National Science Foundation
Advisory Committee for Business and Operations
Spring 2018 Meeting

June 13-14, 2018
Rooms E 2030

Wednesday, June 13, 2018

1:00 pm **Welcome/Introductions/Recap**
Co-Chairs: Chuck Grimes and Susan Sedwick

1:15 pm **Meeting with Dr. Córdova and Dr. Ferrini-Mundy**
Discuss any comments regarding the President's Management Agenda (PMA) and Renewing NSF. Discussion and feedback around the interconnectedness of the PMA with NSF's ongoing Renewing NSF efforts.

2:15 pm **President's Management Agenda - Overview**
Provide a high level overview of the President's Management Agenda.

NSF Business Drivers: The 10 Big Ideas, NSF's Strategic Plan, Renewing NSF, OIG Management Challenges, and President's Management Agenda.

Specifically, for this discussion:

Overview of Renewing NSF:
- Overview presented at the Winter 2017 BOAC Meeting
- 4 Broad Priorities:
   o Making information technology work for us
   o Adapting the NSF workforce to the work
   o Expanding and deepening public and private partnerships
   o Streamlining, standardizing, and simplifying programs and processes

The President's Management Agenda (PMA): Modernizing Government for the 21st Century
- The PMA was released in March 2018.
- The PMA lays a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver **mission** outcomes, provide excellent **service**, and effectively **steward** taxpayer dollars on behalf of the American people.
- Three drivers of transformation:
   o IT modernization
   o Data, Accountability and Transparency
   o People – Workforce of the Future
- A total of 14 Cross Agency Priorities (CAPs) including two of which we will take deeper dives at this meeting:
   o Results-Oriented Accountability for Grants
   o IT modernization

Committee Action/Feedback:
- NSF seeks the Committee's advice on: 1) Committee's experience in implementing other high-level or cross-cutting initiatives like the PMA and 2) Based on your experience with high-level or cross-cutting reforms/initiatives what are some strategies that facilitated the integration of and commitment to multiple initiatives?

Presenters: Donna Butler, OIRM; Teresa Grancorvitz, BFA

Discussants: Adam Goldberg and John Kamensky

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2:45 pm	**Break**

3:00 pm **Deeper Dive- Cross-Agency Priority (CAP) Goal – Results-Oriented Accountability for Grants**

The 2018 President's Management Agenda (PMA) lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. CAP Goal #8, Results Oriented Accountability for Grants, is made up of three overall strategies:
- Standardize data;
- Develop digital tools to manage risk, such as a grantee's past performance and financial management; and
- Implement a maturity model to encourage agencies to structure grant programs that best balance program results and financial management as important aspects of stewarding tax dollars.

Through these strategies, this goal will Rebalance compliance efforts with a focus on results for the American taxpayer; Standardize grant reporting data and improve data collection in ways that will increase efficiency, promote evaluation, reduce reporting burden, and benefit the American taxpayer; Measure progress and share lessons learned and best practices to inform future efforts, and Support innovation to achieve results.

The Department of Health and Human Services, the Department of Education, and Office of Management and Budget will lead this goal. Other participating agencies will include major grant making agencies with additional support provided by General Services Administration. The Chief Financial Officer Council (CFOC) is the governing body that is overseeing the implementation of CAP Goal #8, and has set up five working groups to address different parts of the goal. As a leader in federal financial assistance, NSF is actively participating in these working groups

Committee Action/Feedback:
NSF seeks advice and perspective on how to ensure that NSF moves forward effectively and efficiently in implementing the PMA Results-oriented Accountability for Grants.

<u>PMA Results-Oriented Accountability for Grants – What Does Success Look Like for NSF, and How will NSF Get There?</u>
- How can NSF internally organize to support PMA objectives?
- How can the external community assist NSF with meeting goals?
- How can NSF work with other Federal agencies?
- What does success look like?

