SBA has addressed some of the specific performance and management challenges that we previously identified. For example, SBA has identified appropriate elements for an effective lender oversight program but has been slow to incorporate all of them. Other challenges continue.

- **Improving lender oversight.** SBA has made progress in developing its lender oversight program but conducts only a cursory review of lenders’ processes, not a qualitative assessment of decisions on borrowers’ creditworthiness and eligibility. SBA also does not routinely analyze lenders’ SBA loan portfolios to assess the financial risk to SBA.

- **Developing better disaster assistance performance measures.** SBA exceeded its timeliness goals, but the measures used provided incomplete information. For example, in measuring customer satisfaction, SBA uses the results of its survey of successful disaster loan applicants; unsuccessful applicants are not surveyed.

- **Strengthening human capital management.** SBA’s current organizational structure continues to have weaknesses, such as complex, overlapping relationships among offices, which contribute to its challenges in delivering services to small businesses. SBA has a draft 5-year plan to restructure its workforce and streamline its operations.

- **Ensuring improvement in information technology.** SBA has made some progress in establishing policies and defining processes in information technology investment management but still needs policies for software development and acquisition, and in other areas.

- **Improving budget and financial accountability.** SBA continues to have difficulties producing complete, accurate, and timely financial statements. SBA incorrectly calculated the accounting losses on loan sales and did not perform key analyses to determine the overall financial impact of the sales. These errors and lack of key analyses also mean that congressional decision-makers are not receiving accurate financial data to make informed decisions about SBA’s budget and appropriations.