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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

Management Of The Federal Emergency Management Agency--A System Being Developed

The Federal Emergency Management Agency was created in 1979 under authority of the Reorganization Act. Reorganization startup problems--such as delays in obtaining key agency officials, lack of office space, and insufficient staffing--troubled the new agency during the initial years of its existence.

By 1981, management systems still had not been established to integrate top management, program office, and regional office operations. The FEMA Director was concerned about the lack of such systems. GAO identified areas needing improvement in the agency's processes for formulating mission, goals, and objectives; its planning process; performance reporting; program evaluation; and the accounting, budgeting, personnel, procurement, and management information functions.

Agency management has made substantial progress in correcting these problems. GAO makes several specific recommendations for further improvements.

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To the President of the Senate and the
Speaker of the House of Representatives

This report evaluates the evolution of management and administrative support systems in the Federal Emergency Management Agency. On December 7, 1981, we furnished the agency Director an interim report (GGD-82-24) on the management systems review. A separate report on the accounting operations and internal controls was issued to the Director on June 17, 1982, (GAO/AFMD-82-87).

We made this review on the basis of a recommendation by Senator John Tower. Specifically, we were asked to do a baseline audit of FEMA's operations and management systems.

We are sending this report to the Director, Office of Management and Budget, and to the Director, Federal Emergency Management Agency.

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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

MANAGEMENT OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY--A SYSTEM BEING DEVELOPED

D I G E S T

There is a long history of reorganizations and other changes in the Federal emergency and disaster assistance function. The latest reorganization occurred in 1979 when the Federal Emergency Management Agency (FEMA) was created pursuant to a reorganization plan proposed by the President and approved by the Congress. Today, FEMA serves as a single point of contact for Federal emergency management activities such as civil defense and disaster relief. (See p. 10.)

Due to the disruptions associated with reorganization, there was concern about how well FEMA's vital mission was being managed. Senator John Tower, citing accountability problems and the need for a sound management system, recommended that GAO perform a broad review of FEMA's operations. GAO began its work in June 1981.

GAO's objectives were to make an agencywide assessment of FEMA's management systems and administrative support functions, and develop specific recommendations about how management can bring about needed improvements. (See pp. 41 and 72.)

REORGANIZATION STARTUP PROBLEMS ADVERSELY AFFECTED FEMA MANAGEMENT

Typical of other newly created agencies, FEMA's management problems stemmed, in large part, from startup problems during the 1979 reorganization. Most obvious was the lack of a "FEMA identity." The five predecessor agencies which made up FEMA were geographically separated until 1981. Each had its own identity and operating procedures. Further, FEMA was virtually leaderless during the early months of its existence. For example, the Director of FEMA was not selected until 9 months after the reorganization plan was approved by the Congress.

FEMA also started with inadequate administrative support in areas such as accounting, budgeting, and personnel. These support functions were not provided either the leadership or sufficient staff to simultaneously process day-to-day transactions during the early days of the reorganization and build the institutional capacity FEMA needed for the long haul.

At the top, there was an excessive span of control, numerous reporting channels, and no support staff. At the lower levels, communication problems impaired coordination internally between headquarters units and regional offices and externally with the White House, Federal departments, State governments, and local jurisdictions. (See p. 10.)

FRAGMENTATION IMPAIRED MANAGEMENT OF FEMA PROGRAMS AND RESOURCES

GAO found that FEMA did not have an agencywide management system that integrated top management, program office, and regional office operations. Each major FEMA subunit was managed independently with little oversight and direction by top management. (See p. 17.)

In a December 1981 interim report on its management assessment, GAO outlined several areas of needed improvement in FEMA's top, program, and regional office management. First, there was no clear statement of FEMA's mission. Top managers could not point to an internal or external document which synthesized FEMA's basic purpose or explained the interrelationships between its component parts. Instead they cited numerous laws, executive orders, and presidential directives that pertained to their immediate area of responsibility. Accordingly, one would have had to interpret 15 laws, 15 executive orders, and 6 presidential directives in order to gain an understanding of FEMA's mission. (See p. 18.)

Second, FEMA's goals and objectives were poorly defined or missing. For example, GAO found in a separate review that FEMA's Emergency Management Assistance program lacked programmatic goals and objectives to direct State and local

grantees who will receive approximately $44 million in fiscal year 1982. Grantees are only held accountable for documenting program expenditures rather than achieving objectives that support programmatic initiatives. The lack of program goals and objectives has severely limited FEMA's ability to monitor and evaluate program effectiveness and accomplishments. (See p. 20.)

Third, long- and short-range planning was either nonexistent or ineffective. FEMA top management could not adequately (1) identify the planned activities of major subunits; (2) determine resource levels needed to accomplish activities; and (3) set priorities for activities during periods of limited resources. For example, other than the budget submission, FEMA's National Preparedness Programs Directorate had no comprehensive planning process for its activities--including civil defense expenditures which the administration proposed increasing from $130 million in fiscal year 1982 to $252 million in fiscal year 1983. Also, regional management in the Atlanta and San Francisco regions of FEMA told us that the cumulative work requirements from FEMA headquarters continually exceeded regional staff capabilities, and the lack of effective program priorities restricted the regions' abilities to manage the required workload. (See p. 21.)

Fourth, information systems did not compare planned and actual performance. For example, managers for programs such as civil defense, Federal preparedness, and Federal insurance did not identify, collect, and report relevant performance information to top management. As a result, the agency Director and directorate managers had virtually no regular means for determining how FEMA program activities were functioning. (See p. 23.)

Finally, evaluation activities were extremely limited in assessing how well or poorly program outputs met goals and objectives. For example, GAO found in a separate review that FEMA regional offices visited too few communities in evaluating the flood insurance program for which the Federal government has provided over $1.5 billion since

1968. For the 5 years ending September 30, 1981, FEMA had visited only 77 percent of the number of communities that it intended to visit. Further, the headquarters office did not analyze those evaluation reports that were prepared by its regions. Therefore, FEMA headquarters did not know whether (1) the number of visits was adequate, (2) the types of communities selected were appropriate, (3) problems were resolved satisfactorily, or (4) the types of problems found and the underlying causes were generally applicable to other communities. Consequently, FEMA had no basis for providing effective direction to its future monitoring program nor did it have overall knowledge about how well participating communities were enforcing the flood plain management regulations. (See p. 24.)

GAO could not determine the total effect of these deficiencies. However, it was clear that FEMA could not demonstrate that its staff and resources were being used in an economic, efficient, and effective manner. Perhaps more importantly, there was little perceived or real accountability within the agency.

Recognizing the need for a system to plan and control agency operations, FEMA's current management team has taken an aggressive approach in correcting these deficiencies. The current FEMA Director has initiated many management improvements and fully supported both an OMB and the GAO baseline audit. Since GAO's interim report, FEMA has developed systems for top and regional management that would (when fully implemented) provide multiyear program planning, establish a basis for allocating resources among competing programs, establish or identify program outputs, and monitor the agency's progress toward achieving its objectives. In addition, FEMA held two team building sessions to develop agency mission statements, goals, and objectives. (See p. 27 and 28.)

FEMA is making substantial progress in establishing top management and regional office systems. However, more needs to be done in planning for and implementing a comprehensive management system that standardizes management

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processes throughout all phases of FEMA's operations--particularly at the program office level--thereby integrating top management, program office, and regional office operations. (See p. 35.)

ADMINISTRATIVE SUPPORT FUNCTION DEFICIENCIES COMPOUNDED MANAGEMENT PROBLEMS

FEMA's organization and management problems have been exacerbated by deficiencies in the accounting, budgeting, personnel, procurement, and management information functions. Only recently has FEMA made substantial progress in alleviating these problems--over 3 years after its creation. (See p. 43.)

Reports prepared by GAO and a major accounting firm highlighted significant deficiencies in FEMA's accounting system, operating procedures, and internal controls. Among the internal control problems were inadequate control of accounts receivable, obligations, imprest funds, and travel advances. For example, GAO found in a separate review of accounting systems and internal controls that over $1.5 million in travel advances had been outstanding in excess of 120 days despite requirements to promptly recover excess funds.

Since GAO's interim report, FEMA has made significant improvements, and, with more attention to planning and implementing the remaining tasks, it has an opportunity to make its accounting operation one of the strong points in its management system. (See p. 44.)

The FEMA budget process was not an effective tool for formulating and managing the agency's resources requirements. The process was decentralized and budget data was inadequate. The result was poor quality budgets in FEMA's early years. OMB and congressional staffs were critical of FEMA's budgets, citing lack of organization, contradicting and erroneous numbers, and lack of detail. For example, due to a technical error, the fiscal year 1982 estimate for salaries and benefits failed to incorporate funding for the 9.1 percent civilian pay raise of October 1980, resulting in a shortfall of $7.5 million.

Tear Sheet

FEMA has made some improvements, but GAO believes top management needs a more centralized, structured budget process, integrated with effectively functioning planning and evaluation systems. (See p. 49.)

FEMA's personnel function experienced similar startup problems. The means to render this function operational--qualified personnel and personnel systems--were not transferred from FEMA's predecessor organizations during the reorganization. They had to be established at the same time the personnel function was required to carry on FEMA's normal day-to-day personnel activities.

FEMA has developed (1) a manpower management capability to manage staff levels, (2) an internal training program, and (3) an executive development program. However, other basic personnel elements require revision or development. For example, GAO found that position descriptions for approximately 700, or 30 percent, of FEMA's workforce were inaccurate. The problem is so severe that FEMA top managers said the agency would have difficulty properly implementing reduction in force procedures should they be required due to budget cuts. Also, FEMA is concerned that inaccurate position descriptions may have resulted in improper grade levels being assigned to some FEMA staff. (See p. 53.)

Procurement problems also faced the new agency. FEMA established an advance procurement planning process and a requisition review board. These and other steps taken should improve monitoring and central control over individual procurements. But GAO's test of year-end spending as a key indicator of how the procurement process functioned demonstrated that FEMA has a potential problem requiring management attention. (See p. 60.)

FEMA recently created a comprehensive information resources management capability, but more work is needed to develop effective management information systems. FEMA's information managers have made it their objective to consolidate disjointed information activities under a more efficient management framework. However, FEMA still does not have an agencywide management information system. (See p. 65.)

RECOMMENDATIONS TO THE DIRECTOR, FEMA

FEMA's current management team has made substantial progress in correcting the numerous management and administrative support problems. Also, based on GAO's interim report issued in December 1981, the agency has made further improvements; however, more work remains to be done. GAO believes it is essential that top management give this effort continued emphasis and priority. In addition, GAO makes several specific recommendations to further improve FEMA's processes for formulating mission, goals, objectives, and output statements; its planning process; performance reporting; program evaluation; and the accounting, budgeting, personnel, procurement, and management information functions. GAO plans to assess, at a later date, the status of FEMA's implementation of these recommendations and further progress achieved in installing the management system. (See p. 72.)

AGENCY COMMENTS

Except for one proposal, FEMA agreed with the findings, conclusions, and recommendations in the report (see app. IV). The agency did not agree with a proposal GAO had made to limit the duties and responsibilities of the senior official charged with implementing the Paperwork Reduction Act because it might have required, among other things, the establishment of a separate organizational unit reporting to the Director, FEMA.

GAO has not retained this proposal in the final report, recognizing that a certain flexibility exists for agency implementation of the Paperwork Reduction Act and that FEMA's approach may be sufficient to carry out the requirements of the Act. GAO did not assess the effectiveness of FEMA's approach during the field work because it had been in place for less than 9 months. However, the appropriateness of FEMA's implementation of the act will be evaluated along with the remaining recommendations which are currently in various degrees of implementation when GAO conducts its followup review.

Tear Sheet

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ABBREVIATIONS

AMD	Acquisition Management Division
FARS	Financial Accounting and Reporting System
FEMA	Federal Emergency Management Agency
GAO	General Accounting Office
IRMO	Information Resources Management Office
MIS	Management Information System
OMB	Office of Management and Budget
OPM	Office of Personnel Management
RMA	Resource Management and Administration
SES	Senior Executive Service

CHAPTER 1

INTRODUCTION

On June 3, 1981, Senator John Tower, citing accountability problems and the need for a sound management system, recommended that a "base-line audit" of the Federal Emergency Management Agency's (FEMA's) operations be performed. In response to this request, GAO undertook separate reviews of (1) FEMA's management systems and organization structure and (2) its accounting operations and internal controls. On December 7, 1981, we furnished the Director, FEMA, an interim report 1/ of our review of FEMA's management systems and organizational structure so as to (1) underscore the severity of the problems at FEMA, (2) inform him of the specific areas to be covered during our detailed review, and (3) give FEMA management an opportunity to take corrective actions as the detailed review proceeded. A separate report was issued on FEMA's accounting operations and internal controls (GAO/AFMD-82-87, June 17, 1982).

This is our final report on the management review. It summarizes FEMA's evolution since it was formed in 1979 and its efforts to identify and respond to the many organizational and management problems associated with its early history. The report also identifies what more needs to be done to ensure that FEMA has an effectively functioning management system. We plan to assess at a later date the status of FEMA's implementation of this report's recommendations.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objectives were to make an agencywide, top-down assessment of FEMA's management systems and administrative support functions, gain an understanding of FEMA's fundamental management problems and issues, determine what could be done to address them, and develop specific recommendations about how management can bring about needed improvements. Specifically, we sought to:

--Document and evaluate management systems at the top management, program office (directorate), and regional office levels.

--Evaluate the interrelationships between the various management systems.

--Further explore problems others had identified with administrative support functions.

1/"Interim Report on the Federal Emergency Management Agency's Organization and Management Systems" (GGD-82-24, Dec. 7, 1981).

--Assess the interrelationships between administrative support functions and the various management systems.

We performed our review in the FEMA headquarters staff offices including the Offices of Public Affairs, Congressional Relations, International Affairs, Equal Opportunity, the Inspector General, and Program Analysis and Evaluation. We also reviewed all five FEMA program directorates: the U.S. Fire Administration, the National Preparedness Programs Directorate, the Federal Insurance Administration, the Training and Education Directorate/National Emergency Training Center, and the State and Local Programs and Support Directorate. In addition, we obtained information on the accounting, budgeting, personnel, procurement, and information resource management functions in the Resource Management and Administration Directorate. Finally, we visited 2 of the 10 regional offices. We selected the San Francisco and Atlanta regional offices (including the Thomasville, Georgia, office) to obtain a range of office size (small and large, respectively) and a wide geographic coverage.

First we reviewed past studies performed by GAO, FEMA, the current administration's transition team, and management consulting firms to identify problems with FEMA's management systems and administrative support functions. We also analyzed information from congressional appropriation and oversight proceedings.

We interviewed the Director, Executive Deputy Director, other high ranking FEMA headquarters and regional officials, line managers, administrative support officials, and Office of Management and Budget (OMB) officials. These discussions further identified problem areas and provided descriptions of FEMA's management systems at the top management, directorate, and regional office levels. We obtained agency records to document problem areas and the various management systems. Using a nonstatistical sample, we tracked agency activities associated with specific program office goals and objectives to gain a better understanding of the management systems.

During our review, the Director of FEMA decided to develop a top management system to oversee the operations of the agency. We tracked the development of this system and met frequently with top management officials to discuss progress and problems with system implementation. We evaluated FEMA's remedial actions to address other management system and administrative support function problems outlined in our December 7, 1981, interim report. Also, we discussed the findings and conclusions of our final draft report with the former FEMA director.

Our review did not include a detailed assessment of FEMA's organization structure or the recent realignment of program office responsibilities among the directorates. Further, we did not explore alternatives to the consolidated emergency management concept

which led to the creation of FEMA in 1979 under the Reorganization Act of 1977. Finally, we did not evaluate other organizations which interact with FEMA programs. For example, we did not assess the Department of Defense's role in civil defense.

WHAT GAO LOOKED FOR IN ASSESSING FEMA'S MANAGEMENT SYSTEM

There are no hard and fast criteria for judging the efficiency and effectiveness of an agency's management systems. A substantial body of knowledge exists about the theory and practice of public management, but operating managers and experts in management theory hold conflicting views about what is good management in the public sector. Often the appropriate management strategy in a given organization is contingent upon the organization's mission, environment, existing operating practices, and available resources. These unique agency environments discourage the application of general criteria for good management. Nevertheless, the relatively undeveloped state of FEMA's management system and practices required that we develop a general framework for our study.

GAO has conducted many reviews that have touched on broad organization and management issues, but it had not developed a set of criteria against which agency management per se can be assessed. These criteria do not exist in the executive branch either. The criteria we used at FEMA are based on the assumption that every organization exists to fulfill one or more purposes, and an organization logically should be working toward fulfilling these purposes. Systems, processes, and resources should therefore be in place and functioning reasonably well to achieve the agency's basic mission. Even where there are conflicts about what the mission is and what the end results should be, management should work toward reconciling these conflicts and moving the organization ahead in some desired direction. Moving ahead requires more than mechanisms to cope successfully with crises as they arise or day-to-day demands from external sources.

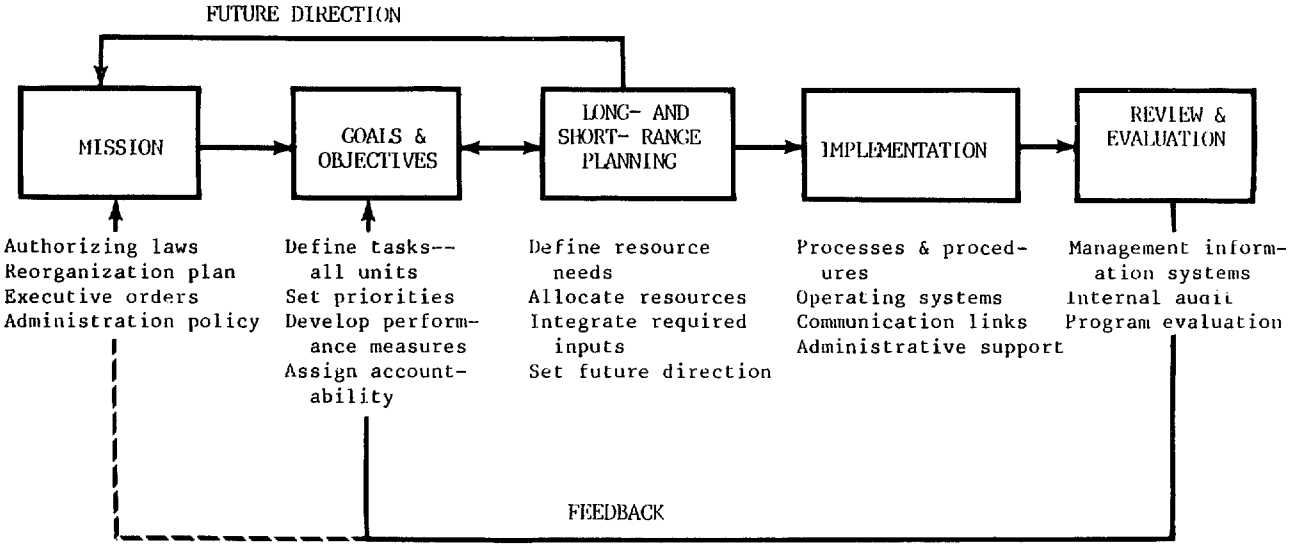
Figure 1-1 summarizes the basic management criteria that GAO applied at FEMA. This framework represents essentially an objective-oriented management system that focuses on establishing accountability and achieving desired end results within established time frames. We believe this framework is generally consistent with the performance appraisal system for the Senior Executive Service contained in the Civil Service Reform Act of 1978 (Public Law 95-454).

Mission clearly defined and widely disseminated

First, we looked for a clear statement of why the organization exists and what purposes it serves. The agency head and other top managers should develop this statement if a satisfactory

FIGURE 1-1

CRITERIA APPLIED TO THE
FEDERAL EMERGENCY MANAGEMENT AGENCY
MANAGEMENT SYSTEM



one did not already exist. Assistance in defining the mission can be found in a variety of sources--authorizing laws, executive orders, Administration policy statements, and so forth. The mission statement should be as brief and as clear as possible so that agency employees, customers, the Congress, and the public will be provided a basic understanding of what agency managers are trying to accomplish.

We also looked for mission statements for the organization's subordinate units. These statements should be consistent with the agency's total mission and also descriptive of the unique functions carried out by the units. Top management should be informed of and in agreement with the subordinate units' mission statements.

We wanted to know if the mission statements were kept current with changes in the law and executive branch policy. We wanted to find out whether these statements served as the basis for forming specific goals and objectives and establishing priorities, rather than merely fulfilling a formal requirement. If so, they needed to be up-to-date and acceptable to incumbent agency managers.

Goals and objectives that define what management expects to accomplish over time

Given the mission statement, we wanted to find out whether agency managers first broke down the statement's broad purposes into more specific goals for the subordinate units and then into more detailed objectives to be accomplished in specified time periods. GAO was not looking for any particular form or format for the goals and objectives statements but we searched for the following attributes which generally enhance their usefulness:

1. Comprehensiveness - Were there goals and objectives for all major agency and unit missions? Were priorities assigned (see below) to define a manageable agenda, and were any major activities left out?

2. Achievability - Were the objectives achievable within available and reasonably anticipated resource levels?

3. Results orientation - Were specific results or outputs defined? These can be used as performance measures in assessing progress in achieving the goals and objectives. Measures related to process (number of units produced) instead of outcomes (impact of the units produced) were preferable to no measures at all.

4. Accountability assigned - Was someone or some unit designated responsible for reaching each goal and carrying out each objective to the extent practicable?

Long- and short-range planning processes and the means to establish priorities

We assessed whether plans, tied to the budget process, were developed to carry out the goals and objectives. Was the central planning office, with guidance from top management and participation by the budget office, providing the leadership? Were operating managers, other support units, and the regional offices also participating?

We wanted to know whether agency plans (1) defined the resources needed to meet the goals and objectives, (2) established priorities in case available resources fell short of needs, and (3) integrated the required inputs when more than one operating unit was involved.

Implementation mechanisms

Almost every agency has in place complex processes, procedures, and resources to carry out its day-to-day operations. Often the processes involve more than one agency or more than one level of government. Much of the Federal Government's mission is carried out through the work of others--contractors, grantees, State and local governments, and the like. Agency managers need to ensure that these implementation mechanisms are appropriate for established goals and objectives and that they function as efficiently and economically as existing resources and technology permit. Outlining performance standards and establishing accountability to achieve the desired end results are two key ingredients in designing effective implementation mechanisms.

Because of other, ongoing GAO reviews of FEMA programs and the early stage in the development of FEMA's management system, this study did not focus on implementation.