Presenter: Dale Bell, BFA

Discussants: Susan Sedwick and Pamela Webb

3:45 pm **Deeper Dive- Cross-Agency Priority (CAP) Goal – Modernize IT to Increase Productivity and Security**

The 2018 President's Management Agenda (PMA) lays out a long-term vision for modernizing the Federal Government in key areas that will improve the ability of agencies to deliver mission outcomes, provide excellent service, and effectively steward taxpayer dollars on behalf of the American people. The Modernize IT CAP goal is made up of three overall strategies:
- Modernize the Stack;
- Embrace Cloud Solutions; and
- Mitigate Project Delivery Risks

Through these strategies, this goal will enhance the effectiveness and efficiency of government services, leveraging data-driven, customer-focused strategies to modernize legacy systems, consolidate common agency services, adopt new shared service models, and embrace commercial cloud solutions. The Office of Management and Budget, the Office of American Innovation, and the U.S. Digital Service are leading this goal. Other supporting agencies include GSA and DHS. NSF has long been engaged in these three strategies.

Committee Action/Feedback:
NSF seeks advice and perspective on how to ensure that NSF moves forward effectively and efficiently in implementing the Modernizing IT CAP Goal strategies while implementing artificial intelligence in the merit review and financial management process.

PMA Modernizing IT – What Does Success Look Like for NSF, and How will NSF Get There?
- How can the external community assist NSF with meeting goals?
- Where in the merit review and financial management processes should these new IT tools be deployed?
- What does success look like?

Presenters: Dorothy Aronson, OD; Dan Hofherr, OIRM

Discussants: John Tao and Ned Holland

4:30 pm	**Break**
4:45 pm	**Interaction of Agency CFO and CIO**

Federal CFOs and CIOS are facing a wide range of challenges in managing financial and IT priorities in today's ever-changing environment. Following are some examples of government-wide requirements where careful coordination needs to take place between the CIO and CFO.

Federal IT Acquisition Reform Act (FITARA)
FITARA was enacted in December 2014 in response to specific federal IT challenges:
- Duplication of IT spending between and within agencies
- Struggle to understand cost and performance of IT investments
- Lack of visibility into the IT spend

Key objectives of FITARA include:
- Aligning IT resources with agency missions and requirements
- Strengthening federal agency CIOs' accountability for IT costs, performance, and security
- Enabling effective planning, programming, budget and execution for IT resources
- Providing transparency into IT resources across agencies and programs

An **Executive Order** was released in May 2018 that largely echoes the mandates in FITARA. FITARA hasn't been fully effective, as noted by current administration officials, as only half of department CIOs currently report directly to agency leadership as mandated in FITARA. The Executive Order calls out several issues while adding another layer: requiring a place for CIOs as voting members on agencies' IT governance boards.

NSF is complying with most of the requirements of FITARA and the Executive Order, helped to a great extent by the good working relationship between the CFO, CIO and their respective organizations.

A few examples of the CIO and CFO work well together and are increasingly integrated:
- In FY 2016, NSF's cloud-hosted financial system, iTRAK, was one of the first Federal Agencies to be certified as Fed Ramp compliant. That was made possible by strong collaboration between GSA and a united front between CFO and CIO functions at NSF.
- Internal control and FISMA staff work extremely close together. In FY 2017, together NSF eliminated an IT significant deficiency in one year and in FY 18 we are keeping that partnership going by monitoring risks in other feeder systems that interact with iTRAK.
- The CFO and CIO are strong partners on NSF's Renewal efforts in several ways, our budget and performance offices are on the board and we are exploring significant opportunities to implement robotic technologies to support the NSF Renewal effort.
- Over the past two years, NSF has engaged in extensive discussions with Federal Shared Service providers. The CFO and CIO staffs have worked close together to understand the risks and opportunities to NSF in a variety of ways including, operations, system security, and contractual issues.

Dorothy Aronson and Teresa Grancorvitz participated on a panel (along with Adam Goldberg) at the May 2018 CFO/CIO Summit of the Association of Government Accountants (AGA) to discuss this subject.

Committee Action/Feedback:
NSF seeks the Committee's advice on how to ensure the critical relationship between the CFO and CIO to best serve NSF.
- What additional opportunities does the Committee recommend to further build the relationship?
- Given your experience, what potential roadblocks could occur, either internally or externally, that may diminish the relationship?
- How can NSF firm up the processes behind the relationship such that it will continue to be strong independent of current personalities in the CFO and CIO roles?

