

# **PRESIDENT'S COUNCIL on INTEGRITY & EFFICIENCY**

## **FOREWORD**

In September 1999, key Congressional leaders requested selected Offices of Inspector General (OIG) to identify the "Top Management Challenges" faced by their agencies. Each OIG responded individually to Mr. Armev in December 1999. These responses discuss how the OIGs will address the issues unique to their agency in their work plans.

The members of the President's Council on Integrity and Efficiency (PCIE) agreed that an analysis of these challenges could be useful to the Inspector General community, in particular, and the oversight community, in general. Individual OIGs could partner with their colleagues to share best practices that are being employed to assist the agency heads in meeting these management challenges. Within the oversight community, this analysis could be useful in identifying possible government-wide projects warranting high-level attention and review.

As a result of this analysis, we identified seven challenges that have applicability across government. They are, in order of most frequently identified, as follows:

- ◆ Financial Management and CFO Statements
- ◆ Information and Technology Resources
- ◆ Security and Data Integrity
- ◆ GPRA Compliance, Implementation and Accountability
- ◆ Procurement and Grant Management
- ◆ Personal Security and Safety
- ◆ Human Capital and Staffing

In addition, we have included the "Top Management Challenges," as identified by the OIG for the 24 agencies included in the analysis, and the 12 Priority Management Objectives for strengthening government-wide management, as listed in the President's Fiscal Year 2001 Budget. The government-wide challenges we identified are consistent with these Objectives.

Within the Inspector General community, we are continuing to combine forces to more effectively and efficiently confront common challenges. We are looking for opportunities to improve our communications with one another and our agency management as we pursue solutions to the complex issues facing us. This analysis is just one example of our efforts. The PCIE anticipates conducting similar analyses to highlight our government's most significant challenges and recommend ways of addressing them.

Gaston L. Gianni, Jr.  
Vice Chair

April 19, 2000

# TOP MANAGEMENT CHALLENGES MOST FREQUENTLY IDENTIFIED

April 19, 2000

Agency	Financial Management & CFO Statements	Security & Data Integrity	Information & Technology Resources	GPRA Compliance, Implementation & Accountability	Procurement & Grant Management	Personal Security & Safety	Human Capital & Staffing
1. Agency for International Development	X	X	X	X			X
2. Agriculture	X	X	X			X	
3. Commerce	X		X	X			
4. Defense	X		X		X	X	
5. Education	X	X	X	X			
6. Energy		X			X	X	
7. Health & Human Services	X	X					
8. Housing & Urban Development	X				X		X
9. Interior	X						
10. Justice	X	X	X		X	X	X
11. Labor	X	X	X	X	X		
12. State	X	X		X		X	
13. Transportation	X	X		X		X	
14. Treasury	X	X	X	X			
15. Veterans Affairs	X	X		X		X	
16. Environmental Protection Agency	X	X	X	X	X		X
17. Federal Emergency Management Agency	X	X	X	X	X	X	
18. General Services Administration		X	X				X
19. Internal Revenue Service	X	X	X	X			X
20. National Aeronautics & Space Administration	X		X		X	X	
21. Nuclear Regulatory Commission	X		X		X	X	
22. Office of Personnel Management	X			X			X
23. Small Business Administration	X	X	X	X	X		
24. Social Security Administration		X		X			
<b>TOTAL</b>	<b>21</b>	<b>17</b>	<b>15</b>	<b>14</b>	<b>10</b>	<b>10</b>	<b>7</b>

# **INSPECTORS GENERAL TOP MANAGEMENT ISSUES**

## **Identified in Response to September, 1999 Congressional Request**

### **Agency for International Development (AID)**

1. Progress Implementing an Integrated Financial Management System
2. Data Reconciliation
3. Financial Management Procedures
4. Direct Loan Program
5. Accounts Receivable
6. New Management System Reporting and Resource Management Capabilities
7. Information Resource Management Processes
8. Year 2000
9. Computer Security
10. Human Resources Capabilities
11. USAID's Program Management Mandate is too Broad
12. Results Reporting (GPRA)

### **Department of Agriculture**

1. Federal Crop Insurance
2. Farm Credit
3. Food Stamp Program
4. Child and Adult Care Food Program
5. Food Safety Issues
6. Forest Service Management and Program Delivery Issues
7. Research Funding Accountability
8. Competitive Grants Program Compliance
9. Rural Rental Housing
10. Civil Rights Complaints
11. Financial Management
12. Information Resources Management

### **Department of Commerce**

1. Increase the Accuracy and Control the Cost of the 2000 Decennial Census
2. Obtain a Clean Opinion on the Department's Consolidated Financial Statements
3. Address Commerce's Year 2000 Computer Problem
4. Successfully Implement NWS's Advance Weather Interactive Processing System
5. Successfully Implement a Department-Wide Financial Management System
6. Reassess NTIS' Mission and Financial Viability
7. Expand Private Sector Participation in NOAA's Marine and Aeronautical Data Gathering
8. Manage PTO's Space Requirements and Lease Costs
9. Maximize Competition in the Department's Financial Assistance Programs
10. Continue to Improve the Department's Planning and Performance Measurement in Accordance with GPRA