Administrative support services

Implementing agency goals and objectives--the operating units' primary responsibility--requires effective support from administrative units such as accounting, budgeting, personnel, and procurement. These administrative units provide the necessary underpinning to enable operating units to achieve the desired results. We wanted to ascertain whether their missions were consistent with the agency's overall mission while at the same time complying appropriately with the myriad laws, standards, rules, and regulations established for Federal operations. Complying with these

rules and regulations while supporting the conduct of agency operations often poses a major challenge to support service managers.

Communication links

To help ensure coordinated action among operating units within the organization and between the organization and the external environment, there needs to be sufficient--but not overly redundant--communication channels that provide reasonably free and undistorted information flows both up and down the hierarchy and horizontally between cooperating work units. Communication links include (1) formal systems for communicating agency policies and procedures, such as operations manuals, and (2) less formal means such as scheduled and unscheduled meetings between managers and subordinates, managers with their peers, and managers with their superiors.

Communication links also include printed material such as in-house newsletters, agency reports to the Congress, and monitoring systems for periodic feedback to management on agency performance. Of growing importance are the electronic communications channels--computers linked by telephone lines and sophisticated telecommunications facilities in all their varied forms. Finally, internal communication links include the informal networks whereby agency employees pass information to each other, and between themselves and outside parties. We wanted to gain a general understanding of communications links in FEMA.

Management information systems

Management information systems are one of the communication mechanisms that let managers know what is going on in the organization. They aid management in making, carrying out, and controlling decisions. Often they provide information to management which compares actual performance by both individuals and organizational units with predetermined performance standards. Information systems are both formal and informal. They are computerized and manual. They can function on a regular schedule or be episodic. They can be neglected by managers who question their utility or rely on other information sources. Sometimes they are overused or inappropriately used to constrain the options of subordinate managers or operating officials.

Large, complex organizations contain numerous information systems, only some of which are designed or used to aid managers in performing their functions. Top managers have different information requirements and rely on different sources than middle managers or operating managers. Ideally, information system design takes a "top down" approach, that is, the system development starts from an appraisal of management needs and overall organizational

objectives. Often, however, existing systems are an accumulation of past agency practices overlaid with the application of computerized data processing techniques.

We wanted to know whether FEMA managers have reliable and timely information available to them to let them know what is going on in the organization, what adjustments need to be made to better accomplish their own organization's goals and objectives consistent with the agency's larger mission, and how the goals and objectives themselves need to be adjusted in light of actual operating experience and feedback from outside sources. Further, we wanted to see whether information systems are periodically reviewed to determine whether they are satisfactorily serving their purpose, whether unnecessary reports are being prepared, whether some of the data reported is unnecessary, or whether insufficient or incorrect data is being reported.

Internal audit and evaluation activities

We wanted to determine whether FEMA managers continuously assessed how well or poorly agency program outputs meet the goals and objectives they established (or which have been established by others for them). Did they know whether their programs are being carried out in compliance with existing laws and regulations and that waste or misuse of agency assets is minimized?

GAO vigorously promotes and supports strong internal audit organizations. Our statement of basic principles, standards, and concepts is contained in a GAO publication, "Internal Auditing in Federal Agencies." The overall objective of internal audit is to assist management in attaining its goals by furnishing information, analyses, appraisals, and recommendations pertinent to management's duties and objectives. Our complete statement of principles, standards, and concepts for internal auditing is also incorporated in Title 3 of GAO's Policy and Procedures Manual for Guidance of Federal Agencies.

OMB Circular A-123 requires that all agencies maintain effective systems of internal controls. GAO strongly believes the incorporation of adequate internal controls in management systems will go a long way towards preventing fraud, waste, and abuse. Further, as required by A-123, these systems must be evaluated on an ongoing basis to ensure their continued effectiveness.

An agency's major programs also need to be periodically evaluated. Program evaluation can be viewed as the process of appraising the manner and extent to which programs are

--achieving their stated objectives,

--meeting the performance perceptions and expectations of responsible Federal officials and other interested groups, and/or

--producing other significant effects of either a desirable or undesirable character to assist future policy and management decisions. 1/

Effective planning and coordination of evaluations are necessary to make sure that the needs of decisionmakers are being met. In turn, policy officials and program administrators need to communicate program goals to evaluators. To be relevant and useful, evaluation studies should be designed to compare programs' accomplishments with their objectives and have mechanisms for quality control. To assist in decisionmaking, evaluation studies need to be promptly completed and distributed to appropriate officials. 2/ Similarly, managers need to act promptly on evaluation results and recommendations.

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Typically, we would not expect many management systems to contain all of these ingredients in the desired strength to ensure an organization's effective functioning. This would be especially so in newly formed agencies such as FEMA and in those which have experienced substantial change in their mission and organization. However, we would expect FEMA's management to be working toward a system which eventually would incorporate these ingredients.

1/"Evaluation of Programs in the Department of Transportation--An Assessment" (PAD-79-13, Apr. 3, 1979).

2/"HUD's Evaluation System--An Assessment" (PAD-78-44, July 20, 1978).

CHAPTER 2

CONTINUAL ORGANIZATIONAL AND PROGRAM CHANGES HIGHLIGHT THE NEED FOR A FEMA IDENTITY

Our interim report and the following chapters of this report show that, since its creation, FEMA has been troubled by organization and management system problems. The current agency management team is taking corrective actions, but this remedial process is not proceeding as rapidly or smoothly as expected. An understanding of the history of the emergency management function is essential before one can judge fairly the causes of these problems and the speed by which they are corrected.

EVOLUTION OF EMERGENCY MANAGEMENT ORGANIZATIONS

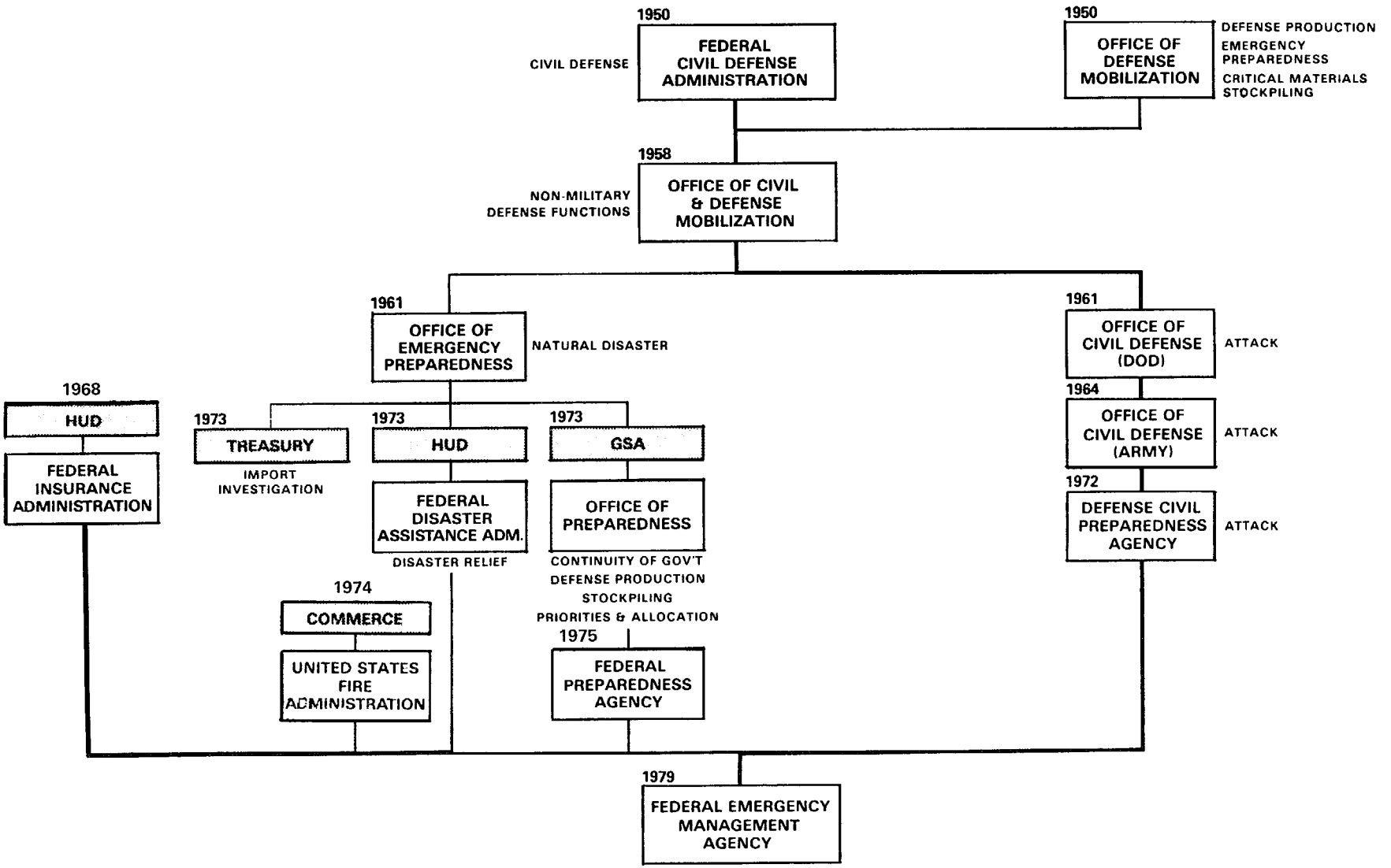
Since 1979, FEMA has had primary responsibility for civil defense and disaster relief functions. Prior to this time, these functions were assigned to a variety of departments and agencies. According to a 1978 Congressional Research Service report, 1/ administration of emergency management activities was marked by divided management and many changes.

Earlier efforts to achieve overall coordination were hampered by lack of centralized authority, dispersal of activities, and numerous organizational and functional changes. New programs and agencies were created and existing ones were reorganized, modified, transferred, consolidated, or terminated with considerable frequency. Figure 2-1 traces these major changes from 1950 up to FEMA's creation in 1979. We believe these frequent changes contributed to the management problems facing FEMA today.

FEMA was created in 1979 under authority of the Reorganization Act of 1977 and Executive Order 12148. The President submitted Reorganization Plan No. 3 of 1978 to the Congress on June 19, 1978. This reorganization plan had several fundamental premises. Proponents believed that (1) since quick and effective action is vital in civil emergencies, all emergency response functions should be supervised by one person who reports directly to the President, (2) a dependable civil defense system must make the most efficient use of all emergency services, and (3) elaborate and effective preparation systems must be in place to ensure readiness and a quick response to all natural disasters and military attacks.

1/"Emergency Preparedness and Disaster Assistance: Federal Organization and Programs," Congressional Research Service, April 18, 1978 (Report No. 78 - 102 GOV).

FIGURE 2-1
MAJOR CHANGES OF THE FEDERAL EMERGENCY MANAGEMENT FUNCTIONS



The Congress approved the reorganization plan in September 1978, and FEMA began operations on April 1, 1979. The agencies consolidated into FEMA were the National Fire Prevention and Control Administration (now the U.S. Fire Administration) and the Federal Insurance Administration. All authorities and functions vested in the Federal Disaster Assistance Administration, the Defense Civil Preparedness Agency, and the Federal Preparedness Agency were transferred to FEMA by Executive Order. FEMA also was given oversight responsibility for the Emergency Broadcast System.

FEMA has approximately 2,300 employees and an estimated fiscal year 1983 budget of almost $900 million. It serves as a single point of contact within the Federal Government for emergency management activities. It is responsible for the establishment and maintenance of a comprehensive and coordinated emergency management capability. This includes preparing for and responding to emergencies, disasters, and hazards ranging from home fire prevention to nuclear attack.

STARTUP PROBLEMS DELAYED ESTABLISHING A FEMA IDENTITY

On March 20, 1981, GAO issued a report 2/ describing substantial startup problems experienced by FEMA and five other agencies reorganized under the Reorganization Act of 1977. FEMA's problems included inadequate office space, delays in obtaining key agency officials and support staff, and delays in establishing support functions.

Perhaps the most obvious organizational problem which faced the newly created agency was the lack of a "FEMA identity." The predecessor agencies which made up FEMA were located in several different buildings due to a lack of sufficient office space in Washington, D.C. Further, FEMA was virtually leaderless during the early months of its existence. For example, the Director of FEMA was not selected until 9 months after the reorganization plan was approved by the Congress. With this geographic dispersion and lack of leadership, subunits operated independently within the "shell" of the new FEMA structure. We were informed by agency managers and staff that internal conflicts between the reorganized agencies occurred long after FEMA was created.

The FEMA transition team, appointed by the current Administration, identified organizational deficiencies in internal and external communications. The transition team report, issued in

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2/"Implementation: The Missing Link in Planning Reorganizations" (GGD-81-57, Mar. 20, 1981).

December 1980, called for improved communications between headquarters units and regional offices as well as externally with the White House, the Departments of Defense, Commerce, and Transportation, State governments, and local jurisdictions.

Finally, an April 1981 FEMA task force report noted that FEMA had excessive span of control problems. We found that at one point in time, 27 operational units (including 10 regional offices) reported directly to the Director with no Deputy Director or staff offices to assist in providing management guidance and direction. Managers we interviewed felt the numerous reporting channels and the lack of a support staff impaired the Director's ability to effectively manage the organization. The current Director appointed an Executive Deputy Director and reduced the reporting units to 22. Although the number of reporting units is still high, we were informed that span of control problems were reduced with the selection of the Executive Deputy Director.

To address these organizational problems, FEMA's current management initiated an organizational realignment in June 1981. Various functions of the previous FEMA organizational units were shifted to other existing and newly created units. The stated purposes of the realignment were to (1) implement new initiatives in effectively managing and coordinating emergency and disaster response, (2) promote an agency identity, (3) reduce span of control problems, and (4) enhance financial accountability and administrative support. Establishing an agency identity and improving communications among FEMA organizational units was also facilitated by the acquisition of a single office building to house the headquarters elements. FEMA moved into the new building in 1981.

As shown in figure 2-2, FEMA is now comprised of the FEMA Advisory Board, various staff offices, 5 program directorates, the Resource Management and Administration Directorate, and 10 regional offices. Brief descriptions of the program directorates follow:

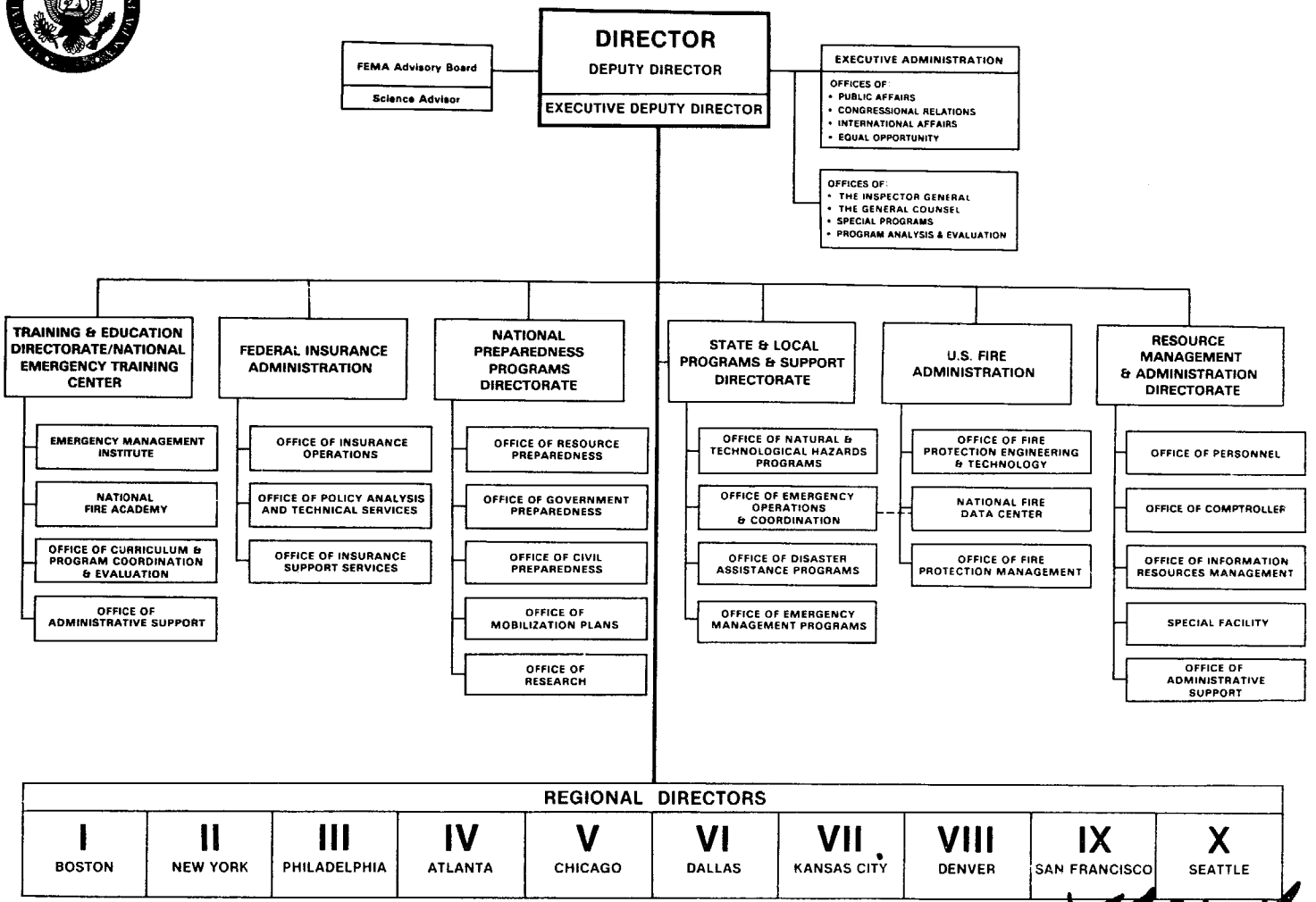
--The Training and Education Directorate/National Emergency Training Center trains Federal, State, and local officials to meet the responsibilities and challenges of emergency-related activities.

--The Federal Insurance Administration administers three federally mandated programs: the National Flood Insurance Program, the Federal Crime Insurance Program, and the Riot Reinsurance Program.

--The National Preparedness Programs Directorate develops national policies, programs, budgets, and operational plans to meet future and long-term civil emergency preparedness and planning requirements.

FIGURE 2-2

ORGANIZATION
FEDERAL EMERGENCY MANAGEMENT AGENCY



Approved: Director

Date 10 Oct 81

--The State and Local Programs and Support Directorate is the focal point in FEMA for all Federal emergency programs as they relate to State and local governments and, hence, FEMA regional offices.

--The U.S. Fire Administration works to improve the levels of fire prevention and the cost effectiveness of public fire services in the United States.

CURRENT FOCUS ON EMERGENCY MANAGEMENT

The current Administration is proposing further major changes in the organization and focus of FEMA's operations. Specifically, there are plans for major increases in civil defense programs, elimination of the United States Fire Administration, transfer of the Flood Insurance Program to the private sector, and discontinuance of the Federal Crime Insurance and Riot Reinsurance Program.

Civil defense programs, previously perceived as low priority functions, have recently gained the spotlight of public attention. The Administration has proposed increases in these programs from $130 million in fiscal year 1982 to $252 million in fiscal year 1983. A substantial share of the proposed increases in these funds would be devoted to civil defense research, radiological defense, crisis relocation, and telecommunication and warning systems.

The Administration, citing progress in improving the cost effectiveness of various fire protection services, also proposed elimination of FEMA's U.S. Fire Administration's fire prevention and control programs for fiscal year 1983. The training function would remain at the National Fire Academy. However, other fire programs previously funded at the Federal level would be primarily supported by State and local governments, the private sector, and fire service organizations.

FEMA is exploring ways to terminate the Federal Insurance Administration's crime insurance and riot reinsurance programs. Also, goals have been established to make the flood insurance program actuarially sound by 1988. At that time FEMA would attempt to turn the program over to the private sector. FEMA is also seeking legislative action to terminate the Federal crime insurance program. If this fails, FEMA would seek program changes in order to develop it into an actuarially sound program by 1986, thus paving the way for possible transfer to the private sector.

CONCLUSIONS

Over the years, emergency management programs and employees have been in a state of flux. After a long history of organizational changes in the emergency management function, FEMA was

created in 1979 through reorganization and its program offices were subsequently realigned in 1981. FEMA is slated for yet other major changes in its organization and focus of operations with the proposed increases in civil defense programs and the possible reductions or elimination of fire, crime, and riot reinsurance programs.

In the past the lack of continuity undoubtedly has had an adverse impact on FEMA's operations and employee attitudes and morale. FEMA is now going through a critical transition period from caretaker of a grouping of former agencies and programs to an institution in its own right. We believe a successful transition is dependent on greater organizational stability and implementation of agencywide management systems.

As discussed in the following chapter, management systems problems are being corrected, although progress has been slowed by various conflicting demands. A substantial challenge facing FEMA management is its ability to establish greater organizational stability and provide strong top management leadership through agencywide management systems.

CHAPTER 3

PROGRESS MADE IN IMPLEMENTING A FEMA-WIDE MANAGEMENT SYSTEM BUT MORE NEEDS TO BE DONE

After its creation in 1979, FEMA lacked systems to properly manage its operations. Predecessor agencies, which were consolidated to form FEMA, operated independently with little direction and control by top management.

Recently, FEMA has made substantial progress toward implementing management systems for various levels of the organization as well as improving support functions such as personnel and accounting. FEMA developed mission statements; defined goals, objectives, and outputs; developed and implemented some planning systems; and established certain performance reporting. This progress is especially noteworthy considering the fragmented and uncoordinated condition of FEMA's management systems prior to the current initiatives and the considerable delays encountered during initial system development.

Notwithstanding FEMA's progress to date, there are also elements within the overall agency management system that need to be strengthened. More specifically:

--Program goals, objectives, and outputs need refinement.

--Directorate level planning systems should be established.

--Performance reporting should be expanded.

--Program evaluation needs attention.

FEMA LACKED SYSTEMS TO MANAGE OPERATIONS

As we noted in our interim report, 1/ FEMA has experienced management and organizational problems since its creation in 1979. FEMA did not have a comprehensive agencywide management system that integrated top management, directorate management, and regional management activities. Until recent initiatives to implement such a system which commenced in June 1981, each major FEMA subunit was managed independently with only limited oversight and control by top management.

1/"Interim Report on the Federal Emergency Management Agency's Organization and Management Systems" (GGD-82-24, Dec. 7, 1981).

As shown in table 3-1, our review of FEMA's management processes and systems, prior to the current initiatives, revealed the following:

--FEMA lacked agencywide, some directorate, and regional office mission statements.

--Goals and objectives were poorly defined or missing.

--Planning processes at the top management, directorate, and regional levels were nonexistent or ineffective.

