



July 28, 2011

**INFORMATION MEMORANDUM FOR:** Deputy Secretary  
Bureau Heads  
Executive Secretariat  
*Todd J. Zinser*  
**FROM:** Todd J. Zinser  
Inspector General

**SUBJECT:** Fiscal Year 2012 Top Management Challenges Report

The Office of Inspector General (OIG) is required by statute<sup>1</sup> to annually report the top management challenges facing the Department of Commerce. The purpose of this memorandum is to acquaint you with what we, from our oversight perspective, consider the most significant management and performance issues facing the Department in fiscal year (FY) 2012.

This year, we identified five top challenges facing the Department:

1. Coordinate economic-related programs and resources to promote trade, create jobs, and stimulate economic development.
2. Reduce costs and improve operations to optimize resource usage in a constrained budget environment.
3. Strengthen Department-wide information security to protect critical information systems and data.
4. Manage acquisition and contract operations to obtain quality goods and services in a manner most beneficial to taxpayers.
5. Manage the development and acquisition of NOAA's environmental satellite systems to avoid launch delays and coverage gaps.

We are in the process of drafting our report and plan to issue it for management comments by September 30, 2011. Two of this year's challenges are new: Challenge 1 highlights the Department's pivotal role in the nation's economic recovery, and Challenge 2 examines the need to make the best use of limited resources in today's budget environment. In addition, three of FY 2011's major challenges will require continued attention by management. The report will also provide updates of the remaining major challenges from last year.

Finally, we would like to express our appreciation for the support we received from the Office of the Chief Financial Officer/Assistant Secretary of Administration in developing an accelerated schedule for information exchange on this important report.

We welcome the opportunity to discuss these challenges and any comments that you might have. Please feel free to contact me at (202) 482-4661.

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<sup>1</sup> Statute 31 U.S.C. §3516(d).

