

VII. MAJOR MANAGEMENT CHALLENGES

The United States Senate Committee on Governmental Affairs annually conducts oversight of each agency to ensure that the federal government delivers better results to its citizens and taxpayers. The Senate Committee works through the Office of the Inspector General (OIG), annually requesting that each agency's OIG identify the ten most serious long-term management challenges facing their respective agency.

In an FY 1999 report to the Senate Committee (letter dated 1 December 1998), the NSF OIG identified ten significant NSF management challenges:

MAJOR MANAGEMENT CHALLENGES FOR FY 1999 AND FY 2000

1. *Managing an effective merit review system
2. Capitalizing on NSF strengths when responding to increased expectations
3. Using the Government Performance and Results Act
4. Responding to the Chief Financial Officers Act
5. *Implementing FastLane
6. Managing the Antarctic Program
7. Sustaining high scholarship and integrity
8. Spending funds effectively and efficiently
9. Managing an effective system for cost sharing
10. Managing salaries and administrative resources

*An * denotes areas included under goals in the FY 1999 and FY 2000 Performance Plans*

NSF responded to the Senate Committee in a letter dated September 28, 1999, noting that the NSF IG had stated overall that the Foundation is well managed, and accordingly found these issues to be challenges, rather than managerial "deficiencies".

In FY 2000 the NSF OIG report to the Senate Committee identified 10 management challenges which it considered to be the most important for NSF. The NSF OIG found that the overall NSF investment portfolio was healthy and the Foundation did not have significant management deficiencies. The OIG identified the same list of challenges for NSF in FY 2000 as it did in FY

1999. The OIG also stated that the Foundation management had made continuous progress on each of these items in FY 2000.

In its FY 1999 Performance Report to Congress NSF did not discuss each of the major management challenges identified by the NSF OIG. In discussions with GAO the OIG indicated that NSF is taking effective steps to respond to these challenges, and did not need to include each of them in performance reports or future performance plans. However, the OIG did express concerns about areas related to effective oversight and the need for NSF to be alert to emerging situations that could result in problems. NSF senior management, responding to the concerns of the NSF OIG, continually review and monitor each of these areas and continue to include select areas for assessment in annual performance plans.

For FY 2001, the NSF OIG has identified 10 areas (see below) including some areas identified in previous years, and several new areas for NSF to monitor:

FY 2001 MAJOR MANAGEMENT CHALLENGES

1. *Merit Review
2. Data Security
3. Cost Sharing
4. Award Administration
5. Management of Large Infrastructure Projects
6. *FastLane
7. GPRA Data Quality
8. Work Force Planning and Training
9. Management of U.S. Antarctic Program
10. *Fostering a Diverse Scientific Workforce

An "" denotes areas included as goals in the FY 2001 performance plan*

NSF continues to maintain performance goals in annual performance plans for FY 2001 and 2002 related to the use of merit review, use of FastLane, workforce training, and increasing the diversity of the scientific workforce. NSF has internal management controls which continually monitor award administration, cost sharing by awardees, data security and quality, and project management. NSF is committed to achieving and maintaining the highest standards with integrity to produce high quality outputs and outcomes, and to improving its performance overall in these areas and others on a continuing basis.