--Systematic performance reports for management generally were not required.

--Evaluations of major FEMA activities were not performed.

Also, major FEMA support functions, such as budgeting and accounting, were in various states of disarray. Chapter 4 contains a discussion of support function deficiencies.

Most mission statements did not exist

Prior to September 1981, FEMA management had not defined its agencywide mission. During our discussions, top managers could not cite an internal or external document which synthesized FEMA's basic purpose. Instead they cited numerous laws, executive orders, and presidential directives that pertained to their immediate area of responsibility. Accordingly, one would have had to interpret 15 laws, 15 executive orders, and 6 presidential directives in order to gain an understanding of FEMA's mission.

Two of the six directorates--the U.S. Fire Administration, and the Federal Insurance Administration--had mission statements. However, these mission statements were prepared prior to the reorganization in 1979 and were not subsequently restated to reflect the comprehensive emergency management principles which created FEMA. The other predecessor agencies 1/ did not maintain their organizational identities but were split among newly created directorates. None of these directorates attempted to define their overall missions.

In the two regions we visited, Region IX did not have a mission statement for its operations, but Region IV had prepared a mission statement for a 1979 annual report. The current Region IV Director was unaware of the statement. The regional staff member

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1/Defense Civil Preparedness Agency, Federal Disaster Assistance Administration, and the Federal Preparedness Agency.

TABLE 3-1

FEMA MANAGEMENT SYSTEM PROFILES

AS OF JUNE 1981

	MISSION STATEMENT	GOALS AND OBJECTIVES	PLANNING	PERFORMANCE REPORTING	EVALUATION
TOP MANAGEMENT:					
Agency-wide	NO	NO	NO	NO	NO
DIRECTORATE MANAGEMENT:					
National Preparedness Programs	NO	NO	NO	NO	NO
State and Local Programs and Support (note a)	NO	NO	NO	NO	NO
U.S. Fire Administration	YES	YES	YES	NO	NO
Federal Insurance Administration	YES	YES	YES	YES	NO
Training and Education	NO	NO	c/YES	NO	NO
Resource Management and Administration (note a)	NO	NO	NO	NO	NO
REGIONAL MANAGEMENT:					
REGION IV - ATLANTA	NO	NO	NO	NO	b/NO
REGION IX - SAN FRANCISCO	NO	NO	NO	NO	NO

a/The State and Local Programs and Support and the Resource Management and Administration Directorates were created in June 1981 under the FEMA realignment.

b/Some evaluations were performed in Region IV. However, these efforts did not compare actual results against established goals and objectives.

c/Training and Education was implementing a planning system but it was not fully operational as of June 1981.

who prepared the document for the former regional director said no one took the document seriously because it had been hastily prepared for public relations purposes.

Goals and objectives were poorly defined or missing

FEMA's top management had not defined goals and objectives for the entire agency. Two program directorates--the Fire Administration, and the Federal Insurance Administration--had processes for determining goals and objectives in June 1981 or earlier. However, the extent to which these goals and objectives guided day-to-day operations varied. In addition, the two regions we visited did not have a clear picture of headquarters goals and objectives, overall.

Several headquarters and regional officials said that organizational goals and objectives were contained in individual senior executive service (SES) or merit pay performance plans. However, according to an internal FEMA analysis, these plans were prepared retroactively, and critical elements and standards lacked specificity. For example, an analysis performed by FEMA's Personnel Department in November 1980 showed only 8 out of 52 SES plans had been submitted 4 months after the rating period began. In another analysis performed in May 1981, the Personnel Department found that 95 percent of the SES and merit pay plans were deficient because goals were either unclear or the plan did not sufficiently challenge the individual.

The annual budget justification submitted to the Congress was the only agencywide document managers referred to for program goals and objectives. However, the goals and objectives contained in the budget were broad statements that did not provide sufficient detail to plan, implement, and evaluate program and support activities. For example, the following goals and objectives for a FEMA program, major program activity, and a major subprogram were contained in the fiscal year 1982 budget justification.

Program	Goal Statement
Mitigation and Research Program	To increase the capability of the United States to predict, prevent, and respond to emergencies and disasters and to recover from their impact.

Major Program Activity	Goal Statement
Natural Hazards Research	To develop the knowledge needed for activities that will reduce the casualties, physical damage, and social and economic disruptions from natural hazards.

Major subprogram	Goal Statement
Earthquake Hazards Reduction Program	To reduce the risk to life and property from future earthquakes in the United States.

Objectives (Partial list)

1. Lead, plan, and coordinate the National Earthquake Hazards Reduction Program.

2. Coordinate a comprehensive program of research and development for earthquake prediction and hazard mitigation and conduct mission-oriented research as required.

Other than managers' references to statements such as the above, more specific, achievable, and measurable goals or objectives were not developed within FEMA. For example, a recent GAO report on FEMA's Emergency Management Assistance Program (GAO/GGD 83-5) found it lacked expressed programmatic goals and objectives to direct State and local grantees who will receive approximately $44 million in fiscal year 1982. Grantees are only held accountable for documenting program expenditures rather than achieving objectives that support programmatic initiatives. Also, the lack of program goals and objectives has severely limited FEMA's ability to monitor and evaluate program effectiveness and accomplishments.

Planning processes were incomplete and ineffective

Short- and long-range planning, a basic element of any agency's management system, was not performed at the top management level or in the two regional offices we visited. Directorate planning was, for the most part, incomplete or nonexistent. FEMA top management could not adequately (1) identify the planned activities of major subunits, (2) determine resource levels needed to accomplish activities, or (3) prioritize activities during periods of severely limited resources.

Some directorates, program offices within directorates, and regional office divisions independently developed planning systems which varied in design and usefulness. For example, the U.S. Fire Administration and the Federal Insurance Administration had planning processes which most closely reflected the criteria we set forth in chapter 1. The Fire Administration plan articulated a

set of goals for its five 1/ program elements; a specific set of objectives to be derived from the goals; a list of tasks to accomplish each objective; and a time schedule for each objective.

The plan, which allocated staff and financial resources by program activity, was both short- and long-range, that is, it covered the current fiscal year and 4 years beyond. The only major element missing was a formal process to prioritize goals and objectives.

The Federal Insurance Administration also had a short- and long-range planning process; however, its focus was limited primarily to flood plain studies. Plans did not include other program activities such as flood and crime insurance or the purchase of flood damaged properties. Further, officials responsible for this planning process said it was not effectively communicated through the organization.

The Training and Education Directorate had begun to develop a planning process that would encompass the activities of its Emergency Management Institute 2/ and headquarters programs. The Institute was formerly in the Defense Civil Preparedness Agency which had a short- and long-range planning process, but the Institute lost this planning capability when it became part of FEMA. The former Director of Training and Education said that the planning process it was developing had not been totally implemented prior to the current management initiatives.

The Plans and Preparedness Directorate, now called the National Preparedness Program Directorate, had no comprehensive planning process for its activities--including civil defense expenditures which, as mentioned in chapter 2, the administration has proposed increasing from $130 million in fiscal year 1982 to $252 million in fiscal year 1983. (GAO is currently conducting a review of the civil defense program at the request of the Senate Appropriations Committee, HUD and Independent Agencies Subcommittee.)

Plans and Preparedness, similar to the Emergency Management Institute, could not maintain the planning system of its former host agency--the Defense Department's Defense Civil Preparedness

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1/The five Fire Administration program elements during the time of our analysis were the Office of Planning and Education, National Fire Data Center, National Fire Academy, Center for Fire Research, and General Administration.

2/The Emergency Management Institute is located in Emmitsburg, Maryland.

Agency. The newly created State and Local Programs and Support Directorate and the Resource Management and Administration Directorate had not developed planning systems by June 1981.

Although planning for directorate-wide activities was, for the most part, incomplete or nonexistent, some program offices within the directorates developed workload plans for the regional offices. However, these individual workload plans were not formally coordinated. According to the Director, Office of Regional Coordination, coordination was done largely on an informal basis and plans were given to the regions with little interaction occurring between headquarters and regional units. Also, the plans were not analyzed to (1) determine if the sum total of the required tasks were realistic when compared to regional resources and (2) establish priorities for the regions when planned activities exceeded their capability. Regional management in the Atlanta and San Francisco regions of FEMA told us that the cumulative work requirements from FEMA headquarters continually exceeded regional staff capabilities, and the lack of effective program priorities restricted the regions' abilities to manage the required workload.

Neither of the two regions visited had any internal planning processes to consolidate the various headquarters subunit plans. One manager in the San Francisco region said the lack of effective regional planning processes resulted in activities being performed which were crisis oriented and short term in nature.

Performance reporting was not required

In our interim report, we noted that information comparing actual to planned performance was not routinely collected and reported to top management and the directorates. Effective performance reporting is an essential element of a management system.

We found that managers for programs such as civil defense, federal preparedness, and federal insurance were not required to identify, collect, and report relevant performance information to top management. As a result, the agency Director and directorate managers had virtually no regular means for determining how FEMA program activities were functioning.

There were many requests generated within FEMA for reports on program information, but the requests were usually sporadic in nature and the results were not widely distributed beyond the requester. Further, these reports often did not provide any basis for comparison, because, as mentioned earlier in this chapter, there was little in the way of pre-established goals, objectives, or other meaningful indicators of performance.

There were limited performance reporting requirements in the Federal Insurance Administration prior to June 1981. It had a quarterly reporting process for its flood plain management program that gathered performance data from the FEMA regions. However, the reports had limited use for determining program accomplishments in that they only reported on actual versus planned staff year utilization.

Other than responding to headquarters requests for performance information, neither of the regions we visited had developed internal program performance standards and, consequently, were unable to periodically report on progress of programs within the regions. One Regional Director told us that there was no capability within the region to track its program activities and accomplishments. We believe this adversely affected his ability to exercise management oversight and control of his staff and resources.

Evaluation of major agency activities was not performed

FEMA's evaluation function was weak to nonexistent at the top management, directorate, and regional office levels. In our interim report we noted that staffing limits restricted audits and investigations by FEMA's Office of Inspector General. Moreover, our review of Inspector General activities showed they were primarily concerned with fraud, waste, and abuse and did not address major program evaluation issues. In addition, program evaluations by FEMA's Office of Program Analysis and Evaluation have been limited. To date, FEMA has not evaluated its major programs, such as civil defense and flood plain management, to determine if the programs should be continued, reduced, expanded, or modified.

For example, a recent GAO report on the National Flood Insurance Program (GAO/CED-82-105) found that FEMA regional offices visited too few communities in evaluating the flood insurance program for which the Federal Government has provided over $1.5 billion since 1968. For the 5 years ending September 30, 1981, FEMA had visited only 77 percent of the number of communities that it had intended to visit. Further, the headquarters office did not analyze or evaluate those monitoring reports that were prepared by its regions. Therefore, FEMA headquarters did not know whether (1) the number of visits was adequate, (2) the types of communities selected were appropriate, (3) problems were resolved satisfactorily, or (4) the types of problems found and the underlying causes were generally applicable to other communities. Consequently, FEMA had no basis for providing effective direction to its future monitoring program nor did it have overall knowledge about how well participating communities were enforcing the flood plain management regulations.

Although the Office of Program Analysis and Evaluation organization chart shows a program evaluation division, it has never been staffed. The Office's staff was allocated totally to the two other divisions--Planning and Programming Support Division and Program Analysis Division. The Planning and Programming Support Division has been heavily involved in the design and implementation of the current and previous attempts to establish a FEMA-wide management system. Therefore, these staff have not been available for major program evaluations. Additionally, while the Program Analysis Division has performed numerous special analyses, prepared issue papers, and performed other tasks (mostly under the direction of the FEMA Director), it has not performed broad-based program evaluations of the type described in chapter 1.

There was no evidence of evaluations being performed by directorate or regional personnel. Program managers said there was little or no time available to perform evaluations and some felt that the evaluations would be historical in nature and thus be of minimal value. In addition, managers in the San Francisco and Atlanta regions stated that, due to staff shortages, they do not emphasize evaluations.

Prior organizational development surveys identified management system problems

FEMA had conducted a series of organizational development projects prior to June 1981. They identified many of the systemic problems previously discussed in this chapter. FEMA's Training and Education Directorate, from October through December 1979, held employee conferences for staff at the GS-15, -14, and -13 levels. The conferences were designed to gather feedback on management and organizational issues. They were followed by employee conferences for GS-11's and -12's beginning in March 1980 and a questionnaire survey of FEMA regional staff which commenced in August 1980.

The initial series of employee conferences (GS-15's thru GS-13's) identified most of the management systems problems we found at the beginning of this review. In a memo on the employee conference feedback dated February 13, 1980, the acting Director of Program Analysis and Evaluation listed the following problems identified from the conferences:

"There is a clear need to define the mission of FEMA."

"A clear precise statement of FEMA's substantive goals is needed."

"FEMA lacks long-range program planning."

"Clear program goals and objectives are needed."

"There is a need to establish a monitoring system to insure that FEMA objectives are being met, duplication avoided, and scarce resources effectively utilized. This should be a major program thrust on a FEMA-wide basis."

"There is a need for a FEMA management information system which can be shared and serve all of the associate directors, various offices, and the regions." 1/

For each problem identified, the memo contained current or planned efforts that would respond to these problems. The subsequent employee conferences and regional questionnaire survey raised many of these same issues. While the problems were identified and corrective actions were stated to be underway, we found that the efforts were largely unsuccessful.

Past attempts to implement management systems were unsuccessful

Even though FEMA management identified systemic problems in its management process and recognized the need to correct these deficiencies, its efforts to develop corrective measures all fell short of actually being implemented. Shortly after its creation in April 1979, FEMA initiated a series of efforts that would have provided structure to its planning, programming, budgeting, and information processes. The first attempt in July 1979 was aimed at developing a program structure that would identify FEMA programs, program elements, and program subelements which would serve as the basis for a planning and budgeting system. This and two other subsequent attempts at developing a program structure in March 1980 and May 1981 failed.

Beyond the attempts to develop a program structure, there were four efforts to develop management systems. The first proposal was made in March 1980, and it attempted to implement a FEMA programming system which would provide for the (1) formulation of FEMA policy and objectives, (2) translation of program policy and objectives into program plans, (3) implementation of programs, and (4) evaluation of programs in relation to established objectives. The proposal also called for annual priorities and objectives statements, identification of program outputs, and milestones. This effort was followed by three similar but unsuccessful proposals made in November 1980, March 1981, and May 1981.

1/FEMA efforts to establish a management information system capability are discussed in chapter 4.

Although there is no clear organization record that cites the reason for these repeated failures, FEMA managers familiar with these efforts primarily attributed the lack of success to two factors. First, management turnover in the eight top headquarters positions (Director, Deputy Director, and six Associate Directors) has been substantial. According to personnel records, 37 different managers occupied these eight positions from April 1979 to July 1981 (only one of these positions has changed managers since July 1981). Second, preparing and appearing before congressional hearings has consumed a considerable amount of management resources. A former Acting Associate Director said the frequency of congressional appearances by him and his program managers was a contributing factor in delays the directorate experienced in attempting to implement management processes. Also, the agency Director felt that congressional appearances were detracting from current management initiatives. According to records maintained by FEMA's Office of Congressional Relations, agency managers made 43 congressional appearances during fiscal year 1981. 1/ We have not compared the frequency of FEMA's congressional appearances to other Federal organizations of similar staff size and program diversity. It is worth noting that committee jurisdictions of FEMA's five predecessor agencies were not altered following FEMA's establishment in April 1979. Four authorizing committees in each house of the Congress have jurisdiction over FEMA's programs.

PROGRESS CURRENTLY BEING MADE IN IMPLEMENTING MANAGEMENT SYSTEMS

On July 6, 1982, FEMA provided us detailed information on actions taken in response to our December 1981 interim report which outlined deficiencies in FEMA's management systems and administrative support functions. FEMA identified approximately 50 areas or activities requiring followup action. This section summarizes corrective actions relating to management systems deficiencies based on their July 6 response and our independent assessment. A more detailed summary of FEMA's response is contained in appendix III.

FEMA is in the process of finalizing a management system that includes developing (1) mission statements, (2) a program structure, (3) program goals, objectives, and outputs, (4) a multiyear planning system, (5) quarterly performance reporting for resource management, and (6) year-end program reviews. This initiative has progressed farther than any of its predecessors, and it is scheduled to be implemented during FEMA's fiscal year 1984 budget preparation cycle.

1/Fiscal year 1981 was the first year complete information was available from the Office of Congressional Relations.

The FEMA planning and budget process is illustrated in figure 3-1. The process begins with the Director's planning and budget guidance memorandum which contains program, funding, and staff year guidance for the upcoming year. Using this guidance, the FEMA program, staff, and regional offices will identify resource and support requirements and outputs for the budget planning year.

This information will serve as the basic input to the multi-year program plan. This plan will identify total resource cost by each major program element (activity) for a 5-year period. The Director will then review the planning and budgeting priorities before the annual budget preparation. Decisions which result from the Director's review will be used as a basis for the budget call. After revisions for OMB budget estimates, the process culminates with FEMA's budget submission to the Congress.

FEMA clarified its agencywide mission

The current FEMA Director, recognizing the need to articulate the mission and goals of the agency, initiated, in August 1981, an internal top management team building program. This program resulted in the development of a FEMA-wide mission statement and broad organizational goals. The FEMA mission statement reflects the Administration's current emphasis on national and civil preparedness, and FEMA's goals reflect this emphasis. The new mission statement and examples of program and administrative goals are presented below.

FEMA MISSION

"Under the direction of the President, to assist in and coordinate all preparedness activities of the Federal, State and local governments in protecting the civilian population and resources of the Nation and in preserving the continuity of constitutional government in time of emergencies. Develop programs and preparedness activities for the mitigation of, response to, and recovery from major peacetime and wartime civil emergencies. Within the President's foreign policy guidelines, participate in bilateral and multilateral arrangements concerning civil emergency preparedness planning."

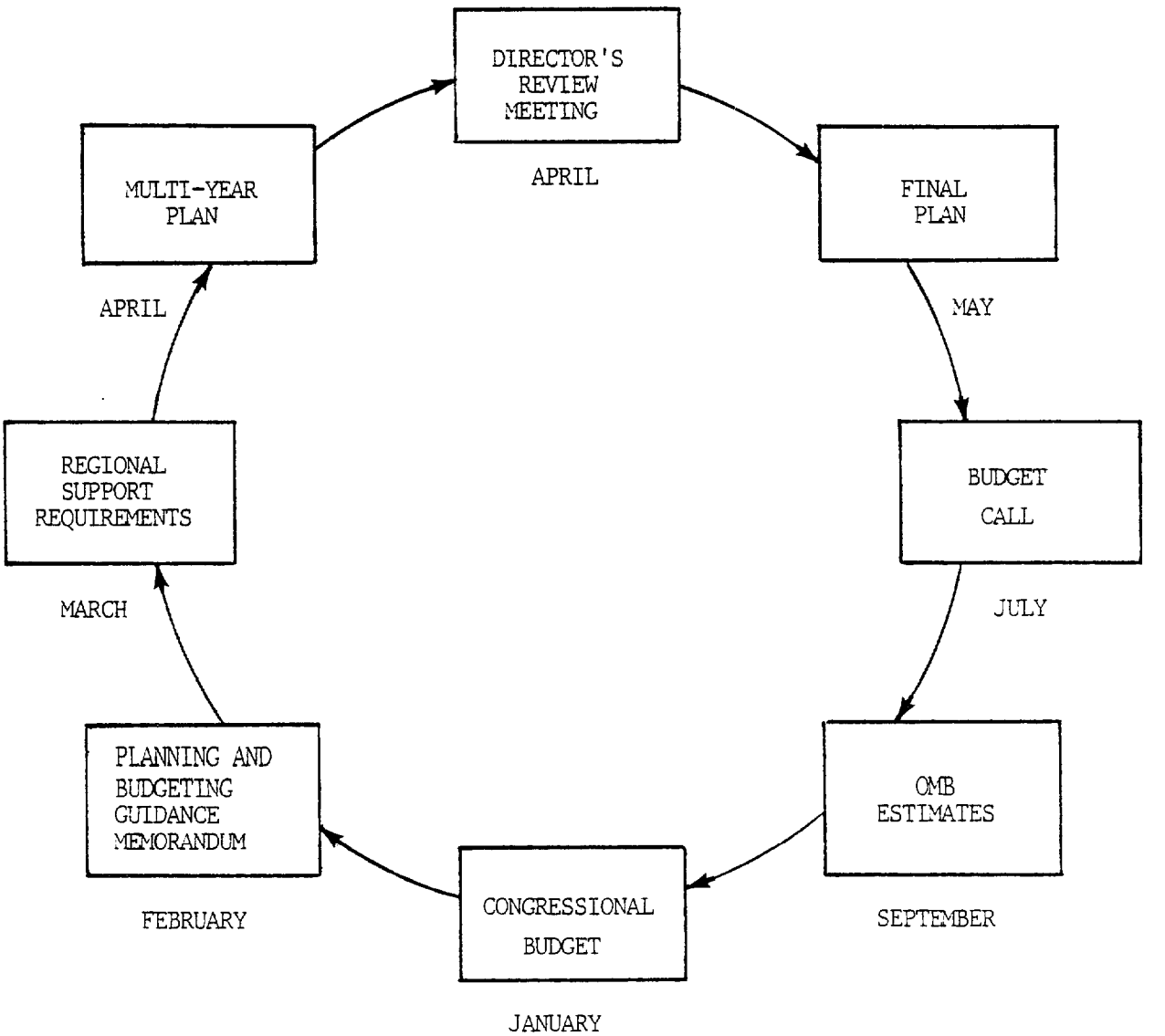
Federal Preparedness Program Goal

"Assure readiness of the Federal Government to respond appropriately/efficiently/effectively to national emergencies (e.g., major natural or man-made disasters, major conventional war, nuclear attack on U.S.)

Prepare to preserve the continuity of constitutional government in time of emergencies."

FIGURE 3-1

FEMA PLANNING AND BUDGETING PROCESS



Administrative Goal

Personnel: "Develop policy/practices that foster FEMA's ability to accomplish its mission and care for its people."

The broad organizational goals are for use by the directorates in developing more specific goals and objectives for their programs. As such, FEMA management needs to periodically review the agencywide mission and goals to assure they remain current and relevant.

FEMA directorates have also established mission statements that reflect their role in accomplishing the overall agency mission. These directorate mission statements are to be used by the program offices for developing goals and objectives. No attempt has been made to develop mission statements for the regions.