## **Department of Defense**

1. Information Technology Management
2. Information Technology Security
3. Other Security Concerns Management
4. Management
5. Acquisition
6. Health Care
7. Supply Inventory Management
8. Other Infrastructure Issues
9. Readiness
10. Turbulence from Change

## **Department of Education**

1. Address Long-Standing Financial Management Problems
2. Year 2000 Challenges
3. Improve Systems Security Posture, Policy and Plans
4. Implementation of the Student Financial Assistance (SFA) Modernization Blueprint and Performance Plan
5. Development of Paperless Systems for SFA Fund Delivery
6. Implementing Clinger-Cohen Act
7. Performance Reporting Under GPRA
8. Balancing Compliance Monitoring and Technical Assistance for Elementary and Secondary Education Programs '
9. Implementation of Data Match with IRS to Ensure SFA Recipients Accurately Report Income to Qualify for Financial Aid

## **Department of Energy**

1. Security Issues
2. Project Management
3. Contract Management
4. Nuclear Waste Storage and Disposal
5. Safety and Health
6. Environmental Compliance
7. Materials Inventory
8. Infrastructure
9. Property Controls

## **Department of Health and Human Services**

1. Medicare Contractors
2. Medicare Medical Equipment and Supplies
3. Medicare Provider Numbers
4. Medicare Payment Error Rate
5. Medicare Payments for Mental Health Services
6. Medicare Payments for Rehabilitation Services
7. Medicare: Managed Care

8. Home Health
9. Implementation of Balanced Budget Act Provisions
10. Nursing Facilities
11. Child Support Enforcement
12. Medicare Prescription Drugs
13. Year 2000 Computing Problems

### **Department of Housing and Urban Development**

1. HUD 2020 Management Reform Plan Development and Execution
2. Use of Staff Resources
3. Single Family Property Disposition Program
4. Single Family Loss Mitigation Activities
5. Troubled Agency Recovery Centers not Operating as Intended
6. Real Estate Assessment System
7. Financial Management Systems
8. Procurement Systems
9. Section 8 Program Administration

### **Department of Interior**

1. Management of Indian Trust Funds
2. Maintenance
3. National Park Service Housing
4. Financial Management
5. Waste Management
6. Revenue Collections
7. Inspection and Enforcement of Fluid Minerals
8. Range Monitoring
9. Land Exchanges
10. Automated Records System

### **Department of Justice**

1. Information Systems Planning and Implementation
2. Computer Systems Security
3. Financial Statements and Systems
4. Asset Forfeiture Program
5. Prison Overcrowding
6. Detention Space and Infrastructure
7. Management Controls in the Naturalization Process
8. Deportation
9. Grant Management
10. Human Capital

### **Department of Labor**

1. Effectiveness of the Welfare-to-Work Initiative
2. Accounting for ETA Grant and Contract Funds
3. Quality of Program Results Data

4. Implementation of the Workforce Investment Act (WIA)
5. Security of Pension Assets
6. Protection of Worker Benefit Funds
7. Collection/Disbursement of Back Wages and Related Penalties
8. Compliance with New Financial Management Requirements
9. Stewardship Over DOL Information Technology Resources
10. Accounting for Equity in Real Property

### **Department of State**

1. Worldwide Security
2. Meeting Year 2000 Challenge and Beyond
3. Safeguarding U.S. Borders
4. Correcting Weaknesses in Financial Management
5. Maintaining Effective Export Controls
6. Improving Real Property Management and Maintenance
7. Strategic Planning

### **Department of Transportation**

1. Aviation Safety
2. Surface Transportation Safety
3. Air Traffic Control Modernization
4. FAA Financing and Reauthorization
5. Surface, Marine and Airport Infrastructure
6. Transportation Security
7. Computer Security
8. Financial Accounting/Chief Financial Officers Act
9. Amtrak Financial Viability and Modernization
10. Coast Guard Deepwater Capability Replacement Project
11. Ship Disposal Program
12. Government Performance and Results Act Implementation

### **Department of the Treasury**

1. Treasury's Information Technology Investment Management
2. Money Laundering/Bank Secrecy
3. Information Security
4. Violent Crime/Gun Control
5. Trade Enforcement and Narcotics Interdiction by Customs
6. Revenue
7. Implementation of the Government Performance and Results Act
8. Financial Management at Treasury/Compliance with FFMIA

