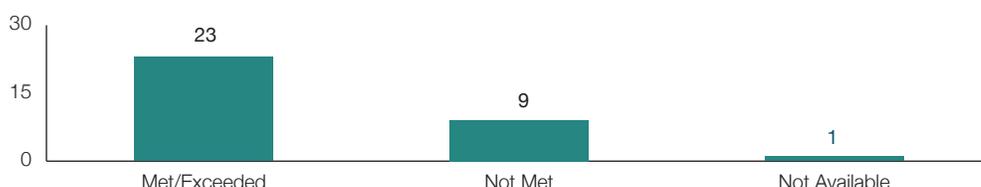
FY 2024 Annual Performance Report (APR) and FY 2026 Annual Performance Plan (APP)

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FY 2024 APR AND FY 2026 APP OVERVIEW

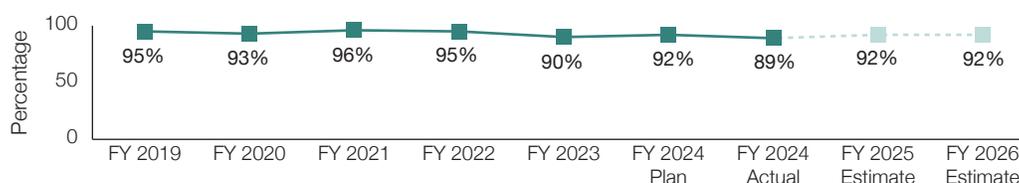
This section comprises the agency’s FY 2024 APR and FY 2026 APP, which explain how the SEC uses resources to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation. In FY 2024, total SEC obligations were \$2.193 billion in support of 4,920 total full-time equivalents (FTE). Of 33 total performance targets, the agency met or exceeded 23; did not meet 9; and data was not available for 1. The budget request for FY 2026 totals \$2.149 billion. The FY 2026 budget request funds 4,101 FTEs, a decrease of about 819 FTEs compared to the FY 2024 level.

FY 2024 PERFORMANCE RESULTS SUMMARY



PERFORMANCE GOALS

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

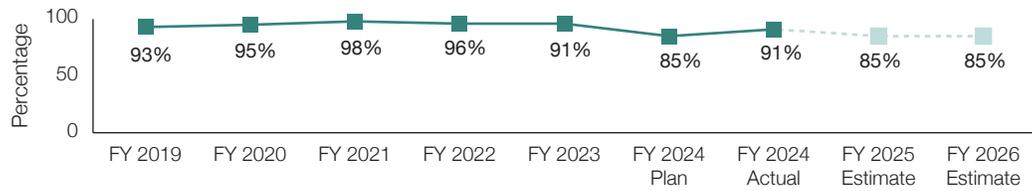


Target: Not Met

Analysis if Not Met: In FY 2024, the Commission obtained a judgment or order finding liability and/or imposing relief on one or more claims in 89 percent of enforcement action outcomes, which is below the goal of 92 percent. The shortfall is largely attributable to an instance in which 29 parties were voluntarily dismissed. See *SEC v. Digital Licensing Inc. (d/b/a "DEBT Box"), et al.*, Case No. 23-cv-00482-RJS-DBP (D. Utah).

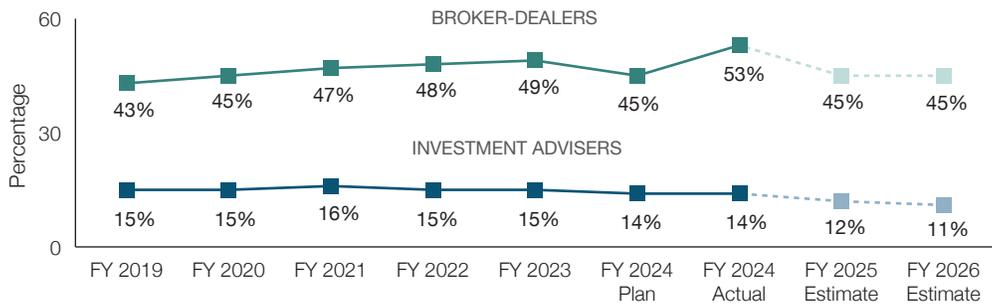
Plan for Improving Program Performance: The Division of Enforcement is taking steps to ensure that circumstances leading to the voluntary dismissals in *SEC v. Digital Licensing Inc.* are not repeated.