After delays FEMA defined a program structure

Although implementation of FEMA's new management system began in August 1981, progress stalled due to delays in defining a program structure. As mentioned earlier, FEMA made three previous attempts to develop a program structure which would form the framework of FEMA's operations. The latest attempt resulted in an approved agency program structure, but the protracted process illustrates the difficulties likely to be encountered when undertaking this and other tasks involved in developing management systems. Beginning in November 1981, at least twelve program structures were proposed, numerous formal and informal meetings were held, and a working group was established before a consensus was reached and a program structure was approved by the Director on March 17, 1982.

The program structure contains all FEMA programs and identifies the major program categories, programs, and elements within each program. This provides the needed framework to effectively plan at each management level. In total, FEMA identified 5 program categories, 30 programs, and 110 program elements. The program and regional management will plan at the program element level, directorate management will focus on the program and program element levels, while top management would address agency plans from the program and program category levels. See appendix I for the complete program structure.

Development of program goals, objectives, and outputs has been difficult

Concurrent with the development of the program structure, FEMA managers began to define the activities within program elements and their respective goals, objectives, and outputs. Similar to the development of FEMA's program structure, the process proved to be more difficult than anticipated. The process was originally scheduled for completion on December 15, 1981. However, the definitions were not completed until April 23, 1982.

While there are no precise criteria to evaluate the quality of these goals and outputs, the management and organizational theory we relied on for conducting this review suggests that goals should be stated with as much specificity as possible and in terms that are measurable (see p. 5).

FEMA attempted to break down its complex mission by establishing goals for its program categories and more specific goals (or objectives using our terminology) for the program elements within the categories. Outputs were then identified for each program element goal.

FEMA officials reviewing the program category and element goal statements told us that many managers were unable to adequately define the goals by the April 23, 1982, deadline. They added that the description of outputs did not always appear to provide measures of performance. To illustrate, the program category flood plain management has a program element entitled "State assistance program." The goals and output related to this element were defined as follows:

Program category: Flood plain management

Goal: To reduce the loss of life and property caused by flooding and to mitigate the impact of the flood hazard on people.

To encourage and assist State and local governments to adopt and enforce criteria and standards for the planning, development and use of lands exposed to floods.

Program element:	State assistance program
Goal:	To increase the effectiveness of State and local government efforts concerning the management and use of flood-prone areas.
Output:	Providing State assistance program funds to the 50 States, District of Columbia, Puerto Rico, Guam and the Virgin Islands.

The above output (State assistance program funds) is a measure of FEMA rather than State performance. In fact, the program funds may better be viewed as an input to the program element rather than an output. Some measure of increased effectiveness in the management and use of flood-prone areas may be a more adequate output measure. FEMA officials involved in developing the management system recognize the importance of adequately defined outputs. However, they decided to accept goal and output definitions from the program offices so that the management system could integrate with the fiscal year 1984 budget process. Therefore, further refinement of the definitions is not being pursued at this time.

We agree with FEMA's decision to move ahead in its implementation schedule. But given the importance of valid goals and outputs to the integrity of a management system, FEMA should formally recognize the problem and plan to revise the goals and outputs at the earliest possible date.

Planning processes are being implemented

FEMA management and staff are in the final stages of implementing processes for agencywide and regional office planning. The agencywide process is being standardized and requires the participation of directorates and regions. It will reflect all major program and support activities at the most aggregate level in the agency. The regional planning system is also being standardized and requires considerable interaction between the directorates and regions. In contrast, the directorates are not required to develop standardized planning systems for their internal activities (this is discussed on p. 37). When completed, the agencywide and regional planning processes will, for the first time since FEMA's creation in 1979, provide management and staff with information to examine current activities and accomplishments and provide a basis for projecting present and new activities.

Top management planning

FEMA's Office of Program Analysis and Evaluation, at the request of the agency Director, is developing and implementing an agencywide planning process for top management's use. When fully implemented the top management plan will

--encompass all major program and support activities as defined in FEMA's program structure,

--establish a basis for the preparation and execution of the agency's annual budget, and

--specify by major program and support activity, the full-time equivalents, funding, and outputs being planned for in the budget year and 4 years beyond.

Annual revisions to the multiyear plan will be based on the Director's planning and guidance memorandum which will convey the Director's emphasis in terms of program activity, funding, and full-time equivalent levels. The process will also allow for the identification of program support requirements, such as automatic data processing and telecommunications for the multiyear planning period.

Once all the plans have been submitted, the Director will establish priorities for the planning year activities. Full-time equivalents and funding will then be adjusted to reflect these priorities. The planning documents (covering the budget year and 4 out years) will be periodically revised during the year to reflect changing program and budget decisions.

GAO believes this agencywide, top management planning system will provide management a valuable tool for managing current and future initiatives across the agency.

Regional planning

The Office of Regional Operations in the State and Local Programs and Support Directorate has been working with the Office of Program Analysis and Evaluation to design a process that would facilitate a coordinated and comprehensive approach to planning regional activities. The regional planning system should improve upon the fragmented planning processes described earlier (see p. 21) by

--using a standard format to communicate headquarters plans to the regions,

--standardizing the definitions of regional activities and outputs,

--providing a basis to determine if regional plans relate to program goals developed by the directorates and reported in the multiyear planning process, and

--determining when planned regional activities exceed staff resources.

The standard format developed jointly by the Office of Regional Operations, program offices, and the regions will contain narrative descriptions of program elements, the regional activities that relate to each program element, the outputs for each activity, and the full-time equivalents allocated to these activities. As with the planning format, the regional activities were standardized through joint meetings by headquarters and regional staff, which should enhance the accuracy and thus the credibility of regional plans.

The full-time equivalents assigned to each activity will be established through negotiations between the regions and the headquarters units. Initially, the regions and headquarters will independently estimate staffing requirements. These estimates will then be compared and, where variances exist, the region and headquarters unit will negotiate full-time equivalent allocations.

This consolidated planning process will also allow FEMA management to readily determine if the total regional full-time equivalent requirements needed to accomplish planned activities exceed the staff resources available. As mentioned earlier, this was a major concern of management in the regions we visited. We believe the regional planning system should prove to be a significant improvement over the prior fragmented and uncoordinated process.

Some performance reporting has been established

FEMA has yet to implement an agencywide system that will report to top management the progress made in achieving its program goals and objectives. However, FEMA's Resource Management and Administration Directorate has implemented FEMA's first quarterly report covering administrative support activities. The quarterly report identifies the status of resource management activities such as full-time equivalent utilization, salary and benefit expense, and procurement. The report is in a format that permits quarter-to-quarter comparison and, in some cases, actual-to-planned comparisons. The report is circulated to headquarters offices, regional offices, and the FEMA Director's office. The Resource Management and Administration Directorate plans to refine and expand the performance reporting as more information, especially in the area of financial management, becomes available.

Even considering the developmental nature of the report, it is filling a void which has existed since FEMA began operations. The performance reports are providing the Director and managers throughout the organization basic information to monitor, and, if necessary, take corrective action on FEMA's resource utilization. For example, the utilization report illustrated in figure 3-2 indicates certain organizational units have projected full-time equivalent utilization rates that would exceed planned levels. Early identification of this trend allows FEMA management the opportunity to adjust staff activities if they deem it necessary.

FEMA is improving its ability to assess organizational climate

Early in our review, FEMA top management expressed the desire to establish formal mechanisms for gathering and analyzing employee perceptions and attitudes concerning various management and organizational issues. We mentioned earlier that employee feedback from initial organizational development efforts provided accurate information on various management problems that were facing FEMA. Unfortunately, these early efforts did not result in corrective actions.

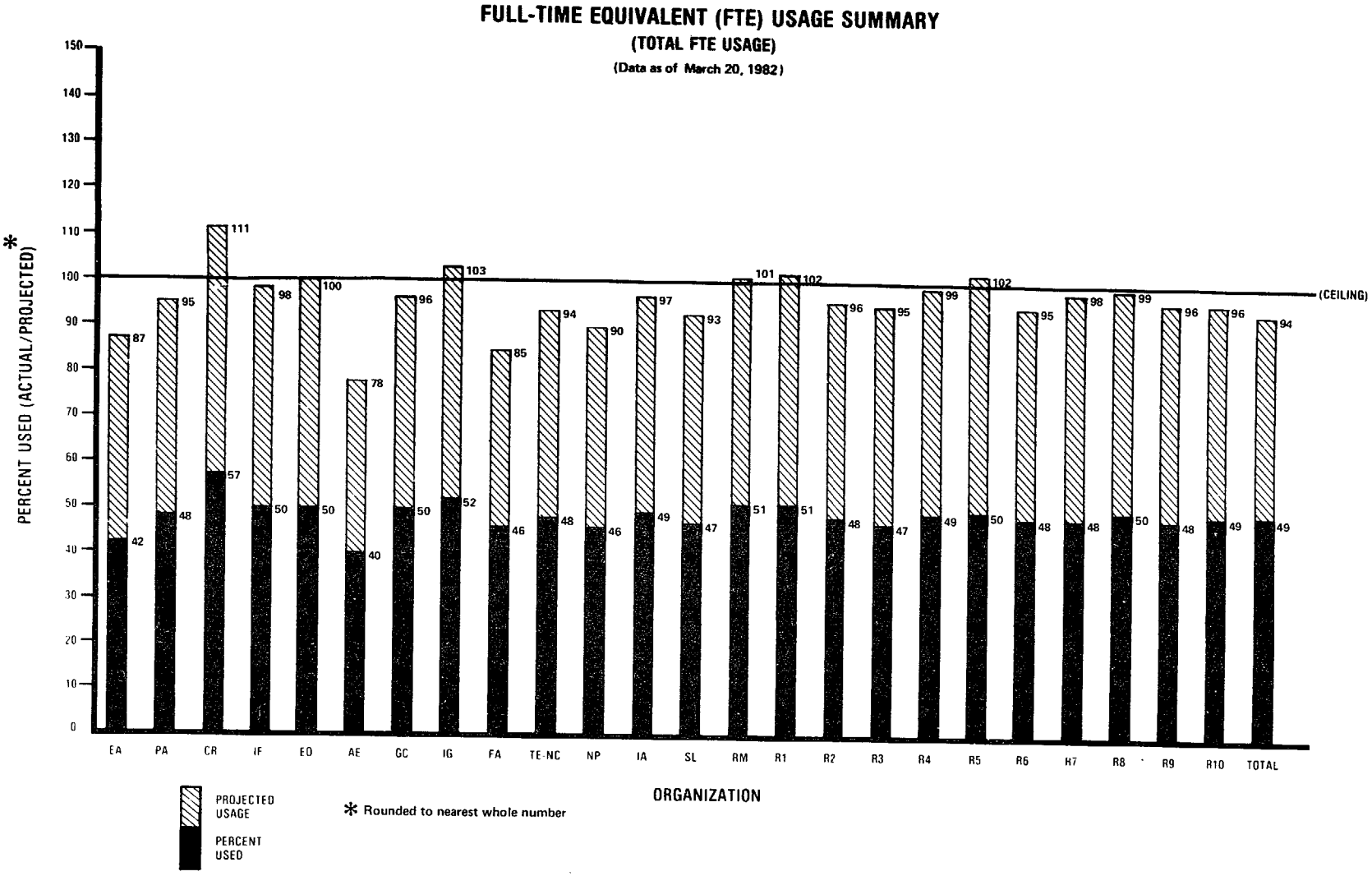
We feel organizational development techniques can assist management in identifying and correcting management and organizational problems. This is especially true during and after organizational transitions caused by reorganizations, significant growth or cutbacks in activities, and material changes in the policies or practices of an organization. The current agency Director recognized the value of these techniques and has taken steps to formalize the organizational development activities in FEMA.

On February 10, 1982, the Director approved a staff proposal to develop a systematic "personnel and organizational management survey capability" that would gather base-line data on employee attitudes and perceptions concerning management and organizational issues. The process of conducting surveys and analyzing the results will be developed within the Resource Management and Administration Directorate. On the basis of these surveys, action plans will be developed which would identify specific management improvement initiatives to be implemented by the appropriate managers. GAO's Office of Organization and Human Development is providing FEMA technical assistance in implementing this survey and analysis capability.

FURTHER IMPROVEMENTS NEEDED TO ENSURE SOUND MANAGEMENT SYSTEMS

Since we began our study, FEMA has made significant strides towards improving and, in some cases, establishing processes and systems to better manage its program activities. However, there

FIGURE 3-2


FULL-TIME EQUIVALENT (FTE) USAGE SUMMARY
(TOTAL FTE USAGE)
(Data as of March 20, 1982)
PERCENT USED (ACTUAL/PROJECTED) *
150
140
130
120
110
100
90
80
70
60
50
40
30
20
10
0
(CEILING)
EA 87 42
PA 95 48
CR 111 57
IF 98 50
EO 100 50
AE 78 40
GC 96 50
IG 103 52
FA 85 46
TE-NC 94 48
NP 90 46
IA 97 49
SL 93 47
RM 101 51
R1 102 51
R2 96 48
R3 95 47
R4 99 49
R5 102 50
R6 95 48
R7 98 48
R8 99 50
R9 96 48
R10 96 49
TOTAL 94 49
ORGANIZATION
PROJECTED USAGE
PERCENT USED
* Rounded to nearest whole number

are some areas where more work is needed to fully realize the potential benefits of FEMA's initiatives. First, planning processes within directorates should be required and a basic standard format for structuring the plans should be developed. Second, program performance indicators should be developed and systematically reported to top, directorate, and regional management. Finally, FEMA's program evaluation function needs emphasis.

Directorate level planning should be required

FEMA has standardized its planning processes for top management and regional management. However, it has not elected to standardize planning requirements for directorate activities or establish specific milestones for implementing directorate planning systems. Consequently, while the planning element of FEMA's systems for top and regional management are progressing together, the development of planning processes within the directorates has varied in design and degree of completion.

Three directorates--State and Local Programs and Support, the Fire Administration, and the Federal Insurance Administration--have developed and implemented processes which in some form identify specific directorate-wide objectives, tasks, and milestones that need to be completed in order to accomplish the goals and outputs contained in the top and regional management plans. For example, FIA has implemented a comprehensive long and short term planning system which encompasses FIA's purpose, goals, objectives, action plans, and employee performance plans, which is systematically monitored by the Administrator, and which has been distributed to all FIA managers. The Training and Education Directorate/National Emergency Training Center is beginning to develop a similar internal planning process.

The Resource Management and Administration Directorate developed a system that requires the managers of its major subunits 1/ to establish individual performance plans which identify specific objectives that need to be accomplished in order to achieve the annual goals and outputs contained in the agencywide plan. The Deputy Associate Director of Resource Management and Administration stated that this is the only planning requirement within the directorate. The managers can, at their discretion, use their individual performance plans to develop more detailed plans, tasks, and milestones for use by their entire unit.

1/There are five main subunits within the Resource Management and Administration Directorate: the Special facility, the Office of Personnel, the Office of the Comptroller, Information Resource Management, and Administrative Support.

The remaining directorate, National Preparedness Program, has not designed an internal planning system. In November 1981, and again in March 1982, the former Acting Associate Director recognized the need for an internal planning system but told us the demands of preparing a civil defense plan and numerous appearances before the Congress have inhibited the development of a formal system. As a substitute, the former Acting Associate Director held regular meetings with NPP's Assistant Associate Directors to discuss accomplishments and review planned activities.

The directorate planning systems that have been implemented have not been in place long enough to assess their effectiveness or determine which design is more efficient than the others. The systems do, in varying degrees, provide continuity and accountability between the top management and regional management systems. However, the lack of a standardized process and format inhibits the coordination and oversight of the plans for program and support activities which cross directorate lines.

The need for adequate coordination and oversight is important due to the functional alignment of program staff and resources within the directorates. Prior to the current organizational alignment, major programs were, to a large extent, self-contained within directorates. The current functional alignment, installed in June 1981, spread some major programs between directorates. For example, the flood plain management program and flood insurance program were both the responsibility of the Federal Insurance Administration. Combined, these programs represented the basic strategy for reducing the loss of life and property caused by flooding. Under the realignment, this function has been split between the Federal Insurance Administration and the State and Local Programs and Support Directorate.

Another example is the civil defense program which relies on the performance of four FEMA directorates--National Preparedness Program, Resource Management and Administration, State and Local Programs and Support, and Training and Education. Staff and resources within each of these directorates have a role in the successful execution of the civil defense program. Standardized directorate planning systems which identify major civil defense program tasks and milestones to be performed within each of the directorates would provide management some basis for determining whether these activities support each other and whether collectively they are sufficient to accomplish the program goals and outputs contained in the agencywide plan.

Accordingly, we believe FEMA should select a standard planning process and require its use for planning the internal activities of its directorates.

Performance reporting on program activities is missing

Similar to the design of the planning processes within an organization, performance reporting should transcend organizational levels and capture key program and support activities. As mentioned earlier, FEMA implemented an agencywide performance reporting system for top management that provides information on key indicators for administrative support activities. However, FEMA has not yet developed a systematic report process for key indicators of program activities on an agencywide basis. The design of program performance reports, to be effective, should parallel the content of FEMA's planning process; that is, performance reports for top management should provide aggregate data with more detail being provided at the directorate and regional levels. We discuss management's information needs further in chapter 4.

Program evaluation function needs attention

Earlier in this chapter (p. 24), we described FEMA's program evaluation function as being weak from the time FEMA was created. Unlike the other components of FEMA's management systems which have shown marked progress, the condition of the program evaluation function has remained unchanged.

The Director of Program Analysis and Evaluation and other top level and program managers recognize the importance of improving FEMA's evaluation function. As a first step towards improving this function, FEMA is contemplating an additional element in its agencywide planning process that will be designed to identify major program areas needing evaluation and to prepare an evaluation plan. However, beyond the proposed development of an evaluation plan, little else has been done. The Evaluation Division of the Program Analysis and Evaluation Office remains unstaffed and program evaluations have not been given any attention within the directorates and their program offices.

While we recognize the need to put in place the other elements of FEMA's management systems, the evaluation function should be given more management attention than it has received up to now. If possible, FEMA may want to consider staffing its evaluation division, or reassigning the program evaluation function to another organizational unit. At any rate we believe that there is a need to form the nucleus of a program evaluation system that identifies potential programs for evaluation, coordinates and assists evaluation efforts performed by program offices, and coordinates and works with the Office of Inspector General during its audits of management procedures and control.

Once reports are issued, the evaluation function should establish followup procedures to track, at a minimum, whether any action was taken and whether anticipated results from these actions did occur. Further, evaluation reports should be used by top management in developing future program goals and objectives.

CONTINUED EMPHASIS AND ATTENTION NEEDED DURING IMPLEMENTATION

FEMA has made significant progress in implementing top management and regional management systems. However, the current accomplishments have been difficult to attain. As we noted earlier, defining a program structure and program goals, objectives, and outputs has been time consuming. With FEMA's implementation schedule tied to the fiscal year 1984 budget process and the beginning of the fiscal year 1983 program activities, any additional delays would certainly impair the successful completion of this effort. Also, the numerous competing demands on FEMA staff require that continued priority emphasis be given to meeting the management systems implementation schedule.

Top management has been involved throughout the development of the management systems and especially during critical periods of implementation with noteworthy results. For example, when it was noted that the completion date for submission of program goals and outputs appeared to be placing the entire implementation schedule in jeopardy, the Director of FEMA issued a memo to his associate and office directors reinforcing the importance of meeting this deadline. The Director also set up daily progress reporting the week preceeding the deadline. We feel this involvement by the Director played a large role in the successful completion of this phase.

We encourage continued oversight and involvement by FEMA top management during the remaining stages of implementation. This will help underscore to FEMA staff the importance of successfully implementing the management systems. Above all, FEMA needs to stick with this management system until it is fully in place and working as well as available resources permit. We anticipate there will be many problems still to be overcome and day-to-day demands on managers' time will make it all too easy to let this effort decay or be abandoned as others were in the past. Sustained effort and the recognition that far less will be accomplished, absent an effective management system, are the keys to ultimate success.

CONCLUSIONS

After FEMA's creation in April 1979, its predecessor organizations continued to operate independently with little oversight and control by top management. The lack of mission statements, goals, objectives, output measurements, planning processes,

periodic performance reporting, and evaluation resulted in a form of management that could largely be described as ad hoc and crisis oriented. More importantly, it resulted in little perceived or real accountability within the agency.

We could not determine the total effect of these deficiencies in FEMA's management system. However, it was clear FEMA could not demonstrate that its staff and resources were being used in an economic, efficient, and effective manner.

In the past, FEMA management recognized the importance of establishing management systems. However, four proposals to implement such systems failed, purportedly due to insufficient continuity, support, and involvement from top management.

If implemented, the current management systems initiatives will establish, for the first time, routine management processes which will enable management to plan, communicate, coordinate, and carry out activities consistent with FEMA's consolidated emergency management mission. Such implementation is dependent on continued strong support by top management. Further, there are several areas which need to be institutionalized or strengthened to ensure that

--the FEMA-wide mission and goals are kept current;

--the formulation of program and support activities' goals, objectives, and outputs is adequate;

--the planning processes at the top, directorate, and regional management levels logically relate to and support each other;

--management receives adequate performance information to monitor and control program and support activities; and

--the major program activities are periodically and objectively evaluated.

RECOMMENDATIONS TO THE DIRECTOR, FEMA

We recommend that the Director, FEMA:

--Establish formal periodic reviews of the agencywide mission and goals statement. This should be an element of the FEMA-wide planning process and could take the form of top management team building sessions similar to those that initially defined FEMA's mission and goals.

--Evaluate the initial agencywide program and support activities' goals and objectives definitions to determine if they are realistic, achievable, and to the extent possible, measurable.

--Evaluate the agencywide outputs that correspond to program and support activity goals and objectives to determine if they provide adequate and appropriate performance indicators.

--Require a consistent planning process for internal directorate activities that would enhance the coordination and oversight of program activities that cross organizational lines.

--Develop performance reporting systems to communicate progress towards program goals at the top, directorate, and regional management levels.

--Establish a capability for conducting program evaluations throughout the agency. In carrying out this recommendation, the Director, FEMA, might want to consider either staffing the evaluation division of the Program Analysis and Evaluation Office or increase the staff of its Office of Inspector General to allow some evaluations of FEMA activities.

--Use program evaluation results, once available, in establishing future goals, objectives, and outputs.

AGENCY COMMENTS AND OUR EVALUATION

FEMA generally agreed with our findings, conclusions, and recommendations (see app. IV). FEMA advised us that subsequent to the completion of our fieldwork various actions were taken to implement the recommendations in this chapter, and further steps are planned. These actions should accommodate most of the concerns addressed in our recommendations. GAO plans to assess FEMA's implementation of these recommendations approximately 1 year from the date of this report.