Presenters: Dorothy Aronson, OD; Teresa Grancorvitz, BFA

Discussant: Adam Goldberg

5:30 pm   **Adjourn**

6:30 pm   **Dinner**

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Thursday, June 14, 2018

8:00 am   **BFA/OIRM/OLPA/Budget Updates**

Presenters: Donna Butler, OIRM; Teresa Grancorvitz, BFA; Rob Moller, OLPA; Tony DiGiovanni, BFA

8:45 am   **Framing Leadership in Customer Service: BFA and OIRM**

BFA and OIRM provide agency leadership in management and operations at NSF, and many internal and external NSF customers and stakeholders, including Directorates and Offices and their programs, the external U.S. research community and institutions, and federal and congressional stakeholders. OIRM and BFA also coordinate on many levels to conduct our activities.

The past year has been challenging, given the NSF move, settling into the new building, prolonged budget process, extensive efforts at IT modernization, and planning to operate in new ways with new NSF initiatives such as the 10 Big Ideas, Convergence Accelerators, and Introduction of Enterprise Risk Management.

It therefore seems an opportune moment to open a dialog with the Committee on how we are doing with customer service and on ways to ensure continuous improvement.

Committee Action/Feedback:
We ask the Committee to consider the following "framing" questions regarding OIRM and BFA's customer service and leadership in their areas of expertise:

- **Know our customers.** *How do we maintain strong productive relationships with internal and external customers and stakeholders?*
- **Measure ourselves.** *What are the best means and metrics to assess our effectiveness in serving our internal and external customers?*
- **Serve the NSF Mission.** *How do we ensure that everything we do enables the NSF mission and works towards the advancement of science?*
  - How do we best manage our relative roles in customer support, coordination, and leadership within NSF and in the federal sphere?
  - Are there new approaches we should pursue to support new NSF strategies and initiatives (Big Ideas, Accelerators, …)?

We recognize that these questions are open and not necessarily simple to answer in short form. We most value a dialogue with the Committee on how we can ensure we are going from "good to great" in these areas; any evident gaps, and opportunities given the evolving operations and technology landscapes, and NSF's aspirations to maintain and extend its leadership in advancing science and engineering research.

Presenters: Wonzie Gardner, OIRM; Bill Miller, BFA

Discussants: Jan Jones and John Palguta

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10:00 am	**Break**

10:15 am   **Establishing and Maturing an Enterprise Risk Management (ERM) Culture at NSF**

The Office of Management and Budget (OMB) updated Circular A-123 "Management's Responsibility for Enterprise Risk Management and Internal Control" to ensure federal managers are effectively managing risks an Agency faces towards achieving its strategic objectives and arising from its activities and operations. In 2016, the Office of the Chief Financial Officer (OCFO) facilitated the process of preparing NSF's initial risk profile by collaborating with stakeholders from across the Agency. Since then, NSF has made significant progress by (1) completing its first risk profile (2) securing strong leadership support from
the Director and engaging the National Science Board (NSB), (3) implementing a five step ERM framework (4) incorporating the Harvard Business Review framework for communicating risks (5) integrating internal control risk assessments, and (6) incorporating ERM into its strategic plan.

As NSF continues to mature its ERM program, the Agency seeks to create a community of practice regarding ERM techniques and analyses. NSF is well poised to achieve this goal. Assessing risk has always been at the core of making funding decisions to support science. At NSF, we consider our appetite for risk in our decision-making, knowing the potential for these decisions to lead to transformative discoveries. NSF's primary goal is to demonstrate the value of ERM so Agency leadership can leverage it to identify strategic opportunities, make decisions about risks, and build consensus with the Office of Inspector General on top management challenges.

NSF will prepare an updated risk profile in June 2018 that it will discuss with OMB as part of the governmentwide strategic reviews. In addition, the Agency is planning to have a discussion with the Board about ERM in July 2018.

Committee Action/Feedback:
BFA seeks Committee advice to ensure that NSF continues to mature its ERM framework and establishes a community of practice as we move to obtain full buy-in from NSF senior managers. The Advisory Committee could help us with some key insights:
- What are the strategies and best practices that can help us mature ERM and move it from an OCFO mindset to an NSF mindset?
- What actions can we take to continue to develop NSF's ERM governance structure?
- How have you changed your organizational culture to create an ERM community of practice?

Presenters: Mike Wetklow, BFA; Rafael Cotto, BFA; Charisse Carney-Nunes, BFA

Discussants: Doug Webster and John Kamensky

11:30 am	**Committee Business/Wrap Up**
12:00 pm	**Adjourn**