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



Target: Exceeded

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



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

PERFORMANCE GOAL 4
Number of regulatory initiatives to improve investor disclosure

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate ¹	FY 2026 Estimate
Division of Corporation Finance (CF)	Prior-year data not available				4	10	4	4	6
Division of Investment Management (IM)	Prior-year data not available				13	15	11	9	9
Division of Trading and Markets (TM)	Prior-year data not available				6	2	10	2	2

Target: CF – Not Met; IM – Not Met; TM – Exceeded

Analysis if Not Met: The decrease in completed rulemaking actions also can be attributed to the changes in the Commission’s broader regulatory agenda.

Plan for Improving Program Performance: The volume of rulemaking actions in any given year is hard to predict because rulemaking actions are based on numerous factors, including Congressional mandates and market developments necessitating regulatory action, as well as the nature of, and changes in, the Commission’s broader agenda.

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

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Division of Corporation Finance (CF)	Prior-year data not available				100%	100%	100%	100%	100%
Division of Investment Management (IM)	Prior-year data not available				92%	75%	73%	100%	100%
Division of Trading and Markets (TM)	Prior-year data not available				72%	50%	60%	50%	50%

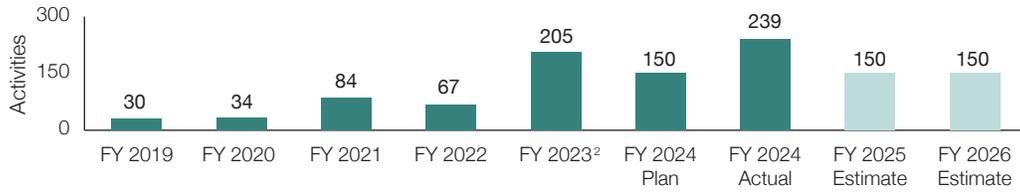
Target: CF – Met; IM – Not Met; TM – Exceeded

Analysis if Not Met: In FY 2024, the Commission met or exceeded two of three targets for regulatory initiatives that consider whether it would be appropriate to include a provision to structure those disclosures (to the extent that the benefits justify the economic costs) to enhance comparability.

Plan for Improving Program Performance: The volume of rulemaking actions in any given year is hard to predict because rulemaking actions are based on numerous factors, including congressional mandates and market developments necessitating regulatory action, as well as the nature of, and changes in, the Commission’s broader regulatory agenda.

¹ Changes from prior year FY 2025 Estimates are due to changes in the Commission’s regulatory agenda.

PERFORMANCE GOAL 6
Investor Engagement Activities



Target: Exceeded

PERFORMANCE GOAL 7

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

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Division of Corporation Finance (CF)	Prior-year data not available				4	2	2	2	2
Division of Investment Management (IM)	Prior-year data not available				15	20	16	10	10
Division of Trading and Markets (TM)	Prior-year data not available				8	2	7	2	2