CHAPTER 4

WHAT MORE NEEDS TO BE DONE TO BUILD EFFECTIVE ADMINISTRATIVE SUPPORT FUNCTIONS

Building efficient and effective administrative support functions--accounting, budgeting, personnel management, and the like--is essential to creating a well-functioning organization. Since FEMA started operations in 1979, it has experienced significant problems in developing and maintaining its key administrative support operations. Generally speaking, FEMA's support operations were not provided either the leadership or sufficient staff to simultaneously process day-to-day transactions and build the institutional capacity the organization needed for the long haul.

Prior to FEMA's creation, the program directorates that now make up FEMA were either supported by the administrative systems in the host departments or else they had their own support capacity. The reorganization establishing the comprehensive emergency management concept in FEMA necessitated establishing consolidated administrative support operations. FEMA now has a single Resource Management and Administration Directorate (RMA) which houses all the support operations FEMA needs. This directorate contains five offices (see figure 2-2 on p. 14), three of which were the focus of our review--the Office of Comptroller, the Office of Personnel, and the Office of Information Resources Management. We reviewed five key support functions in these three offices--accounting, budgeting, procurement, personnel, and management information systems.

In analyzing FEMA's administrative support functions, we identified the problems and issues that either GAO or other organizations had disclosed in previous and ongoing reviews of agency programs and activities. We followed up on these problems and issues by interviewing the support function managers and obtaining documentation about their activities. For the five support functions discussed in this chapter, we wanted to obtain a general understanding of how each function is carried out, how responsibilities are divided between RMA and the five program directorates, and what was done to address the problems and issues previously identified. Our discussion of these functions should not be considered a comprehensive analysis of their operations or management.

Problems in certain administrative support activities continue to persist and require additional effort. Some of FEMA's administrative functions have neither effectively supported program management nor have they provided sufficient oversight and accountability for the application of resources. For example, the accounting system has not provided effective controls for the proper administration of financial resources. Similarly, the budget process has not been fully effective in planning and controlling the

use of funds. Recently, however, notable progress has been made toward building more effective support systems, and, with adequate resources and appropriate management attention, FEMA now has an opportunity to create the systems it needs. Reaching this goal will require sustained support by top management and further pursuit of the remaining issues, many of which are discussed in this chapter.

ACCOUNTING SYSTEM--A CRITICAL FUNCTION-- IS NEARING OPERATIONAL STATUS

Of FEMA's administrative support activities, the accounting operation was seen by top management as the weakest and most vulnerable to fraud and abuse. Reports prepared by a major accounting firm and by GAO highlighted significant deficiencies in the basic system and operating procedures. Since our review began, however, FEMA has made significant improvements, including establishing an Office of the Comptroller. With more attention to planning and implementing the remaining tasks, FEMA has an opportunity to make its accounting operation one of the strong points in its management system.

Responsibility for operating the accounting system

RMA is responsible for accounting operations--accounting for appropriations, obligations, and other financial resources. 1/ The Accounting Division in RMA's Office of the Comptroller administers these operations. The Division is organized into five units: the Systems Branch, Payroll Branch, Reports and Control Branch, Fiscal Services Branch, and the Imprest Fund.

FEMA's regional offices have finance branches in their Resource Management and Administration Divisions which administer their accounting activities. However, these branches are subordinate to the Accounting Division and rely on the Division for maintaining office accounts and processing disbursement of funds. The regional offices have the authority to maintain imprest funds and provide travel advance money.

At the center of FEMA's accounting system is the Financial Accounting and Reporting System (FARS). This is an automated capability, developed for FEMA by an outside contractor, to maintain financial data and produce reports based on the data. Soon FEMA's regional offices and other sites outside Washington, D.C.,

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1/The current organizational structure was established in August 1981. Before then the accounting operation was part of the Budget and Finance Division, a unit of the Office of Finance and Administration which reported directly to the Director, FEMA.

will be able to enter data but not change account balances. Changing these account balances is limited to designated staff in the Accounting Division as part of their internal control measures.

Early accounting system problems

When we began our review in June 1981, we found that there was no effective accounting system to manage the agency's financial resources. In essence, FEMA had neither control over nor accountability for its funds. This condition was the result of problems with accounting policies, procedures, reporting, and staffing. A consulting firm issued a report in March 1981 citing a number of specific problems in FEMA's accounting system. Among them were the inability to produce accurate reports on a timely basis; serious delays in making payments to vendors; the absence of adequate internal control; and inadequate control of the automated system, FARS. Our recent report on FEMA's accounting operations and internal controls (GAO/AFMD-82-87) identified a number of problems including inadequate control of accounts receivable, obligations, imprest funds, and travel advances. For example, GAO found over $1.5 million in travel advances had been outstanding in excess of 120 days despite requirements to promptly recover excess travel advances. Other examples of inadequate controls are listed below.

--Accounts receivable were inadequately controlled, receivables were not promptly and accurately recorded in the accounting records, and collection efforts on outstanding receivables were neither prompt nor aggressive.

--Collections were inadequately controlled; they were not properly logged and verified, promptly deposited, and adequately safeguarded; and employee duties were not properly segregated.

--Safeguards and controls over disbursements were weak; preaudits were inadequate to preclude duplicate payments; and procedures controlling the timing of disbursements were not adequate.

--Obligations were poorly controlled; they were not adequately reviewed, recorded, or reconciled.

--Accounting functions were poorly managed; staffing and training of personnel were inadequate, and formal procedures and job descriptions were needed.

The condition of the accounting system affected other FEMA units, too. Without accurate or current accounting reports other units have had to rely on internal records. The Budget Division,

Office of the Comptroller, relied upon its own records which only contained amounts proposed for obligation (see p. 51). The program units kept, in effect, parallel records and in some instances the recordkeeping systems were rather extensive, duplicating records maintained by the Accounting Division. There were instances where the records of a program unit proved more complete and accurate than those of Accounting. One program unit official we met with said he should not have to maintain his own set of records, but he felt compelled to do so in the absence of adequate data from the central accounting system.

We found that the accounting system had distributed only three reports from August 1980 to January 1982. One report, for internal use, was disseminated four months after its closing date. The most recent report, issued in December 1981, contained numerous inaccuracies. Additionally, the reports did not contain data for comparing actual against planned spending. Some FEMA staff we met with also said the report's format was very confusing and misleading.

As previously mentioned, there was inadequate control over the processing of accounting data. Prior to October 1981, the only accounting system documentation was the FARS manual which contained only coding instructions. Manuals or written instructions had not been prepared to document effective policies and procedures for recording entries or reconciling of accounts. Instances were identified where bills were paid without verifying the obligation; obligations were recorded twice; payments were late and vendor discounts were lost; and collections were received but were not recorded.

A shortage of qualified staff in the Accounting Division was a significant factor in the ineffective processing of accounting data. This problem was compounded by existing staff applying procedures learned in other agencies and a lack of adequate training. For example, one employee used procedures from both the Securities and Exchange Commission and the Department of the Interior, while another elected to use procedures from the General Services Administration. Officials in the Office of the Comptroller added that the accounting staff, in many cases, lacked skills in basic accounting procedures. We further learned that no effort had been made to correct deficiencies in staff skills or to implement standard procedures in the Accounting Division.

Accounting system improvements made

FEMA began to actively address its accounting problems in the summer of 1981. With a change in agency leadership, financial management responsibilities were reorganized into an Office of the Comptroller and new managers were placed in charge of the accounting, budgeting, and procurement units. As GAO started its review of the accounting system and internal controls, FEMA assessed its

own condition and identified problem areas. Action was then taken to correct a number of these problems, the most prominent ones being addressed first. The major areas of concern were closing the fiscal year 1980 accounts, backlogs of unprocessed work, hiring more professional staff, and establishing policies and procedures.

The accounts for fiscal year 1980 were closed in August 1981, 10 months after the year's end. The accounts for fiscal year 1981 were closed in November 1981, only 1 month after the close of the fiscal year. By February 1982, the Accounting Division reduced its voucher backlog to a manageable level of approximately 1,000 items per week, down from 10,000 earlier. Office of the Comptroller officials told us that data for fiscal years 1979, 1980, and 1982 have been fully reconciled but work has not been completed on fiscal year 1981.

In May 1981, there were 4 professional (GS-510 series) accountants out of 36 full-time permanent staff in Accounting. By December 1981, 7 additional accountants had been added to the staff.

As of March 1982, policies and procedures were being developed for all aspects of accounting. In addition, desk procedures were being developed for the clerical staff in conjunction with on-the-job training to establish uniform practices.

To improve the control of the flow of accounting documents and control over data, a document control desk was established as a quality control. Previously, documents were sent directly to the appropriate accounting unit for processing. This practice was not effective because documents were lost or incorrectly processed. The control desk was made responsible for receiving all documents first, assessing that the documents were accurate and complete, recording necessary data, and directing the documents to the appropriate unit for processing. According to an Accounting Division official, the control desk has improved the timeliness and accuracy of accounting data processing.

In December 1981, FEMA management was briefed on the results of GAO's review of accounting operations and internal controls. On the basis of this information the Office of the Comptroller established a task force to correct the deficiencies we identified. A tracking document was created that listed the deficiencies and established who was accountable for remedial action. The progress of efforts was recorded and reported to the agency's Executive Deputy Director. As of April 1982, 21 of the 26 problem areas had been corrected (the 26 areas expanded on the major problems identified by GAO) according to this tracking document. Further discussion of these improvements can be found in the GAO report, AFMD 82-87.

Pursuant to the March 1981 consulting firm recommendation, FEMA took control of FARS from its contractor in February 1982. Subsequently, FEMA expanded or refined FARS' capabilities through new edits for control purposes. Budget data was added to the system for the first time in March 1982.

Consistent with the transfer and enhancements of FARS, accounting reports have been redesigned and issued. Two standard monthly reports are now being generated for distribution to agency managers that provide an accounting of the status of funds relative to allotments and allowances, and a listing of obligations and expenditures. FEMA officials were confident of the new data's accuracy. They also expect to distribute these reports within 3 weeks after the end of a month.

The improvement in reporting capabilities will also enable FEMA to meet its statutory reporting requirements to Treasury and OMB. There are six periodically required Treasury reports besides the year-end statement and one monthly report required by OMB. Prior to fiscal year 1982 only one Treasury report had been made regularly. With the recent developments in FARS, Accounting officials expect to produce timely reports. Recently, reports were being produced less than a month after the closing date.

To improve management oversight of programs and the relationship of accounting data to programs, the accounting structure has been revised. Two revisions have been made since October 1981 to enhance support of both the accounting and budget functions. These revisions established categories and elements along program lines. After the program directorates decided to restructure their programs, the accounting structure was further revised in May 1982 to reestablish the association between the program and accounting structures. To facilitate the comparison of fiscal years 1982 and 1983 a "crosswalk" between existing structures was developed.

When financial management activities were reorganized into the Office of the Comptroller, a basic mission and function statement was established for the respective divisions and branches. To establish standards and goals for the staff, position descriptions were drafted and performance plans prepared. The position descriptions are currently being reviewed by the Office of Personnel. We have not analyzed these plans, but we were informed by officials in the Comptroller's Office that they needed more work.

Stronger management control needed for future improvements

FEMA has made noticeable progress since the summer of 1981 in remedying its accounting system problems. The present system provides managers basic accounting data they need, and its accuracy apparently has improved. However, further efforts are required before the system can be regarded as fully operational. Policies

and procedures need to be finalized; certain internal controls remain to be established; further enhancements need to be incorporated in FARS; and the accounting system requires GAO approval (FEMA has begun the first of the two phases towards approval).

The Comptroller of FEMA told us that he expects to have the accounting system fully operational in early 1983. Considering current progress, this appears to be a reasonable goal. To better ensure achieving this goal, we believe the Comptroller and the Director of Accounting need to establish a plan articulating and prioritizing the goals, objectives, and strategies; identifying resources; and setting accountability to achieve the 1983 completion date. Similarly, the appropriate staff charged with carrying out the remaining activities should develop plans subordinate to the main plan spelling out specific tasks. We believe these planning activities will not only improve the chances of meeting the 1983 goal but also effectively communicate the remaining work and related resource requirements to FEMA top management.

SOME PROGRESS BEING MADE IN IMPROVING THE BUDGET PROCESS BUT MORE WORK IS NEEDED TO MAKE IT AN EFFECTIVE MANAGEMENT TOOL

FEMA has gradually improved its ability to prepare and submit a budget to OMB and the Congress on time and in the desired format, but its budget formulation and execution practices provide minimal assistance to top management in planning and controlling agency operations. With the various participants' roles inadequately defined, the absence of an effective planning process, a very small central budget staff (two budget analysts in June 1982), lack of continuity in the budget formats of succeeding fiscal years, the absence of adequate budget data, and inadequate control over processes and products, FEMA has prepared its budgets using ad hoc procedures largely controlled by the program directorates.

OMB Circular No. A-11, entitled "Preparation and Submission of Budget Estimates," states in part that, "Agency proposals should result from a comprehensive system that integrates planning, evaluation, and budgeting * * * to meet the agency's goals and objectives." OMB Circular No. A-34, entitled "Instructions on Budget Execution," also states in part that, "Agencies are responsible for maintaining systems of accounting and adminstrative control to facilitate effective management of federal programs and to avoid violations of section 3679 of the Revised Statutes, as amended (deficiencies in appropriations) * * *." Neither circular prescribes specific processes and procedures for meeting these requirements. Agencies are given wide discretion in establishing their budget systems. GAO has also taken the position in an earlier report on agency budgeting (PAD 80-31, Feb. 29, 1980) that there is no one way to budget. We emphasize this point because agency conditions and management practices do vary. However, we

believe FEMA's top management needs a more centralized, structured process--integrated with effectively functioning planning and evaluation systems--to provide the needed direction and control of agency operations.

How the budget process works in FEMA

Federal agencies normally begin planning for a fiscal year about 18 months before the start of that year. The general steps include establishing priorities, issuing a call to the operating units for budget information, analyzing and evaluating operating unit submissions, making decisions on alternatives and priorities, submitting the budget proposals to OMB, participating in congressional deliberations as requested, and executing the budget approved by the Congress. In FEMA, the Budget Division in RMA's Office of the Comptroller is responsible for overseeing and administering FEMA's budget process. The program directorates and staff offices develop program resource needs during budget formulation and carry out the activities funded by the Congress. FEMA's regional offices provide input on program issues and resource needs as requested by the directorates. States and localities provide input to the budget process through mechanisms established in cooperative agreements between FEMA and the States.

Problems experienced in budget formulation and execution

FEMA has never explicitly defined the roles of its units participating in the budget process. The current "system" has largely evolved from past practice. The absence of defined roles and FEMA's newness as a separate entity have led to a very decentralized process where de facto control has resided in the program directorates. The budgets for fiscal years 1980, 1981, and 1982 essentially represented a composite of program directorates and staff office requests, rather than a unified statement of direction and resource needs.

Program directorates dominated budget formulation

The FEMA directorates essentially controlled the budget formulation process. Regional input was limited. Budget proposals for work carried out by the regions were normally based on the estimates and perceptions of program directorate staff at headquarters. Once proposals had been submitted to the Budget Division, program directorates would individually negotiate their proposals on an ad hoc basis with the Budget Officer. These negotiations generally did not include the budget analyst responsible for incorporating the results in OMB and congressional budget documents.

The result was poor quality budgets in FEMA's early years. OMB and congressional staffs were critical of FEMA's budgets, citing lack of organization, contradicting and erroneous numbers, and lack of detail. For example, the fiscal year 1982 estimate for salaries and benefits failed to incorporate funding for the 9.1 percent civilian pay raise of October 1980, resulting in a shortfall of $7.5 million that had to be made up by various means. This resulted from a technical slip-up. Other errors were the result of the ad hoc system used to formulate the budget.

FEMA's ability to formulate a budget was also hindered by the lack of continuity between the structures used in succeeding years' budgets. As shown in appendix II, the budget structure (appropriation accounts and subordinate program categories) has differed for fiscal years 1981, 1982, and 1983. A crosswalk, or means to relate the changes between budget structures, was never established. To develop a budget, such as the fiscal year 1983 budget, it became necessary to recreate the data for fiscal years 1981 and 1982 according to the structure used for fiscal year 1983. Because there was no crosswalk, FEMA could not be sure that the 1981 and 1982 data was comparable to the data for 1983.

Little effort was made to oversee budget execution

Once budget authority had been granted, either through appropriations or continuing resolution, the Budget Office did not rigorously oversee budget execution by the program directorates. At issue again were role definitions and data availability. There was no policy, agencywide or in the Budget Division, regarding budget execution and review. Approving the availability of funds for obligation was the only established means to control budget execution. The Budget Division did little other than record the amount proposed for obligation. This provided no feedback or support to top management and program managers during budget execution. Program managers in the directorates and regional offices had to rely on their own records to control the use of budget resources. The Budget Division has never issued a budget execution report, nor did the earlier accounting reports contain budget execution data.

FEMA did not assess program performance against the goals stated in its budgets, neither in the current year nor in years past. The Office of Program Analysis and Evaluation, which is responsible for evaluating FEMA's programs, has prepared briefing material at budget time and conducted studies of program segments, but these briefings and studies did not address the effectiveness of programs in meeting goals and objectives or utilizing budgeted resources.

Because top management had only informal means and testimonial evidence from program officials for assessing program performance

during the prior and current budget years, its decisions on budget levels for forthcoming years could not be based on assured knowledge of what had been accomplished, what changes were needed, and what more remained to be done to fulfill the agency's mission.

Recent improvements have been made

In the summer of 1981, actions were initiated to improve FEMA's budget process. Since then, some progress has been achieved in establishing control over the process and improving budget information.

FEMA's fiscal year 1983 budget was submitted to OMB on time. FEMA's budget examiner in OMB noted that the document also reflected a noticeable improvement in quality. This result was significant since FEMA did not start to formulate its fiscal year 1983 budget until June 1981, 3 or 4 months after the process normally begins. In order to achieve the September 1981 deadline, top management established and enforced a schedule. Similarly, in developing its management system, the agency has developed a budget calendar for future years with timeframes and deadlines.

Formulation of a budget will be upgraded with the initiation of a management system (see p. 27). This system provides for a formal, FEMA-wide planning process, designed to integrate with the budget process and create a uniform definition of program goals and objectives.

Because the program structure in the management system differs from the budget structure, FEMA has established a crosswalk to explain the difference between the two structures. FEMA will also be using the same budget structure in fiscal year 1984 as in fiscal year 1983. This should improve continuity between budget years.

Progress has also been made in improving budget data. In October 1981, with a revision in May 1982, a new coding system was created for FARS operated by the Accounting Division. This coding system creates a closer alignment between the accounting structure, budget structure, and program structure. FEMA will have the capability to directly associate dollar amounts with programs and appropriation accounts.

The Budget Division centralized its records and began collecting obligated amounts with the start of fiscal year 1982. The division also began development of an automated system called the "FEMA Budget Execution System," which is designed to report budget data according to program, organization, and appropriation and fund accounts. The system is not yet fully operational although trial reports are being produced. Eventually, reports from the system are intended to be distributed to directorate and office managers.

Remaining concerns in budgeting

As FEMA matures further, we expect the Accounting and Budgeting divisions to play stronger roles in formulating and executing the budget, provided their resources are strengthened and the key actors' roles are better defined. While we recognize there is no ideal budgeting strategy for FEMA, we believe further gains toward achieving a consolidated emergency management concept are contingent upon strengthening top management's participation in budget formulation and execution. Presently, there are draft policies stating the role of top management, the program directorates, and regional offices in the budget process.

Specific attention needs to be given to the requirements of top management. The Budget Division and the Office of Program Analysis and Evaluation should do more to support top management's control and oversight of agency funding. For example, FEMA top management should receive (1) timely budget execution data comparing actual and budgeted expenditures and (2) meaningful analyses of major program activities to support the budget review process.

Ideally, the management system now under development should also integrate program planning and budget formulation as well as program evaluation and budget execution. Current designs for the management system establish a process whereby planning and budget formulation would be integrated. The documents intended to capture planning decisions will include actual and proposed budget figures. Further, the process designed to track program performance will also track usage of budgeted amounts. However, slow progress on the management system and other delays have also put off the start of budget formulation. As this is written, management guidance was scheduled to be communicated to the directorates in July 1982--about 4 months behind schedule. Also, as mentioned in chapter 3, FEMA is not emphasizing program evaluation. In summary, FEMA has much more work to do to develop a sound budgeting system.

THE PERSONNEL FUNCTION'S BASIC ELEMENTS EXIST BUT MORE DEVELOPMENT REQUIRED

The interagency task force set up to activate FEMA created a personnel management function including a grade structure, staff size, and organizational chart for the function. However, the means to render this function operational--qualified personnel and personnel systems--were not transferred from FEMA's predecessor organizations during the reorganization. Consequently, these had to be established at the same time the personnel function was required to carry on FEMA's normal day-to-day personnel activities.

FEMA has resolved many of the basic problems resulting from the reorganization, and developed (1) a manpower management capability to manage staff levels, (2) an internal training program, and (3) an executive development program. However, other basic personnel elements require revision or development. In following up on the problems and issues others had identified, we found that many position descriptions were inaccurate, and the means for evaluating staff performance was ineffective. Also, employment and recruitment goals for FEMA's affirmative action plan have yet to be developed.

Organizational placement and responsibilities of personnel function

RMA's Office of Personnel develops, implements, and manages FEMA's personnel programs, including position management, classification, recruitment, placement, labor management relations, performance evaluation, incentive awards, discipline, and training and career development. Also, in conjunction with FEMA's Equal Opportunity Office, it implements an equal employment opportunity program.

FEMA's 10 regional offices perform personnel activities, such as preparing requests for personnel actions, posting vacancy announcements, and making recruitment announcements. However, they do not have the delegated authority to authorize personnel actions.

The manpower management staff was created in the RMA Associate Director's office in October 1981 pursuant to OMB Circular No. A-64, Position Management System and Employment Ceilings. The staff works closely with the Office of Personnel and the Office of the Comptroller through an integrated position management system to ensure staff resources are efficiently allocated. Specifically, it recommends staffing levels, conducts staffing reviews, compiles employment statistics, maintains the employment ceiling control, and develops FEMA's organization and functions manual.

Getting the basic system established has dominated Office of Personnel activities

FEMA's Office of Personnel was not fully staffed until November 1979, 7 months after the agency was activated. In April 1979, 29 of the 36 authorized personnel positions 1/ were vacant.

1/These positions do not include 11 personnel positions for FEMA's Special Facility, which maintained a full contingent of staff during the reorganization.

According to FEMA's acting personnel director, who was a member of the FEMA activation task force, the prolonged process of recruiting qualified staff to fill these vacancies prevented the Office of Personnel from developing, early in FEMA's existence, many of the basic operational policies and procedures required by Office of Personnel Management (OPM) regulations. As a result, he said the Office's activities, 2 years after FEMA was established, were being driven largely by the need to put in place such basic OPM requirements as an employee grievance procedure, labor-management relations policies, a merit pay system, and a job classification system.