### **Department of Veterans Affairs**

1. Health Care Quality Management and Patient Safety
2. Resource Allocation

3. Claims Processing, Appeals Processing, and Timeliness and Quality of Compensation and Pension Medical Examinations
4. Inappropriate Benefit Payments
5. Government Performance and Results Act-Data Validity
6. Security of Systems and Data
7. VA Consolidated Financial Statements
8. Debt Management
9. Workers Compensation Costs

### **Environmental Protection Agency**

1. Accountability
2. Environmental Data Information systems
3. Backlog of National Pollutant Discharge Elimination System Permits
4. Oversight of Assistance Agreements
5. Employee Competencies
6. EPA's Automated Information Systems Security
7. Quality of Laboratory Data
8. Agency Process for Preparing Financial Statements
9. Superfund Five-Year Reviews
10. The Great Lakes Program

### **Federal Emergency Management Agency**

1. GPRA Implementation
2. Financial Management
3. Information Technology Management
4. Grants Management
5. Disaster Response and Recovery Program
6. State and Local Preparedness Cost
7. Flood Insurance Program
8. Mitigation Program
9. National Security Support
10. Fire Administration Program

### **General Services Administration**

1. Management Controls
2. Information Technology Solutions
3. Multiple Award Schedule Program
4. Personnel Infrastructure
5. Aging Federal Buildings
6. Protection of Federal Facilities and Personnel

### **Internal Revenue Service**

1. Financial Management
2. IRS Modernization (Organizational, Technology & Year 2000 Compliance)
3. Security of IRS Information Systems

4. Processing Returns and Implementing Tax Law Changes During the Tax Filing Season
5. Customer Service and Tax Compliance Initiatives
6. Providing Quality Customer Service Operations
7. Revenue Protection--Minimizing Tax Filing Fraud
8. Taxpayer Protection and Rights
9. Implementation of GPRA
10. Impact of the Global Economy on Tax Administration

### **National Aeronautics and Space Administration**

1. Safety and Mission Assurance
2. Procurement
3. International Space Station
4. Information Technology
5. Fiscal Management
6. Program and Project Management
7. Launch Vehicles
8. Research and Technology Demonstration/Application
9. International Agreements
10. Environmental Issues

### **Nuclear Regulatory Commission**

1. Developing and Implementing a Risk-Informed, Performance- Based Approach to Regulatory Oversight
2. Developing Information Management Systems and Being Able to Anticipate and Measure the Benefits to be Gained
3. Responding to Impact of Industry De-Regulation and License Transfers
4. Administering and Overseeing Agency Procurement Under Government Contracting Rules
5. Effectively Communicating with the Public and Industry
6. Maintaining an Unqualified Financial Statement Opinion in light of new and Existing CFO Requirements
7. Ensuring NRC's Processes are responsive to Industry Needs
8. Ensuring NRC's Enforcement Program has an Appropriate Safety Focus and Reflects Improved Licensee Performance
9. Refocusing NRC's Research Program to Reflect a Mature Industry
10. Responding to External Influences for Changing NRC's Operations

### **Office of Personnel Management**

1. Revolving Fund and Salaries and Expenses Accounts
2. Financial Management Oversight of the FEHBP
3. Controls over Investments
4. Retirement System Modernization
5. Health Care Fraud in the Federal Employees Health Benefits Program
6. Implementation of GPRA
7. Human Resources Accountability
8. Compensation Comparability
9. Succession Planning



## **Small Business Administration**

1. District Offices do not consistently apply guarantee purchase requirements
2. SBA needs to improve loan monitoring
3. SBA needs an effective oversight process for SBLCs
4. More participating companies need to obtain contracting opportunities in the Section 8(a) program
5. Participants who become wealthy are allowed to remain in the Section 8(a) program and be considered economically disadvantaged
6. SBA does not enforce its rules to limit pass-through procurement activity to non-Section 8(a) participants
7. SBA needs to develop and implement a program-based cost accounting system
8. Information system controls need improvement
9. Preventing loan agent fraud requires greater emphasis
10. Borrowers in SBA's business loan program need to have criminal history background checks

## **Social Security Administration**

1. Solvency
2. Systems Security and Controls
3. Program Complexity
4. Fraud Risk
5. GPRA
6. Disability Redesign
7. Earnings Suspense File
8. Service to the Public
9. Enumeration
10. Identity Theft

**Priority Management Objectives**  
**As presented in the President's Fiscal Year 2001 Budget**

**Strengthening Government-wide Management**

1. Use performance information to improve program management and budget decision-making.
2. Improve financial management information.
3. Use capital planning and investment control to better manage information technology.
4. Provide for computer security and protect critical information infrastructure.
5. Strengthen statistical programs.
6. Implement acquisition reforms.
7. Implement electronic Government initiatives.
8. Better manage Federal financial portfolios.
9. Align Federal human resources to support agency goals.
10. Verify that the right person is getting the right benefit.
11. Streamline and simplify Federal grants management.
12. Capitalize on Federal energy efficiency.