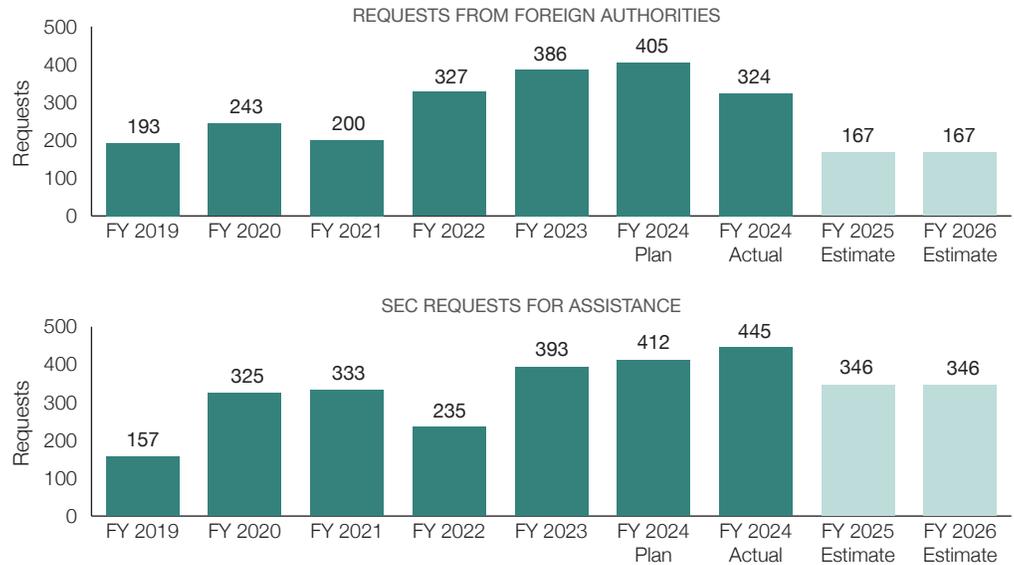
Target: CF – Met; IM – Not Met; TM – Exceeded

Analysis if Not Met: The SEC did not meet its planned level with respect to rulemaking related to the Division of Investment Management (IM). The decrease in completed rulemaking actions from IM in FY 2024 was due to changes in the Commission’s broader regulatory agenda.

Plan for Improving Program Performance: The volume of rulemaking actions in any given year is hard to predict because rulemaking actions are based on numerous factors, including Congressional mandates and market developments necessitating regulatory action, as well as the nature of, and changes in, the Commission’s broader agenda.

² In FY 2023, the metric data collection methodology changed to also capture Investor Engagement Activities from other SEC divisions and offices.

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



Target: Requests from Foreign Authorities – Not Met; SEC Requests for Assistance – Exceeded

Analysis if Not Met: As of February 12, 2024, the SEC’s Office of International Affairs (OIA) centralized the office’s management of a specific type of foreign request—i.e., fit and proper requests³—in its Technical Assistance, Legal Compliance, and Planning Group. This drove the decrease in fit and proper requests handled by the Regulatory Policy and Supervisory Cooperation (RP/SC) Group, although supervisory cooperation saw a 34 percent increase in other types of Requests from Foreign Authorities.

Plan for Improving Program Performance: The centralization of the fit and proper requests in 2024 helped the RP/SC Group’s staff support the increases in other types of foreign authority requests for assistance, the increase in SEC Requests for Assistance, and other regulatory policy workstreams.

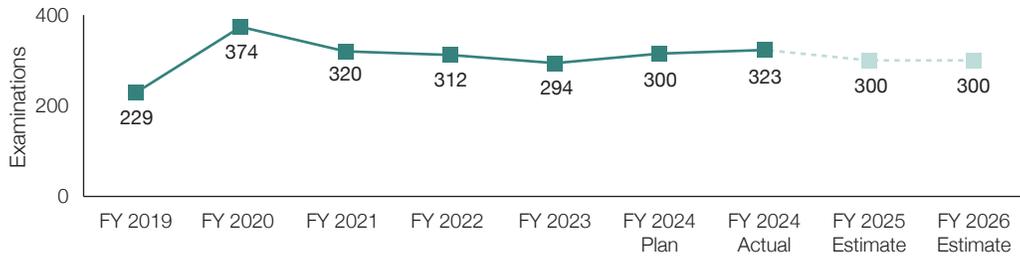
PERFORMANCE GOAL 9
Percentage of supervisory engagements with broker-dealers and clearing agencies to address systemic and infrastructure risks

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Percentage	Prior-year data not available				100%	50%	100%	50%	50%

Target: Exceeded

³ A “fit and proper” request is part of a due diligence process for many securities regulators around the world to determine whether to grant a regulatory application by persons and entities, such as licensing, registration, or authorization, to engage in certain regulated activities.