Staff management activities being developed

FEMA is pursuing the development and enhancement of elements within the personnel function that go beyond the establishment of the policies and procedures mentioned above. These initiatives are designed to assist management and staff in the performance of their duties and responsibilities as well as improve the quality of FEMA's staff resources. These initiatives include

--the development and implementation of a manpower management capability,

--the development of an internal training system, and

--the establishment of an SES and managerial candidate program.

Manpower management implemented

As mentioned earlier, an element of the personnel function--manpower management--was created to comply with OMB Circular No. A-64. According to this circular, position management is the structuring of positions, functions, and organizations in a manner that optimizes efficiency, productivity, and organizational effectiveness. Its purpose is to provide (1) guidelines for effective position management activities and (2) information on the concepts and procedures to be followed with regard to employment ceilings, which are calculated in terms of full-time equivalent employment beginning in fiscal year 1982.

RMA's Deputy Associate Director told us that the need for a FEMA manpower management capability became apparent during the organizational realignment in June 1981. For example, there was no unit in FEMA that had the capability to track the transfer of staff and functions between organizational units, to develop an acceptable supervisor-to-staff ratio when changing organizational elements, or to develop guidelines on the titles and organizational

positions of units within FEMA. Subsequently, he designated four management analysts to serve as the core staff for manpower management and placed the function in the Office of RMA's Associate Director.

The manpower management staff developed a manpower vouchering system to distribute and control work spaces (authorized positions) among organizational units. Any change in actual or authorized staffing levels must be cleared through the manpower staff and approved by the Office of the Associate Director. Also, the vouchering system provides management with their units' current full-time equivalent consumption and the balance remaining.

FEMA plans to enhance its manpower management capability so it will integrate with the budget process and agencywide planning system. Essentially, the manpower management system will provide guidance for calculating the personnel budget figures and will allow full-time equivalent analysis using the budget appropriation structure.

FEMA made considerable progress implementing its manpower management function. As it matures, some attention could be given to developing additional capabilities that would complement other personnel activities and better support management decisionmaking. For example, the manpower management staff could develop the capability to forecast potential staff vacancies by developing trend line data on promotions, attrition, and budgeted increases or decreases in authorized staff strength. This would provide management with information that could be used in determining (1) the optimum size for its executive development program, (2) the scope of recruiting programs, or (3) the most realistic goals for its equal employment opportunity programs.

Internal training under development

At the time of our review the Office of Personnel's Employee Development Divison was working with each FEMA organization to make the training needs assessment, which is part of the staff's annual individual development plan, more realistic in terms of budgetary constraints. In the past, staff were promised training by their managers or supervisors which collectively exceeded the organization's training budget.

The Division established training courses for FEMA supervisors, managers, and administrative staff. The division chief said the training program will continue to be developed over the next 1 to 3 years so as to better match employee training needs to actual courses taken and establish a total curriculum plan for crisis management, national security, and program analysis and

evaluation. No written plan had been developed to describe the specific tasks remaining to be done so we could not assess the likelihood that an effective training program will be established.

Executive development program established

FEMA's executive development program was established to comply with OPM regulations. Its purpose is to improve agency management through the development of new executives and managers and to improve the managerial skills of current SES members. The executive development program consists of two candidate programs--the SES candidate program and the managerial candidate program. FEMA's Executive Resources Board, composed of current FEMA SES executives, oversees both programs, while the Employee Development Division carries out the day-to-day operations.

FEMA's SES candidate program is designed to provide a trained pool of managers that can be placed in SES positions as vacancies occur. The number of candidates entering the program is based on projected vacancies occurring within the SES ranks. Once candidates are selected, they undertake a mix of course work and developmental assignments. These assignments, 3 months in duration, are identified and negotiated by the candidates and reviewed and approved by the Executive Resources Board. According to the Chief of the Employee Development Division, the program has not completed its first 12-month cycle due to delays arising during the change in FEMA leadership in 1981.

FEMA's managerial candidate program is similiar to the SES candidate program, in that its purpose is to develop competent middle and lower level managers. The program was developed in response to the Federal Personnel Manual Bulletin 920-26. FEMA's program, which was initiated in September 1981, attempts to (1) identify potential managers, (2) identify candidates' developmental needs, and (3) identify and provide courses and developmental experiences that will meet their needs and prepare them to assume managerial positions within FEMA.

While the actual benefits of these programs for competent, trained managers have yet to be determined, FEMA's Office of Program Analysis and Evaluation, at the request of the Executive Resources Board, evaluated both programs to identify problems and recommend improvements. The study recommendations are currently being acted on by the Executive Resources Board. Among other things, the recommendations call for the following program changes:

--Improved candidate selection criteria.

--Increased use of developmental assignments.

--Increased organizational involvement in the selection of developmental assignments.

We believe the current emphasis being placed on improving the executive development program in FEMA is essential to the successful selection and development of competent managers and executives. Through continued management involvement and oversight, the program should be a continuing benefit to the health of the organization.

Three other personnel elements need improvement

FEMA has implemented and improved many of the basic requirements that are necessary for a sound personnel function. There are, however, three key elements which need further improvement before the function can adequately fulfill its organizational and management support role.

Affirmative action plan goals missing

FEMA was without a full-time Director for its Office of Equal Opportunity between January 1980 and August 1981. This lack of leadership delayed the development of FEMA's affirmative action program plan. The office's current Director prepared FEMA's first action plan for fiscal years 1982-86, which was approved by the agency's Director, submitted to the Equal Employment Opportunity Commission December 8, 1981, and approved by the Commission on September 10, 1982. However, due to the FEMA realignment which resulted in relocation of many functions and staff, FEMA did not include a critical element in the action plan--employment and recruitment goals--because potential vacancies could not be readily determined. In FEMA's transmittal letter to the Commission it stated that as soon as vacancies can be determined, FEMA will take appropriate steps to set goals and amend the action plan accordingly.

The action plan states that managers and supervisors are the key to an effective equal employment opportunity program and that their performance appraisal plans will reflect their program responsibilities. Further, these responsibilities will be one of the factors considered in performance ratings and performance awards.

Position descriptions need updating

FEMA also needs to ensure that position descriptions accurately reflect staff duties and responsibilities. We stated in the December 7, 1981, interim report that the position descriptions for many FEMA staff were inaccurate because (1) position descriptions from FEMA's predecessor agencies were not rewritten where

needed and (2) position descriptions were not adjusted to reflect changes in duties and responsibilities following internal reorganizations.

Position descriptions provide the basis for job classification and grade level designations in the Federal Government. An accurate position description should describe work performed, knowledge required to perform the work, actual tasks and duties required to perform the job, and the level of job responsibility. Further, these position descriptions, if accurate, will bear a strong relationship to staff performance plans. While FEMA has not determined the precise number of inaccurate position descriptions, RMA's Deputy Associate Director estimates the number to be approximately 700, or 30 percent of FEMA's work force. The problem is so severe that FEMA top managers said the agency would have difficulty instituting reduction in force procedures should they be required due to budget cuts. Also, they are concerned that inaccurate position descriptions may have resulted in improper grade levels being assigned to some FEMA staff.

FEMA plans to review and update all inaccurate position descriptions during the first quarter of fiscal year 1983. We believe this scheduled review should receive top priority so as to improve management control of staff resources and to provide a basis for individual performance plans and appraisals.

Performance planning and appraisal system requires strengthening

Finally, the performance planning and appraisal system should be strengthened. An employee's performance plan sets forth the work elements (critical and required) that will be used to measure performance at the end of the rating period. FEMA's performance appraisal policy requires that an employee be rated annually on at least one critical and one required element of the employee's job. In addition, FEMA's system is intended to be a "top down" approach, that is, one that starts with the clear definition of agency goals and objectives. The specific tasks to be accomplished by employees can then be related to the overall agency goals and objectives for consistency. Establishing this link has been difficult because position descriptions were inaccurate, and, second, FEMA had not provided its employees with clearly defined agency goals and objectives.

According to internal analysis and our discussions with FEMA managers, past performance plans have lacked realism and specificity. Also, the low quality of performance plans has apparently affected the performance appraisal process. To illustrate, FEMA noted in its first quarterly resource management and administration activity performance report issued April 9, 1982 that

"Sixty-eight percent of all FEMA employees eligible to receive merit pay received performance ratings of outstanding or exceptional during the rating period ending September 30, 1981. Continuation of this extremely high number of employees receiving superior performance ratings will mean that the merit pay system for GM [General Merit] employees will not function properly during this fiscal year."

As discussed in chapter 3, FEMA recently defined agencywide and program level goals. Some directorates, such as Resource Management and Administration, are in the process of further refining the goals into specific, individual tasks and milestones. This process, if applied effectively and uniformly across the agency, may help improve the content of performance plans and the subsequent performance appraisals.

When assessing individual performance in the directorates and offices, management should appraise staff based on actual accomplishments compared to their performance plans. The Office of Personnel should assess the quality of future performance plans and appraisals to determine whether they relate to organizational goals, objectives, and tasks.

MANAGEMENT OF THE PROCUREMENT FUNCTION IS IMPROVING

A significant portion of FEMA's mission is carried out through the procurement process because the agency relies heavily on other Federal agencies, contractors, and grantees, to perform its consolidated emergency management functions. During fiscal year 1981, FEMA procured goods and services from these sources totaling $105.5 million, 13.8 percent of its total appropriations of $764.6 million.

FEMA has taken important steps toward improving the mechanisms by which the agency procures goods and services, including the establishment of an advance procurement planning process and a requisition review board. At least part of the impetus for taking these actions came from recent OMB instructions requiring Federal agencies to establish formal planning and review of procurement actions exceeding $10,000. These steps should improve monitoring and central control over individual procurements. FEMA needs an effectively functioning procurement system--integrated with FEMA's other management support systems--that will enhance FEMA's ability to carry out its mission while providing the necessary controls to protect the Government's financial and other interests.

Organization and division of procurement responsibilities

The agency procures goods and services by means of small purchases, contracts, grants, cooperative agreements, and interagency agreements under policies and procedures established and operated by the Acquisition Management Division (AMD) in RMA's Office of the Controller. The procurement process in FEMA generally works this way. Program offices initiate procurement actions. They plan and coordinate the procurement requirement; develop the statement of work; arrange for funds to be reserved by the budget office; work with AMD on the contract award; and evaluate the contractor's effort during and after implementation. The program office designates a project officer who works closely with the contracting officer, AMD's representative in the overall process.

When our review was completed, regional procurement staff served as contracting officers on all contracts entered into at the regional level. The availability of funds was also certified by budget officers in the regions. AMD was considering placing a limit on this contracting authority to strengthen headquarters oversight.

Controls over procurement had been inadequate

Before last December, the program directorates largely decided what would be procured and when. AMD primarily provided technical support to the directorates in helping them fulfill their needs. In addition, AMD advised us that little coordination existed between the program directorates even though program requirements were sometimes related.

When FEMA was created, there was also no capability to collect and report procurement data. A reporting system was first installed in late fiscal year 1980 which separately tracked large and small purchases, but refinements were still being made as our review ended. As with other early FEMA reporting systems, there was little confidence in the accuracy of the procurement data. Compounding the problem was the fact that no reconciliation existed between the procurement and accounting systems. In addition, the large purchase system contained six files--a pre-award file, two separate post-award files, and three history files--which at times made it cumbersome to use. The system evolved this way primarily because of different OMB reporting requirements for contracts, grants, cooperative agreements, and interagency agreements.

The broad scope of our management assessment precluded us from performing a detailed examination of how the procurement process functioned in all its dimensions. Therefore, we chose to test one aspect--year-end spending--as a key indicator of whether the process was providing adequate control.

There is much interest elsewhere in government on year-end spending rates. Several GAO reports have addressed or touched on this issue, 1/ citing potential problems such as unneeded or overpriced procurements, noncompliance with laws or regulations, the abundance of noncompetitive contract awards or contract modifications, rushed procurement procedures, and increased workload for procurement personnel. An important cause cited for year-end surges was the lack of an advance procurement planning system. Awarding a large number of contracts at the end of a fiscal year implies poor planning and suggests that funds may be obligated to prevent them from lapsing or to avoid reduction in future appropriations.

In our assessment of FEMA's year-end spending, we analyzed FEMA's contract activity over the last 2 complete fiscal years (1980 and 1981) to see if heavier-than-average spending could be detected in the last month of these years. The analysis showed that in September 1980, 190 contract actions occurred, nearly twice the number of actions than in any other month of that year. In September 1981, there were 157 contract actions, more than three times the number than in any other month of fiscal year 1981. In addition, 22.6 percent of the total 1980 procurement obligations were incurred in September, and 19.0 percent in September a year later.

We also looked for an abundance of contract modifications during the last month of these years. Modifications are a quicker way to obligate funds for goods and services than entering into new contracts. Of the 190 procurement actions in September 1980, 110, or 57.9 percent, resulted in some kind of contract modification. This number of modifications was almost four times larger than in any other month of the year. In September 1981, 45.2 percent of the total procurement actions were contract modifications. These 71 modifications were nearly three times more than in any other month in fiscal 1981.

In an interview, the acting Chief, AMD Planning and Support Branch, acknowledged that many requisitions were submitted to AMD by the program offices rather late in the year. On the other hand, he said the procurement process can be quite lengthy--sometimes taking many months from start to finish--especially with

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1/See GGD-79-93, Aug. 24, 1979; PAD-80-34, Dec. 20, 1979; PSAD-80-67, July 28, 1980; and PAD-81-18, Oct. 23, 1980.

large contracts. Therefore, even though an award was made in September, the initial requisition could have been received several months before. He also attributed some year-end spending to uncertainty about FEMA budget levels.

A GAO report issued in 1980 on the Government-wide year-end spending problem (PAD-81-18) noted that year-end surges can contribute to increased overtime costs and lower morale because the annual workload is unequally distributed. That report stated further that evidence from various sources indicated that the quality of contract awards suffered during year-end surges. The AMD Branch Chief said that AMD staff were required to work overtime in September 1981 and shortcuts may have been taken to expedite the workflow.

FEMA informed us in its comments on this report (see app. IV) that some of the contract actions in September 1981 were due to earlier actions by interim management to offset a $7.5 million budget shortfall. According to a former Acting Deputy Director, FEMA, one of the methods used by the Agency's interim leadership was to curtail or cancel some procurement actions early in fiscal year 1981. Consequently, the official believes this had some impact on procurement actions during September 1981. However, the official stated that the extent to which these actions actually affected procurement activity could not be determined. Further, neither this official nor other FEMA officials we interviewed had any explanation for the similar high rate of procurement activity which occurred during September 1980. While GAO acknowledges that some of the fiscal year 1981 procurement activity may be attributed to the reason cited above, it does not alter our conclusion that FEMA should analyze future year-end procurements to determine if and why high activiity occurs.

We believe that our analysis of year-end spending rates demonstrates that FEMA has a potential problem requiring management attention to ensure that the ill effects GAO found at other agencies do not repeat themselves here.

Oversight of procurement has been strengthened

In August 1981, the Director, FEMA, circulated to his top managers guidance which had been issued by OMB 2 weeks earlier on reducing and controlling year-end spending. He requested RMA to monitor agency compliance and develop procedures required by OMB for an advance procurement planning system and review of last quarter spending.

Two months later, FEMA's Director established a requisition review board, chaired by RMA's Associate Director and composed of the program directorate heads, to review all competitive procurement requests over $50,000 and all noncompetitive requests over

$10,000. Modifications which involved work not anticipated in the original contract and in excess of $10,000 were also subject to review by the board. The reviews focused on the compatibility of the requisition with general FEMA objectives, the need for the goods and services, and, for sole source actions, the legitimacy of soliciting a single organization for the work. When our review ended, the Executive Deputy Director had replaced the RMA Associate Director as board chairman to eliminate any appearance of conflict of interest.

FEMA also began developing an advance procurement planning process which required directorates and offices to identify their procurement needs in advance for a given fiscal year. Procedures were established for implementing the system. It is scheduled to become fully operational for fiscal year 1983. The directorates and offices were requested to submit their proposed plans to AMD by the first week in June. By the end of the month, the cognizant contracting officer was to review each proposal and then negotiate a final plan with a designated program office staff representative.

As an interim procedure for the remainder of fiscal 1982, AMD has been asked to discuss and firm up the procurement plans for those offices which still have more than $1 million in budget authority available.

AMD recognized that the large purchase system's structure could be improved, and efforts are now underway to reduce the number of files from six to two. In addition, FEMA plans to tie the procurement information and reporting system with the accounting and budgeting systems. One of the main purposes of advance procurement planning is to ensure its consistency with the budget planning process. This should be accomplished through periodic reporting which will compare the actual status of each individual procurement with its planned status. The Comptroller has also asked AMD to look at how its systems can tie in with FARS. However, the AMD branch chief we interviewed said that this effort is still in the "thinking stage," and, as a result, no one is sure how this will work yet.

Finally, on July 1, 1982, FEMA designated a procurement executive to oversee and evaluate the procurement system as required by executive order 12353, dated March 17, 1982. The procurement executive informed us on November 1, 1982, that FEMA is preparing a draft charter for this function which will conform to the charter recommended by the Office of Federal Procurement Policy.

What more needs to be done

The steps taken by FEMA to establish a procurement planning process and independent review of major procurements should materially assist management in ensuring that the appropriate goods

and services will be procured when they are needed and that the Government's financial and other interests are protected. This framework should also reduce the year-end spending problem, provided the new procedures do not create additional roadblocks to processing the program directorates' procurement requests. Therefore, we urge that FEMA promptly get this framework in place and operating smoothly.

To help ensure that this framework does not create new bottlenecks, AMD needs to get in place and functioning its procurement information system so that periodic reports comparing actual versus planned procurements will be available to show how the new framework is functioning. Until these actions are taken, FEMA management cannot be sure it has a fully functioning procurement system that will support implementation of the agency's mission.

INFORMATION SYSTEMS FOR MANAGING DESERVE A HIGHER PRIORITY

There has been much activity at FEMA, especially in the past year, to develop a comprehensive information resources management capability, partly to implement the Federal Paperwork Reduction Act of 1980 and follow-on instructions from OMB, but also in recognition that improved coordination of information requirements would benefit the agency. FEMA's information managers have made it their objective to consolidate disjointed information activities under a more efficient management framework. However, there is little evidence that adequate attention is being given to the information resources aspect most relevant to this study--management information systems (MIS).

We define MIS as a system that aids management in making, carrying out, and controlling decisions. 1/ If "management" is seen as the planning and control of an agency's physical and personal resources so as to reach agency objectives, then information systems should be in place to inform managers how well these objectives are being achieved.

In chapter 1 (p. 7) we said that management information systems should generally assist management in the oversight of organizational activities and in its decisionmaking processes. In chapter 3 we discussed an element of FEMA's management information system--quarterly performance reports--for resource management and administration activities and the need to expand performance reporting to include FEMA's program activities. Here we discuss

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1/See Jerome Kanter, Management-Oriented Management Information Systems (Englewood Cliffs, N.J.: Prentice-Hall Inc., 1972). We relied on this text for the information systems theory presented in this chapter.

management information systems in broader terms, that is, those systems designed from an appraisal of management needs and overall organizational objectives which can integrate information from a number of internal and, possibly, external sources. Effective management information systems would indicate to FEMA management where real or potential problems are, whether its agencywide activities are supporting goals and objectives at various organizational levels, and whether a change in organizational strategy is needed.

RMA's quarterly performance reports are one element of an effective management information system. Prior to their development, there was no routine collection and analysis of even this basic organizational data for management. While directorates and regions had systems which were oriented toward the operational aspects of programs, the RMA report was the first designed specifically for top management. If similar reporting is to be required of the program directorates--a step we believe is essential to an effectively functioning MIS--then FEMA must upgrade the level of effort being applied, possibly at the expense of other information resource management priorities.

Current organization of information systems, ADP, and telecommunications

RMA's Information Resources Management Office (IRMO) is responsible for the planning, coordination, management, and control of FEMA's information systems, telecommunications, automated data processing and library maintenance. Also, RMA is responsible for (1) providing direction, guidance, and goals, for the planning, management, and budgeting of information resources and (2) assuring that adequate information is collected, processed, and delivered to the national emergency managers in an accurate and timely manner (Office of Administrative Support function). In carrying out its responsibilities, IRMO provides technical guidance and assistance to other FEMA organizational units in the application of information resources to their activities.

Prior management of information systems, ADP, and telecommunications was fragmented

The establishment of FEMA brought together a wide assortment of computer hardware systems, telecommunications systems, and information systems from its five predecessor organizations. In September 1979, FEMA attempted to establish a centralized management capability for these systems. The former FEMA director delegated the authority to carry out these functions to the National Preparedness Programs Directorate (which was formerly the Plans and Preparedness Directorate). Specifically, the directorate was

delegated the authority to develop appropriate policy and guidance for the implementation of various OMB circulars, regulations and executive orders pertaining to ADP and telecommunications activities. The function, however, continued to be performed by the then Office of Operations Support. Due to the dual delegation and internal conflicts that ensued, this effort was unsuccessful. Also, according to an agency memorandum and a staff person who participated, this effort failed because this authority was delegated to a program unit (Plans and Preparedness). Managers in the other program units felt this would create a conflict of interest and therefore objected to the delegation. In an attempt to overcome the objections, an intra-agency committee was established in October 1980. However, it held only one meeting before being dissolved. With its dissolution the efforts to centralize management and oversight of information resources terminated.

On June 16, 1981, the current FEMA Director established a task force to study telecommunications policy. Later its charter was expanded to include information resources management. According to the Assistant Associate Director, IRMO (who headed the task force) and an issue paper prepared by the task force in August 1981 on ADP and telecommunications, system and network improvements were made without apparent requirements (justifications regarding the need for improvements) or internal coordination. Also, the lack of centralized policy development and dissemination contributed to "less than efficient" procurement of support systems (telecommunications, ADP, and word processing).

In September 1981, FEMA established a centralized information resources management capability within the RMA directorate by creating IRMO. To date, IRMO and the task force which preceded it have accomplished the following:

--Inventoried FEMA's information systems, ADP, and telecommunications resources.

--Prepared draft instructions which provide general policy and guidance on the management of information resources as prescribed by various Federal laws, regulations, and OMB circulars, including Public Law 96-511--the Paperwork Reduction Act of 1980.

--Developed a centralized organizational structure to assist senior agency officials in implementing the provisions of Public Law 96-511.

--Drafted a policy statement that would establish an Information Resource Council in accordance with Public Law 96-511 that would provide a top management

forum for the development and promulgation of policy for management of information resources. (As this is written it has not been established.)

--Prepared, as required by OMB Bulletin No. 81-21, FEMA's information management plan.

--Established FY 82 goals and mission statement for IRMO.

IRMO has also been involved with improving and implementing ADP, telecommunications, and information system resources that support program and administrative management activities. Three major FEMA program categories--civil defense; Federal preparedness; and peacetime emergency mitigation, preparedness, response and recovery--compete for IRMO resources in the development, application and maintenance of systems which are an integral part of these programs. According to the Assistant Associate Director of IRMO, and our analysis of recently developed goals and objectives, the majority of IRMO resources will be devoted to administrative activities such as completing the 5-year plan, and the development, implementation, and improvement of operational systems.

IRMO also has set a goal to address management information systems, but this effort will be primarily limited to the implementation of the financial management system (FARS) initially and then will be expanded into resource management functions such as budget, manpower, and a computer-based electronic mail system. As previously noted, the Business Applications Division has played a major role in implementing FARS.

Organizational change may result in better implementation of the Paperwork Reduction Act

The Paperwork Reduction Act of 1980 (Public Law 96-511) requires, among other things, that the Director of FEMA designate a senior official to report directly to him and be accountable to him for the efficient, effective, and economical management of the agency information resources. The Director selected the Associate Director, RMA, for this function. As discussed earlier, other responsibilities of the Associate Director, RMA--in addition to those required by the act--include overseeing FEMA's accounting, budgeting, procurement, and personnel functions.

In order to promote effective implementation of the Paperwork Reduction Act of 1980, it is important that the senior official's duties be scoped in such a manner that the official can devote sufficient attention to his responsibilities under that act. FEMA believes the multiple and varied responsibilities of the Associate Director, RMA, will not detract from the effective and efficient execution of Paperwork Reduction Act responsibilities. We will

of IRMO, and our analysis of recently developed goals and objectives, the majority of IRMO resources will be devoted to administrative activities such as completing the 5-year plan, and the development, implementation, and improvement of operational systems.

IRMO also has set a goal to address management information systems, but this effort will be primarily limited to the implementation of the financial management system (FARS) initially and then will be expanded into resource management functions such as budget, manpower, and a computer-based electronic mail system. As previously noted, the Business Applications Division has played a major role in implementing FARS.

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In order to promote effective implementation of the Paperwork Reduction Act of 1980, it is important that the senior official's duties be scoped in such a manner that the official can devote sufficient attention to his responsibilities under that act. FEMA believes the multiple and varied responsibilities of the Associate Director, RMA, will not detract from the effective and efficient execution of Paperwork Reduction Act responsibilities. We will continue to evaluate FEMA's implementation of the act to determine whether these expectations are met and make suggestions for corrective action if necessary.

Additional action needed to ensure adequate information for top management

FEMA top management needs timely information of appropriate quality and quantity that relates the agency's overall mission and goals to the work actually being accomplished. The information should at a minimum track actual versus planned accomplishments for major program activities, and the utilization of dollar and staff resources. More importantly, this information, including key performance measures, should indicate to top management the extent to which current activities are achieving the desired end results or missions of major programs.

Currently, the responsibility for improving or developing management information systems has not been assigned within FEMA. As mentioned earlier in this section, IRMO's responsibilities are limited to providing technical guidance and assistance in the application of information resources. Consequently, the impetus for improving FEMA's management information systems is not likely to occur without specific responsibility being assigned at an appropriate organizational level. We believe the delegation should be to a unit (office or directorate) that reports to the FEMA Director.

FEMA has numerous systems for collecting and reporting information on programs and support activities. Some of these information systems were inherited from predecessor agencies; others were more recently created as part of agencywide initiatives to establish effective management processes for planning and monitoring agency activities. Five of the six directorates are developing various forms of information systems to report on internal activities. The agencywide management system and a regional work planning system are being developed concurrently. FEMA needs to take a comprehensive look at its current and proposed information systems to determine if they will meet the needs of top management and other management levels in the manner described above.

Specifically, FEMA should first analyze whether the information needs of top management are being met. From this analysis, gaps in information can be identified and traced down through the organization to establish (1) if the information is available and (2) whether it can be collected within existing resource constraints. Consideration should be given to the accuracy, timeliness and the marginal benefit of the data to be provided. Present plans for operational systems should be modified, as needed, to provide key data to management. Also, this needs assessment can identify information systems which may have outlived their usefulness and should be discontinued.

Second, FEMA should develop a means to integrate and report data from the various information systems that support FEMA's management systems. This aspect of integration is especially important because FEMA is organized along functional lines. As mentioned in chapter 3 (p. 38) this functional alignment creates conditions where a number of directorates may have a role to play in the successful accomplishment of a program's goals and objectives. Therefore, information concerning related program activities in directorates should be integrated to allow for crossfunctional reporting of program activites.

Third, FEMA should assure some compatability of information flow between the various management levels. This may require some standardization of information systems within directorates

that are designed to report the progress of planned activities. Also, it would complement the standardization of directorate planning processes recommended in chapter 3.

Finally, FEMA should make plans to periodically review the accuracy of the data contained in the information systems. We found one instance where portions of a major information system for FEMA's civil defense program--the Project Status Report--was not being used in FEMA because the data was perceived to be materially inaccurate. In another instance, a study conducted by IRMO found that many of the analytical data bases and models used by FEMA contained obsolete data. Data accuracy problems such as these can have a detrimental effect on management planning, control, and evaluation processes. Managers will not use the data unless they believe they can rely on it.

In summary, we believe there needs to be a much greater emphasis on establishing a management information system that informs top management about what is going on in the organization. We have suggested specific steps that will help accomplish this task. Improved operational systems deserve attention but not to the exclusion of management's information needs which have not yet been fulfilled.

CONCLUSIONS

Administrative support functions play a vital role in effective organizations. They contribute significantly to the successful accomplishment of an organization's mission. Early in FEMA's existence administrative support operations were not fully contributing to the agency's management or program activities due to insufficient staff and lack of full-time leadership. For the most part these problems have been resolved.

FEMA's accounting system is not yet fully operational, but some progress has been achieved and it remains a top priority goal of the current FEMA Director and its Comptroller. Current plans do not adequately reflect the activities and resources required to realize this goal, so FEMA does not know whether its efforts will result in a fully operational accounting system on schedule.

Likewise, the budget process has been improving and the Agency plans to integrate its budget and multiyear planning activities. However, FEMA still has a decentralized process and its top management does not receive timely data comparing actual and budgeted expenditures or analyses of major program activities to support the budget review process.

An agency's personnel function should provide the means to acquire, develop, and maintain an organization's most valuable asset--human resources. To date, FEMA's personnel activities

have focused on developing and implementing policies and procedures required by the Office of Personnel Management, the Office of Management and Budget, and the Equal Employment Opportunity Commission. Also, executive and management development programs were initiated. However, other basic policy and procedural requirements remain to be done and recommendations for improving its executive development program have not been implemented.

FEMA has taken steps to strengthen oversight and control over its procurement process. One such effort is the advance procurement planning system that will become operational in fiscal year 1983 and should aid in cutting back heavy year-end spending. However, until an information and reporting system is established and fully operating, management will not be able to assess the system's effectiveness. In addition, some mechanism must be put in place to monitor fiscal year 1982 year-end procurements.

Like many other complex organizations, FEMA has numerous systems for gathering and disseminating large amounts of data. Unfortunately, most of these systems were not designed or have the capability to routinely provide information top management needs to provide effective leadership. FEMA is taking action to establish central oversight of its ADP and information resources, and implement or improve program and administrative support systems. However, more attention should be given to management's information needs.

RECOMMENDATIONS TO THE DIRECTOR, FEMA

We recommend that the Director, FEMA:

--Establish a plan that adequately reflects the activities and resources needed to achieve the 1983 goal of a fully approved and functioning accounting system.

--Establish sufficient linkage between the planning, budgeting, and evaluation process to make each one an integral part of the overall management system.

--Strengthen the central budget office's ability to adequately support top management during budget preparation and execution. To accomplish this, staff may have to be shifted within FEMA.

--Improve the executive development program by implementing the recommendations made by the Office of Program Analysis and Evaluation.

--Develop and implement affirmative action plan goals as soon as the necessary information is available.

--Complete the review and update of all inaccurate position descriptions.

--Establish a capability in the Office of Personnel to assess whether performance plans are reasonable; relate to organizational goals, objectives, and tasks; and are measurable to the extent practicable.

--Direct the Requisition Review Board to analyze year-end procurements for fiscal year 1982 and determine whether there is improvement over prior years.

--Develop a procurement reporting process that integrates with the accounting and budgeting systems and compares the actual and planned status of procurement actions.

--Assign organizational responsibility within FEMA for improving or developing management information systems.

--Establish one or more management information systems to systematically provide top management with information for planning, implementing, and evaluating FEMA activities.

AGENCY COMMENTS AND OUR EVALUATION

FEMA generally agreed with our findings, conclusions, and recommendations concerning its administrative support services and is in various stages of implementing the recommendations with one exception (see app. IV). GAO proposed that FEMA limit the duties and responsibilities of the senior official charged with implementing the requirements of the Paperwork Reduction Act of 1980 (Pub. L. No. 96-511). However, FEMA is of the view that its existing organizational arrangement for implementing the act will work effectively. Based on our consideration of FEMA's comments, we have not retained the proposal in the final report to modify the existing organizational arrangement but will continue to monitor its implementation to assess whether it works effectively. GAO's main concern is that adequate attention be given to correcting information resource management deficiencies, which is the purpose of the Paperwork Reduction Act.

The Paperwork Reduction Act requires, among other things, that each department and agency head, including the Director of

FEMA, designate a senior official to report directly to him, and be accountable to him for the efficient, effective, and economical management of the agency's information resources. In addition, a separate provision of the act would permit FEMA autonomy to approve its own information collection requests upon a finding by OMB that FEMA has designated a senior official to supervise information resources who is "sufficiently independent" from other program responsibilities and has sufficient resources for this purpose. However, OMB's present intentions are to defer delegating paperwork clearance functions until the full paperwork burden of each agency is inventoried and the reduction process is well underway.

FEMA's Director selected the Associate Director, RMA, as the senior official responsible for carrying out FEMA's information management responsibilities under the Paperwork Reduction Act. The Associate Director, RMA also is responsible for FEMA's accounting, budgeting, procurement, and personnel functions. FEMA believes that the Associate Director, RMA, has sufficient authority, organizational stature, and staff resources to properly manage FEMA's information resources and notes that the selection of the Associate Director, RMA, is consistent with the intent of the Paperwork Reduction Act. Moreover, FEMA feels that carrying out our recommendation would have required the establishment of another hierarchy within the agency.

We recognize that a certain flexibility exists for implementing the Paperwork Reduction Act. We are not suggesting that the selection of the Associate Director, RMA, as FEMA's senior official is inconsistent with the requirements of that act. However, it is important that the senior official's duties be scoped in such a manner that the official can devote sufficient attention to the implementation of the act. To this end, we have described numerous areas in this report where management of information resources needs improvement. We believe implementation would be enhanced if the Associate Director, RMA, closely monitors execution of the Paperwork Reduction Act functions, which FEMA has split between two RMA organizational components. This would ensure that they effectively work together in carrying out the act's responsibilities.

If this occurs, FEMA's organization of its information management activities may prove to be effective. GAO will evaluate FEMA's implementation of the act as well as the other recommendations contained in this chapter when we conduct our followup review.

APPENDIX I

FEMA PROGRAM STRUCTURE 1/

A. Civil Defense

1. Nuclear Civil Protection
   a) Nuclear Civil Protection Planning
   b) National Shelter Survey and Shelter Development
   c) Shelter Preparation
   d) Shelter Management
   e) Other Nuclear Civil Protection

2. Federal Direction, Control, and Warning
   a) Telecommunications/ADP Policy and Planning
   b) National Attack Warning System
   c) Federal Direction, Control, and Communication System
   d) National Emergency Broadcast System Planning and Development
   e) Other Federal Direction, Control, and Warning

3. State and Local Direction, Control, and Warning
   a) Emergency Operating Centers
   b) State and Local Warning and Communications Systems
   c) Emergency Broadcast System Guidance and Assistance
   d) Other State and Local Direction, Control, and Warning

4. Radiological Defense
   a) Radiological System Planning and Development
   b) Radiological Instrumentation
   c) Radiological Operations
   d) Other Radiological Defense

5. State and Local Emergency Management
   a) Emergency Management Assistance
   b) Supplemental Resources Management
   c) Emergency Operations
   d) Continuity of Government Legislation and Planning
   e) Other State and Local Emergency Management

6. Civil Defense Training and Education
   a) Instructional Program Development
   b) Instructional Program Delivery
   c) Policy and Planning

7. Emergency Public Information

8. Protection of Industrial Capability
   a) Industrial Capability Protection Planning
   b) Key Worker Blast Protection
   c) Other Protection of Industrial Capability

9. Civil Defense Policy and Planning
   a) Multiprogram Analysis
   b) Policy Planning

B. Federal Preparedness

1. Government Preparedness
   a) Presidential Preparedness Planning
   b) Federal Agency Preparedness Planning
   c) Government Preparedness Facilities
   d) Government Preparedness Exercises
   e) Government Preparedness Communications
   f) Government Preparedness Program Integration

2. Resources Preparedness
   a) Resources Assessment
   b) Natural Resources Planning
   c) Economic Resources Planning
   d) Other Resources Planning
   e) Resources Preparedness Program Integration

3. Mobilization Preparedness
   a) Mobilization Planning
   b) Security Planning
   c) Mobilization Exercises
   d) National Defense Executive Reserve
   e) Mobilization Preparedness Program Integration

4. Federal Preparedness Training and Education
   a) Instructional Program Development
   b) Instructional Program Delivery
   c) Policy and Planning

5. Federal Preparedness Policy and Planning
   a) Multiprogram Analysis
   b) Policy Planning

1/Levels within the FEMA program structure are identified as follows:

Program Categories are identified by an upper case letter, for example, A. Civil Defense.

Programs within a program category are identified numerically, for example,
1. Nuclear Civil Protection.

Program Elements within a program are identified by lower case letters, for example, a) Nuclear Civil Protection Planning.

APPENDIX I

C. Peacetime Emergency Mitigation, Preparedness, Response, and Recovery

1. Fire Prevention and Control
   a) Arson Prevention and Control
   b) Structural Fire Safety
   c) Emergency Health and Safety
   d) Fire and Rescue Service Management Improvement

2. Radiological Emergency Preparedness
   a) Commercial Nuclear Power Facilities
   b) Material License Holders
   c) Other Nuclear Facilities
   d) Transportation Accidents

3. Flood Plain Management
   a) State Assistance Program
   b) Purchase of Property
   c) Studies and Surveys

4. Other Emergency Preparedness
   a) Disaster Improvement Grants
   b) Earthquake
   c) Other Natural Hazards
   d) Dam Safety
   e) Hazardous Materials
   f) Terrorism

5. Disaster Assistance
   a) Individual Assistance
   b) Public Assistance
   c) Mitigation Assistance
   d) Management and Coordination

6. Emergency Management Coordination
   a) Emergency Information and Coordination Center
   b) Peacetime Federal Emergency Response Planning
   c) Peacetime Federal Emergency Coordination

7. Peacetime Emergency Mitigation, Preparedness, Response, and Recovery Training and Education
   a) Instructional Program Development
   b) Instructional Program Delivery
   c) Policy and Planning

9. Peacetime Emergency Mitigation, Preparedness, Response, and Recovery Policy and Planning
   a) Multiprogram Analysis
   b) Policy Planning

D. Insurance

1. National Flood Insurance
2. Crime Insurance
3. Riot Re-insurance
4. Insurance Training and Education
   a) Instructional Program Development
   b) Instructional Program Delivery
   c) Policy and Planning

E. Administration

1. Executive Direction
   a) Office of the Director
   b) General Counsel
   c) Inspector General
   d) Special Programs
   e) Program Analysis and Evaluation
   f) Executive Administrator
   g) Public Affairs
   h) Congressional Relations
   i) Internal Affairs
   j) Equal Opportunity

2. Program Direction
   a) Federal Insurance Administration
   b) National Preparedness Programs
   c) Resources Management and Administration
   d) State and Local Programs and Support
   e) Training and Education
   f) U.S. Fire Administration
   g) Regional Offices

3. Resource Management
   a) Personnel
   b) Comptroller
   c) Administrative Support

4. National Emergency Training Center
   a) Emergency Management Institute
   b) National Fire Academy
   c) National Emergency Training Center Support

5. Other Administrative Expenses

FEMA APPROPRIATION and FUND ACCOUNTS

FY 1980	FY 1981	FY 1982	FY 1983
Emergency Planning, Preparedness and Mobilization(EPPM)	EPPM	EPPM	
Programs:	Programs:	Programs:	
Financial Assistance to States Plans and Preparedness Warning and Communications Information and Education Reimbursable Program	no change from FY80	Federal Preparedness Mitigation and Research Operations Support State and Local Preparedness Training and Education Reimbursable Program	Emergency Planning and Assistance Programs: Civil Defense Federal Preparedness Training and Education Fire Prevention and Control
Hazard Mitigation and Disaster Assistance(HMDA)	HMDA	HMDA	State and Local Assistance
Programs:	Programs:	Programs:	Programs:
Insurance and Hazard Mitigation Fire Prevention and Control Facilities, Fire Academy Disaster Relief Administration Flood Studies and Surveys Executive Direction Reimbursable Program	no change from FY80	Federal Insurance Fire Prevention and Control Disaster Relief Administration Management and Administration Reimbursable Program	Civil Defense Radiological Emergency Preparedness Comprehensive Emergency Preparedness Planning Floodplain Management Emergency Information and Coordination Center

APPENDIX II

FY 1980	FY 1981	FY 1982	FY 1983
Defense Production Act(DPA), Loan Guarantee Activities	not an account in FY81	not an account in FY82	not an account in FY83
National Insurance Development Fund(NIDF)	NIDF	NIDF	NIDF
Programs:	Programs:	Programs:	Programs:
Riot Reinsurance Crime Insurance	no change from FY80	no change from FY80	no change from FY80
National Flood Insurance Fund(NFIF)	NFIF	NFIF	NFIF
Disaster Relief(DR)	DR	DR	DR
			Salaries and Expenses
			Programs:
			Program Support Management and Administration

APPENDIX II

APPENDIX III

Federal Emergency Management Agency

Washington, D.C. 20472

Mr. William J. Anderson
Director
General Government Division
U.S. General Accounting Office
Washington, D.C. 20548

AUG 27 1982

Dear Mr. Anderson:

The Federal Emergency Management Agency (FEMA) has reviewed with great interest the interim report prepared by your General Government Division regarding FEMA's organization and management systems (reference numbers B-205659 and GGD-82-24). One of my very first actions after I agreed to the President's request that I become the Director of FEMA was to carefully study the transition team reports and to seek as much information as was available on the status of this Agency. It was immediately apparent that FEMA had some serious problems. I then requested an OMB baseline audit and, with the help of Senator Tower, a GAO baseline audit so that we could set about the appropriate remedial programs for this relatively new but vitally important Federal Agency. Although we recognize that no response is required at this time, I want you to know that we have taken action to address each item specified in the report, not as a rebuttal to the findings, but to improve the management of the Agency. We have either corrected or have developed a plan to correct all the items identified in the interim report. The enclosed book, which was assembled by my Office of Program Analysis and Evaluation, documents our plans and the evidence of completed actions. The following paragraphs outline the approach and summarize major achievements grouped according to each section of the interim report:

The GAO interim report contains 119 findings or problems regarding the management of FEMA. We responded to this by initiating a project approach converting each problem statement into an action item and making a person responsible for each item. A followup system, using Gantt charts (included in the book) was established for tracking the planned and actual completion of each item. These plans and the evidence of completed items have been documented (included in the book with tabs corresponding to the notation of the report and the Gantt charts).

The first section of the interim report addressed model management system needs. Each of these elements is incorporated in the design and development of its Agency-wide management system. Although all phases are not yet fully implemented, the Management System now has an established structure of 5 program categories with 131 programs and program elements. This structure, along with a complete set of descriptions for the elements, represents a significant step in implementing the FEMA Management System. These one-page descriptions include the title, a description of how the program or program element works, the goals, authorities, interactions, output

APPENDIX III

descriptions, the program manager and organizational unit responsible, and other details in a common format. (A complete set of descriptions was delivered to GAO under separate cover April 23, 1982.) The FEMA Management System is planned to interface with the Agency's budget process and the regional work plans. The next phase is the completion of forms and instructions regarding the quantitative aspects of the program elements for planning and tracking purposes. When completed, these forms will provide budget, staffing, and workload data for each of the 131 programs and program elements displayed annually for an eight-year period.

The report also cited a need for improved communication links and information systems within the Agency. FEMA has implemented a number of new Agency-wide masthead publications including: FEMA Activities, FEMA Newsletter, and FEMA News. A "hotline" was also implemented so that employees could promptly get straight answers to their questions. These questions and answers were also published Agency-wide to help eliminate rumors.

The second section of the report addressed FEMA organizational and management problems. There have been several major efforts directed toward the findings of the report in the areas of personnel, accounting, budgeting, evaluation, and the development of a management system. FEMA's Office of Personnel has implemented an Agency-wide realignment of all of its organizations at both headquarters and the regional offices. The Comptroller's Office has planned and implemented 26 specific projects under the auspices of a separate GAO team. The Management System previously discussed includes a planning, budgeting, and tracking sequence and will eventually also include program evaluations. The Management System is a major project under the joint effort of the Office of Program Analysis and Evaluation and the Directorate of Resource Management and Administration.

The third part of the report addressed reorganization startup problems. Within a few months FEMA accomplished the major achievement of staffing its executive positions and consolidating the Washington, D.C. offices into a central location at 500 C Street, S.W.

The fourth part was concerned with organizational problems. FEMA has established a new identity with the inauguration of a new Agency seal. The Director's span of control was reduced to improve management, and the Agency was realigned to improve its functional capability. Communications have been improved within the Agency, especially between headquarters and the regional offices, as exemplified by the creation of the State and Local Programs and Support Directorate. Communications outside the Agency are being improved by updating all the memorandums of understanding with the White House, Federal departments and agencies, and State and local governments.

APPENDIX III

The fifth section of the report again addressed the need for an Agency-wide management system, including the tracking and reporting of accomplishments. The FEMA Management System previously described is designed to incorporate the tracking and reporting of workload accomplishments, along with the utilization of financial and human resources. Comparisons of actual to planned accomplishments, as well as productivity changes, will then become feasible at the program element level throughout the Agency.