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



Target: Exceeded

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

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Percentage	Prior-year data not available				100%	100%	100%	100%	100%

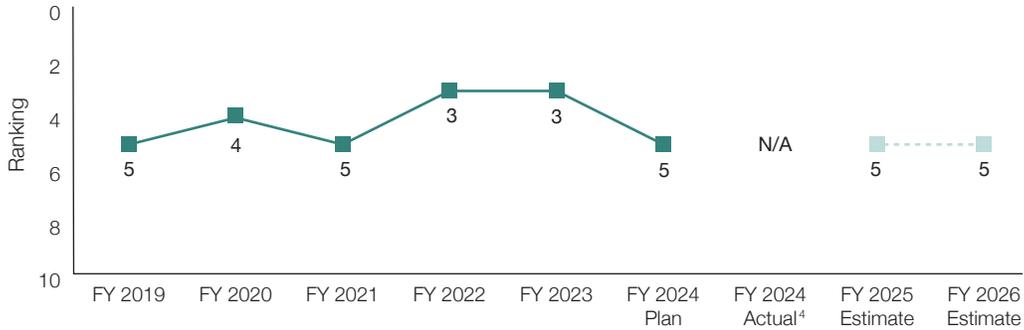
Target: Met

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

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
New Investor Education Materials Issued	Prior-year data not available			16	24	16	16	16	16
Users Indicating a Positive Change	Prior-year data not available			94%	91%	90%	90%	90%	90%

Target: New Investor Education Materials Issued – Met; Users Indicating a Positive Change – Met

PERFORMANCE GOAL 13
Results of Federal Employee Viewpoint Survey



Target: N/A

PERFORMANCE GOAL 16⁵
Equal Employment Opportunity Compliance – Sentiment and Assessment

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Positive Rating on FEVS Q8 ⁶	76%	79%	80.6%	82.6%	82.6%	70%	86%	75%	86%
Percentage of “Yes” (or N/A) Responses to EEOC Questions ⁷	Prior-year data not available				98%	100%	97.4%	100%	100%

Target: Positive Rating on FEVS Q8 – Exceeded; Percentage of “Yes” (or N/A) Responses to EEOC Questions – Not Met

Analysis if Not Met: The SEC has undertaken programmatic improvements to increase compliance with all indicators of a Model EEO Program, as outlined by the EEOC.

Plan for Improving Program Performance: The areas in which there were deficiencies in the Model EEO Program were outlined and identified for improvement. Programmatic changes were undertaken and, for three areas of improvement, are complete. The remaining area is under review and is being corrected in FY 2025.

⁴ FY 2024 rankings are expected to be available in summer 2025.

⁵ In accordance with Executive Order 14151, *Ending Radical and Wasteful Government DEI Programs and Preferencing*, Performance Goal 14, *Index Results from SEC Federal Employee Viewpoint Survey: Diversity, Opportunity, and Employee Inclusion*, and Performance Goal 15, *Diversity Outreach*, have been removed.

⁶ Federal Employee Viewpoint Survey Q8: “I can disclose a suspected violation of any law, rule or regulation without fear of reprisal.”

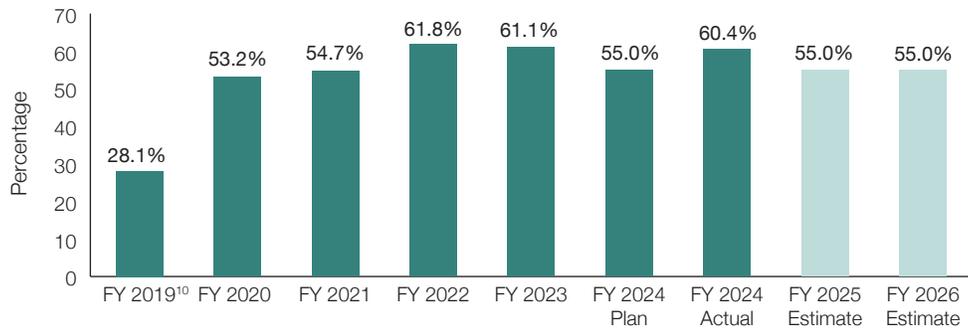
⁷ As prescribed by the Equal Employment Opportunity Commission, 156 questions for evaluating whether agencies have in place policies and procedures necessary to support a Model EEO Program. Data will be published in 2025.

PERFORMANCE GOAL 17
Employee Views on Intra-Agency Collaboration

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Cooperation (Q14) ⁸	85%	89%	88.8%	88.8%	88.7%	70%	90.0%	75%	75%
Knowledge Share (Q17) ⁹	83%	87%	86.8%	86.5%	85.7%	70%	87.4%	75%	75%

Target: Cooperation (Q14) – Exceeded; Knowledge Share (Q17) – Exceeded

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



Target: Exceeded

PERFORMANCE GOAL 19
Percentage of SEC information systems encrypting data-at-rest and encrypting data-in-transit, as reported per FISMA¹¹

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Data-at-Rest	Prior-year data not available				96.6%	95%	96.58%	95%	95%
Data-in-Transit	Prior-year data not available				95.0%	95%	97.44%	95%	95%

Target: Data-at-Rest – Exceeded; Data-in-Transit – Exceeded

⁸ Federal Employee Viewpoint Survey Q14: “The people I work with cooperate to get the job done.”

⁹ Federal Employee Viewpoint Survey Q17: “Employees in my work unit share job knowledge.”

¹⁰ Beginning in FY 2019, the percentage is based on the new calculation methodology. POA&Ms are identified within a 12-month period, where the end of that 12-month period is 6 months prior to the reporting period.

¹¹ Federal Information Security Modernization Act

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

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Submitted Within 12 Months	Prior-year data not available				68%	65%	82%	65%	65%
Not Yet Submitted Within 12 Months	Prior-year data not available				60%	60%	96%	60%	60%
Target: Submitted Within 12 Months – Exceeded; Not Yet Submitted Within 12 Months – Exceeded									

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

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Number	Prior-year data not available				18	20	4	20	4
Target: Not Met									

Analysis if Not Met: The Office of Information Technology (OIT) completed the development of 4 of the 20 originally estimated analytical models, tools, capabilities, and solutions in FY 2024. OIT plans for these four capabilities to be made available to SEC staff in 2025 subject to funding.

Plan for Improving Program Performance: OIT is reevaluating the targets for deployment of these capabilities, tools, solutions, and analytic methods in production and availability to the SEC staff, given resource constraints.

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

Fiscal Year	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 Plan	FY 2024 Actual	FY 2025 Estimate	FY 2026 Estimate
Percentage	Prior-year data not available				93%	90%	95%	90%	90%
Target: Exceeded									

Appendices

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APPENDIX A: VERIFICATION AND VALIDATION OF PERFORMANCE DATA

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

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

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

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

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

GAO Report: “Financial Technology: SEC Should Prepare a Workforce Plan, Document Oversight Controls, and Set Goals for Innovation Office” (GAO-24-106635, dated January 2024)



OFFICE OF THE CHAIR

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

July 12, 2024

The Honorable Patty Murray
Chairwoman
Committee on Appropriations
United States Senate
S-128, The Capitol
Washington, DC 20510

The Honorable Susan Collins
Vice Chair
Committee on Appropriations
United States Senate
S-128, The Capitol
Washington, DC 20510

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

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

The Honorable Chris Van Hollen
Chairman
Subcommittee on Financial Services and
General Government
United States Senate
730 Hart Senate Office Building
Washington, DC 20510

The Honorable Bill Hagerty
Ranking Member
Subcommittee on Financial Services and
General Government
United States Senate
251 Russell Senate Office Building
Washington, DC 20510

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

The Honorable Steny Hoyer
Ranking Member
Subcommittee on Financial Services and
General Government
U.S. House of Representatives
1705 Longworth House Office Building
Washington, DC 20515

Dear Chairpersons/Ranking Members:

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendations of the U.S. Government Accountability Office (GAO) in its January 2024 report, “Financial Technology: SEC Should Prepare a Workforce Plan, Document Oversight Controls, and Set Goals for Innovation Office” (GAO-24-106635). We appreciated the GAO’s review of the SEC’s financial technology expertise.

GAO Report: “Financial Technology: SEC Should Prepare a Workforce Plan, Document Oversight Controls, and Set Goals for Innovation Office”
(GAO-24-106635, dated January 2024) (*continued*)

Page 2

We are pleased the GAO’s review found that the SEC has hired talented staff. The GAO’s report identified three recommendations to improve the SEC’s internal processes. The SEC made timely implementation of these recommendations a priority and has now completed the actions to implement all three recommendations, as summarized below.

The GAO’s first recommendation asked that the SEC’s Chief Human Capital Officer prepare a new workforce planning strategy aligned with the agency’s 2022–2026 strategic and performance plans. The Office of Human Resources took corrective action in April 2024 by finalizing *U.S. Securities and Exchange Commission Workforce and Succession Planning Strategy FY 2024- FY 2026*. Accordingly, GAO concurred with the SEC’s request to close this recommendation in late May 2024.

The remaining two GAO recommendations asked that the SEC’s Strategic Hub for Innovation and Financial Technology (FinHub) update its policies, procedures, and performance measures. FinHub has finalized comprehensive written office policies and procedures and performance measures tied to the Office’s mission. The SEC recently submitted a formal request seeking GAO concurrence that these two recommendations also can be closed.

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

Sincerely,



Gary Gensler
Chair

GAO Report: “Sexual Harassment: Actions Needed to Improve Prevention Training for Federal Civilian Employees” (GAO-24-106589, dated February 2024)



OFFICE OF THE CHAIR

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

August 1, 2024

The Honorable Patty Murray
Chairwoman
Committee on Appropriations
United States Senate
S-128, The Capitol
Washington, DC 20510

The Honorable Susan Collins
Vice Chair
Committee on Appropriations
United States Senate
S-128, The Capitol
Washington, DC 20510

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

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

The Honorable Chris Van Hollen
Chairman
Subcommittee on Financial Services and
General Government
United States Senate
730 Hart Senate Office Building
Washington, DC 20510

The Honorable Bill Hagerty
Ranking Member
Subcommittee on Financial Services and
General Government
United States Senate
251 Russell Senate Office Building
Washington, DC 20510

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

The Honorable Steny Hoyer
Ranking Member
Subcommittee on Financial Services and
General Government
U.S. House of Representatives
1705 Longworth House Office Building
Washington, DC 20515

Dear Chairpersons/Ranking Members:

I am pleased to provide you with an update on the progress the U.S. Securities and Exchange Commission (SEC) has made in implementing the recommendation of the U.S. Government Accountability Office (GAO) in its February 2024 report, “Sexual Harassment: Actions Needed to Improve Prevention Training for Federal Civilian Employees” (GAO-24-106589). The SEC is committed to developing and maintaining policies, programs, and practices to prevent and address sexual harassment.

GAO Report: “Sexual Harassment: Actions Needed to Improve Prevention Training for Federal Civilian Employees” (GAO-24-106589, dated February 2024) (*continued*)

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GAO’s report included the recommendation that the SEC develop and implement a plan to evaluate the agency’s required sexual harassment prevention training to identify needed improvements. The SEC made timely implementation of this recommendation a priority and has now completed the actions to implement this recommendation, as summarized below.

In April 2024, the SEC incorporated the leading practices and required elements identified in GAO-24-106589 into the agency’s mandatory, comprehensive harassment prevention and response training. The SEC currently plans to finalize the newly developed training and administer it to all SEC employees by early calendar year 2025. The SEC recently submitted a formal request to GAO seeking its concurrence that the recommendation be closed.

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

Sincerely,



Gary Gensler
Chair

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The SEC's FY 2026 Congressional Budget
Justification/Annual Performance Plan
and FY 2024 Annual Performance Report
was successfully produced through the
efforts of our talented staff. To these
individuals, we offer our sincerest
appreciation. To comment on this report,
please send an email to
OFM_budget_formulation@sec.gov.

U.S. Securities and Exchange Commission

Washington, DC 20549

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