The remainder of the report went into more detail about many of the items already mentioned. Similarly, the FEMA documentation package articulates our efforts to address these common concerns of GAO and FEMA. We appreciate the findings and recommendations of the GAO team, both formally and informally, and look forward to receiving the final report.

Sincerely,

Louis O. Giuffrida
Director

Enclosure

cc: Senator John Tower

APPENDIX IV

Federal Emergency Management Agency

Washington, D.C. 20472

Mr. Henry Eschwege
Director
Community and Economic
Development Division
United States General
Accounting Office
Washington, D.C. 20548

OCT 1 1982

Dear Mr. Eschwege:

On behalf of the Director, I am responding to your letter of September 3, 1982, requesting our review and comments on the draft GAO report entitled, "Management of the Federal Emergency Management Agency - A System Being Developed." Enclosed are specific comments on GAO recommendations (pp. 1-10) and suggested corrections to certain factual statements made in the report (pp. 11-23).

I would urge your particular attention to one feature of the report concerning the actions that the Director has taken to improve Agency management. Upon assuming Office, he initiated many management improvements and fully supported both an OMB and GAO baseline audit. This point should be clarified in the present digest and cover summary.

I request that the third paragraph of the cover summary be dropped, to clarify that many steps were initiated by the new leadership to increase the Agency's efficiency prior to the start-up audit.

Also, I request that the paragraph entitled RECOMMENDATIONS TO THE DIRECTOR, FEMA be amended so that the first two sentences read as follows:

> FEMA's current management team has made substantial progress in correcting the numerous management and administrative support problems. Also, based on GAO's interim report issued in December 1981, the Agency had made further improvements; however, more work remains to be done.

We would welcome your assistance in helping us to identify areas needing improvement and will carefully consider your recommendations in our continued efforts to improve the economy and efficiency of FEMA's operations.

Sincerely,

George Jett
General Counsel

Enclosure

APPENDIX IV

GAO Draft Report "Management of the Federal Emergency Management Agency - A System Being Developed"

FEMA COMMENTS TO RECOMMENDATIONS

Reference: Page 41 Recommendation #1

"Establish formal periodic reviews of the Agency-wide mission and goals statement. This should be an element of the FEMA-wide planning process and could take the form of top management team building sessions similar to those that initially defined FEMA's mission and goals."

Comments: The Agency concurs.

FEMA's current mission, precepts, and goals were the result of a top management team building exercise which occurred October 30, 1981.

The Office of Program Analysis and Evaluation (PA&E) was made responsible for reviewing, coordinating, and updating these with the Associate Directors, Administrators, and Office Directors. PA&E has already initiated the first revision to the current (Oct. 31, 1981) mission statement.

Reference: Page 42 Recommendation #2

"Evaluate the initial Agency-wide program and support activities, goals, and objectives definitions to determine if they are realistic, achievable, and to the extent possible, measurable."

Comments: The Agency concurs.

FEMA developed and refined its program structure; the current structure was approved by the Director on May 20, 1982. Based on that structure, narrative descriptions were prepared for each program and program element. These narrative descriptions covered goals, activities, and outputs.

PA&E coordinated the review and revision of both the program structure and narrative descriptions. A revision to the program structure is now underway. A review of the narrative descriptions of each program and program element has been completed. Such reviews and revisions will occur periodically as a part of the FEMA-wide planning process.

[GAO NOTE: Some page references have been changed to agree with the final report.]

APPENDIX IV

-2-

Reference: Page 42 Recommendation #3

"Evaluate the Agency-wide outputs that correspond to program and support activity goals and objectives, to determine if they provide adequate and appropriate performance indicators."

Comments: The Agency concurs.

The Agency-wide outputs that correspond to program and support activity goals and objectives have been identified and defined by the program managers. The next phase of the FEMA Management System is to select the major outputs which will be adequate and appropriate performance indicators. The present design of the management system specifies that the outputs be costed out in terms of the resources required to produce them.

Reference: Page 42 Recommendation #4

"Require a consistent planning process for internal directorate activities that would enhance the coordination and oversight of program activities that cross organizational lines."

Comments: The Agency concurs.

FEMA's Management System as presently designed provides an Agency-wide planning process which includes a standardized format for all organizations, both Headquarters and Regions. It provides a common base for planning programs and for coordinating the resource requirements of different organizations (such as HQ and Regions) and support activities (such as ADP).

The Agency-wide system, was designed to include an annual planning cycle covering the budget year and four out-years.

On May 18, 1982, FEMA's Office of Regional Operations presented its Regional Work Plan which specifically addressed planning. GAO was supplied a copy of this documentation (reference item IV.D. FEMA Response to GAO Interim Report B-205659 and GGD-82-24). A data base has been established which ties all regional work plans to the programs and program elements of the Agency-wide FEMA Management System.

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Reference: Page 42 Recommendation #5

"Develop performance reporting systems to communicate progress towards program goals at the top, directorate, and regional management levels."

Comments: The Agency concurs.

The FEMA Management System as presented to GAO included a performance reporting system which communicates progress towards program goals at the top, directorate, and regional management levels. A draft report design dated November 30, 1981, was supplied to GAO (reference item V. J. of FEMA response to GAO interim report B-205659 and GGD-82-24).

FEMA has an established Resource Management Report which is published quarterly. A sample dated April 9, 1982, was supplied to GAO (reference item VIII B.2. of FEMA Response to GAO interim report).

Reference: Page 42 Recommendation #6

"Establish a capability for conducting program evaluations throughout the Agency."

Comments: The Agency concurs.

The FEMA Management System as designed has provided a comprehensive Agency-wide program structure complete with a common format of definitions, descriptions, authorities, interactions, and description of outputs. Subsequent to this, a breakdown of FY 83 Budget request resources including FTE and program costs associated with each of the 131 programs and program elements was prepared.

The Management System has not yet been fully implemented; forms and instructions were developed for program planning and tracking purposes and submitted to GAO. When completed, the management system will provide a base from which program evaluation can be structured to become an integral part of the management process, that is, planning, budgeting, implementation, tracking, and evaluation.

PA&E, which has been responsibile for the development of the FEMA Management System, is also responsible for program evaluation.

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Reference: Page 42 Recommendation #7

"Ensure that program evaluation results, once available, are used in establishing future goals, objectives, and outputs."

Comments: The Agency concurs.

PA&E has been designated responsible for the design, development, and implementation of the FEMA Management System. PA&E also is responsible for program evaluations which will be based on programs defined in the FEMA Management System.

The system, as designed, includes an annual long-range planning cycle which extends 4-years beyond the budget planning year. Program managers are primarily responsible for establishing program plans; however, a review process is planned which involves PA&E and the Director to ensure that program evaluation results, once available, are taken into consideration in establishing future goals, objectives, and outputs.

Reference: Page 72 Recommendation #1

"Establish a plan that adequately reflects the activities and resources needed to achieve the 1983 goal of a fully approved and functioning accounting system."

Comments: The Agency concurs.

The FEMA Director has directed that the necessary resources will be made available to ensure that FEMA will have a fully approved and fully operational accounting system in FY 83. To this end a draft of the Accounting Principles, Policies and Standards applicable to FEMA and Administrative Control of Funds Instruction have been sent to GAO for review and FEMA's Accounting Manaul is scheduled for submission to GAO during the first quarter of FY 83.

Reference: Pages 72 and 73 Recommendation #2 and #9

"(1) Establish sufficient linkage between the planning, budgeting and evaluation processes to make each one an integral part of the overall management system. (2) Develop a procurement reporting process that integrates with the accounting and budgetary systems and compares the actual and planned status of procurement systems."

Comments: The Agency concurs.

The Office of the Comptroller is initiating a task force comprised of personnel of the Comptroller's Office and Office of Information Resources Management to develop and implement an integrated financial management information system. This system will integrate the procurement assistance, accounting and budget systems and will provide up-to-date information about FEMA programs. This integrated system will contain a wide spectrum of information and will be used to manage individual projects, develop responses to legislative reporting requirements, monitor agency workload and provide information on the status of Agency assistance and procurement awards.

Reference: Page 72 Recommendation #3

"Strengthen the central budget office's ability to adequately support top management during the budget preparation and execution. To accomplish this, staff may have to be shifted within FEMA."

Comments:

The Agency concurs with the GAO recommendation. To meet the goal of providing a centralized, structured budget process coordinated with the planning and evaluation systems and in order to provide direction and control of Agency operations the staff of the central budget office has and will continue to be increased in number. The enhanced central budget office staff will engender:

Facilitation of Agency, Presidential and Congressional budget decision-making.

Execution and control of the Agency budget by the Director.

Establishment of confidence in the reliability of the budget system.

Administration of a budget system that meets the requirements of OMB Circulars A-11 and A-34.

Reference: Page 72 Recommendation #4

"Improve the executive development program by implementing the recommendations made by PA&E."

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Comments: The Agency concurs.

The FEMA Executive Resources Board has reviewed and accepted in general the recommendations made by PA&E, in conjunction with the Office of Personnel, and is implementing improvements to the executive development program.

Reference: Page 73 Recommendation #5

"Develop and implement affirmative action plan goals as soon as the necessary information is available."

Comments: The Agency concurs.

The Affirmative Action Plan was resubmitted to the Equal Employment Opportunity Commission and approved on September 10, 1982. FEMA is now implementing the approved plan.

Reference: Page 73 Recommendation #6

"Complete the review and update of all inaccurate position descriptions."

Comments: The Agency concurs.

The Office of Personnel is in the process of reviewing and updating all FEMA position descriptions. A 100% review was completed in the ten Regional Offices in June 1982. The target date for completion of the 100% review of Headquarters' positions is during the 1st Quarter, FY 83.

Reference: Page 73 Recommendation #7

"Establish a capability in the Office of Personnel to assess whether performance plans are reasonable; related to organizational goals, objectives, and tasks; and are measureable to the extent practicable.

Comments: The Agency concurs.

FEMA is constantly trying to improve the quality of the Agency's performance to properly classified position descriptions, which

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as GAO points out in its report, serve as a basis for defining performance requirements. We intend to stress the use of Agency-wide goals and objectives in the development of individual tasks and milestones.

Reference: Page 73 Recommendation #8

"Direct the Requisition Review Board to analyze year-end procurements for FY 82 and determine whether there is improvement over prior years."

Comments: The Agency concurs.

A revised procurement information system which will become a part of an integrated financial management information system will provide periodic reports comparing actual versus planned procurements. The data derived from this system will provide the basis for an analysis of year-end procurement actions.

Reference: Page 73 Recommendation #9

Agency Response: Comments to Recommendation #9 are included with comments to Recommendation #3.

Reference: Page 73 Recommendation #10

"Assign organizational responsibility within FEMA for improving or developing management information systems."

Comments: The Agency concurs.

Organization responsibility has been assigned to PA&E for developing and coordinating an Agency-wide management system. This system will incorporate data from other management information systems within the Agency. Implementation of the management system will require the use of hardware and software under the responsibility of the Information Resources Management Office (IRMO), in the Resource Managment and Administration Directorate.

Reference: Page 73 Recommendation #11

"Establish one or more management information systems to systematically provide top management with information for planning, implementing, and evaluating FEMA activities."

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Comments: The Agency concurs.

The groundwork has been laid with the Agency to establish and implement an integrated financial management information system which will integrate the procurement assistance, accounting and budget systems and provide managers with up-to-date information on FEMA programs. This system will offer a wide spectrum of information and will be used to manage individual projects, monitor agency workload, resource utilization, and provide information on the status of Agency assistance and procurement awards. PA&E is coordinating the development of the Agency-wide FEMA Management System which will incorporate data from other management information systems within the Agency.

Reference: Page 73 Recommendation #12

"Limit the duties and responsibilities of the senior official for information resources under the Paperwork Reduction Act to assure the official can devote sufficient time and attention to enforcing the act, assure the independence and objectivity of the official, and impress upon FEMA management the critical importance of the position."

Comments:

We reject the draft report's assertion that an organizational change may be required to better implement the Paperwork Reduction Act, and that the Associate Director, Resource Management and Administration (RMA) is not an appropriate choice for FEMA's Senior Official. The draft report asserts that the duties and responsibilities of the senior official must be limited to those necessary to meet the requirements of the Act, to assure sufficient time and attention are devoted to the Act and to assure the independence and objectivity of the official. The report concludes that due to multiple responsibilities, the selection of the Associate Director, RMA is not consistent with the intent of the Act. The Act and OMB's guidance assert only that:

a. The Senior Official have full authority to carry out the responsibilities required by the Act; and

b. Adequate resources be allocated to the function to ensure that the intent of the Act is satisfied.

The OMB guidance provides sufficient flexibility for each agency to organize, as it deems appropriate to be responsive to both the needs of the Agency and the requirements of the Act. By Act of Congress, the Agency is limited to no more than four Associate Director positions, one of which is the Associate

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Director, RMA. The establishment of the Associate Director for Resource Management and Administration envisioned the overseeing of both program and operational activities in the resource management and administration area. The gains made in this area have been significant since the Agency's reorganization.

The Director has designated the Associate Director, RMA as the focal point for managing the Agency's computer and other information resources. The Associate Director has sufficient authority (unlimited access to the Director), maximum organizational stature (reporting to the Director), and an extensive staff to ensure an efficient, effective, centralized, and economical management of FEMA's information resources. The Associate Director also provides the emphasis, coordination and accountability at the Office of the Director level that is necessary to oversee computer resources on an Agency-wide basis. Within the organizational framework of this Agency, as approved by Congress, there is no possible higher ranking candidate for selection in terms of authority and visibility. To emphasize the importance given to management of the Agency's information resources, the Director has allocated three Senior Executive Service (SES) positions to the information resources management function: one position as the Assistant Associate Director for centralized management of information resources; one position to serve as the technical head of the computer management function; and one position to serve as the technical head of the Agency's telecommunications and warnings systems.

The report suggests that the Associate Director may be too overburdened due to multiple responsibilities, leading to a perceived lack of objectivity in managing computer resources which he also uses. This problem is purely one of perception. There is no evidence to support this conclusion, and the draft report cites no specific instances where the Associate Director's judgement was affected by his multiple responsibilities. In fact, the insight gained by allowing policy personnel to see first-hand the operational realities in this type of organizational framework can be of great value in decision-making. Through the Assistant Associate Director for Information Resources Management (SES), the Associate Director (RMA) has designated a focal point for developing and implementing Agency-wide policy and procedures for managing computer resources. The Systems Policy and Integration Staff has the specific mission to develop and issue policy, manage resources effectively and economically, and monitor utilization of the Agency's information resources. The Associate Director, RMA has the necessary authority to implement and enforce these policies. This meets not only the requirements of the Act, but increases the effectiveness of the oversight function by having the senior official responsible for total information as well as other resources, linking the computer policy to other management areas.

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We do not believe the establishment of yet another hierarchy within the Agency, requiring additional support staff and drainage of operational personnel, more lines of coordination and communication, managerial changes, and costs of reorganization is a solution to the perceived problem. The integration of total resource management at the Associate Director, RMA level fully meets the requirements of the Act and reflects the importance of this position.

[GAO COMMENT: As stated on page 74 of this report, the proposal has not been retained in the final report and the effectiveness of FEMA's approach will be evaluated at a later date.]

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GAO Draft Report "Management of the Federal Emergency Management Agency - A System Being Developed"

FEMA Corrections and Comments to text
(reference: entire draft report except Recommendations)

Reference: The following excerpts are from pages iii, 22, 37, and 38 regarding the planning and management of the National Preparedness Programs Directorate and the Civil Defense Program.

Reference Page iii

"Third, long- and short-range planning was either non-existent or ineffective. FEMA top management could not adequately (1) identify the planned activities of major sub-units; (2) determine resource levels needed to accomplish activities; and (3) prioritize activities during periods of limited resources. For example, other than the budget submission, FEMA's National Preparedness Programs Directorate has no comprehensive planning process for its activities -- including civil defense expenditures which the administration proposed increasing from $130 million in FY 82 to $252 million in FY 83."

Reference Page 22

"The Plans and Preparedness Directorate, now called the National Preparedness Program Directorate, had no comprehensive planning process for its activities -- including civil defense expenditures which, as mentioned in chapter 2, the administration has proposed increasing from $130 million in FY 82 to $252 million in FY 83. Plans and Preparedness, similar to the Emergency Management Institute, could not maintain the planning system of its former host agency -- the Defense Department's Defense Civil Preparedness Agency."

Reference Page 38

"The remaining directorate, National Preparedness Programs (NPP), has not designed an internal planning system. In November 1981, and again in March 1982, the former Acting Associate Director recognized the need for an internal planning system but told us the demands of preparing a civil defense plan and numerous..."

Reference Page 38

"appearances before the Congress have inhibited the development of a formal system. As a substitute, the former Acting Associate Director held regular meetings with NPP's Assistant Associate Directors to discuss accomplishments and review planned activities."

[GAO NOTE: Unless stated otherwise, the report has been changed to reflect FEMA's corrections and comments to the text.]

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"The directorate planning systems that have been implemented have not been in place long enough to assess their effectiveness or determine which design is more efficient than the others. The systems do, in varying degrees, provide continuity and accountability between the top management and regional management systems. However, the lack of a standardized process and format inhibits the coordination and oversight of the plans for program and support activities which cross directorate lines."

"The need for adequate coordination and oversight is important due to the functional alignment of program staff and resources within the directorates. Prior to the current organizational alignment, major programs were, to a large extent, self-contained within directorates. The current functional alignment, installed in June 1981, spread some major programs between directorates. For example, the flood plain management program and flood insurance program were both the responsibility of the Federal Insurance Administration (FIA). Combined, these programs represented the basic strategy for reducing the loss of life and property caused by flooding. Under the realignment, this function has been split between FIA and the State and Local Programs and Support Directorate (SLPS)."

"Another example is the civil defense program which relies on the performance of four FEMA directorates--NPP, RMA, SLPS, and Training and Education. Staff and resources within each of these directorates have a role in the successful execution of the civil defense program. Standardized directorate planning systems which identify major civil defense program tasks and milestones to be performed within each of the directorates would provide management some basis for determining whether these activities support each other and whether collectively they are sufficient to accomplish the program goals and outputs contained in the agency-wide plan."

"Accordingly, we believe FEMA should select a standard planning process and require its use for planning the internal activities of its directorates."

Comments:

Program Planning Development

The report notes the Administration proposed to increase CD from $130 million in FY 82 to $252 million in FY 83. However, the FY 83 request was for the first year multi-year program.

It is not accurate to assert that there is no planning for civil defense (CD). To the contrary, a long-range (5- and 7-year) CD program plan was documented in March 1981. This was part of the National Security Council (NSC) study process which resulted in the President's approval of the March 1982 National Security Decision Directive on CD.

In August 1981, a 5-year (FY 83-87) CD program -- with 6-year and 7-year "stretched" options -- was included in one of the earlier drafts of the NSC study paper. This multi-year program was an evolutionary development of previous program plans, based upon a number of years of research and development, and included major new components (modern, survivable communications and warning; development of improved measures for industrial protection and key-worker sheltering; and shelter stocking sharply enhanced both as to content and areas of deployment).

Costing of this enhanced program was reviewed in detail with OMB representatives in October 1981, prior to consideration at a NSC meeting in December. The program as presented to the Congress for FY 83 ($252 million) was the first year of a 7-year CD program (the 7-year option developed in August 1981). The content of the program was described in a 23-page, March 1982 document prepared by NP, "Civil Defense Program Overview, FY 83-89," which included both text and bar charts outlining year-by-year program outputs. This and related materials were provided to Congressional committees.

There have been three major revisions of the 7-year program, developed by NP's Office of Civil Preparedness pursuant to NP's responsibilities for long-range program planning. A June 1982, paper included four detailed alternatives based on different FY 83 levels, as well as adjustments in fifth- to seventh-year funding profiles. An August 1982, revision included 12 alternative distributions for varying FY 83 funding levels, as well as two alternative 7-year programs, reflecting refinements of the June versions.

Civil Defense Program Structure

The program structure for the CD program category (shown in Appendix I to the GAO draft report) was completed by an Agency-wide task force chaired by NP's Assistant Associate Director for Civil Preparedness. The program structure serves as a framework from which a program planning system is being developed.

Civil Defense Task Force, FEMA Advisory Board

NP's Assistant Associate Director for Civil Preparedness serves as FEMA's

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point of contact for the CD Task Force of the FEMA Advisory Board. The Task Force is chaired by the Honorable Steuart L. Pittman, Assistant Secretary of Defense for Civil Defense in 1961-64, and a Washington attorney, and includes a number of distinguished members (e.g., two Nobel Laureates, Drs. Edward Teller and Eugene Wigner). The Task Force submitted a substantial paper in July 1981 recommending an enhanced CD program (similar to the program recommended for FY's 83-89 by the Administration), and is currently working on additional issues involved in an enhanced program, with FEMA staff support from NP.

Summary

The foregoing examples reflect vigorous action by NP in the area of CD, in accord with steps to complete a long-term, comprehensive program plan.

[GAO COMMENT: We recognize that certain activities related to a comprehensive long- and short-range planning system have existed and are being developed within the National Preparedness Program Directorate. We reviewed all but the most recent documents (June and August 1982) cited in the agency comments and do not believe they represent a comprehensive civil defense program plan, nor were the documents prepared as part of an ongoing planning process. Rather, the documents were prepared for briefings, OMB budget submissions, and oversight and appropriations hearings. While these documents may have been sufficient for those uses, we do not believe they provide the necessary detail to guide Federal, State, and local civil defense program activities. Also, the Directorate has recognized the need to develop a comprehensive planning system which they point out in the above comments.)

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Reference Page 15, last paragraph

"FEMA is exploring ways to terminate the FIA's flood, crime, and riot insurance programs."

Comment

FEMA is not considering "termination" of the Flood Insurance Program. Also, the riot program is a reinsurance program.

Proposed Revision

"FEMA is exploring ways to terminate FIA's crime insurance and riot reinsurance programs."

Reference Page 16, first paragraph

"...and the possible reductions or elimination of fire, flood, crime, and riot insurance programs."

Comment

FEMA is not proposing to "reduce or eliminate" the Flood Insurance Program.

Proposed Revision

"...and the possible reductions or elimination of fire, crime insurance, and riot reinsurance programs."

Reference Page 21, first paragraph

"Other than managers' references to statements such as the above, more specific, achievable, and measurable goals or objectives were not developed within FEMA. For example, in another ongoing review, we found that FEMA's Emergency Management Assistance program lacked programmatic goals and objectives to direct State and local grantees who will receive approximately $44 million in FY 82."

Comment

While we agree in principle that the establishment of goals and objectives are important, we think that the reference on the EMA program (see p.21) overstates the lack of responsibility for achieving program objectives. We believe that EMA funds have been used to achieve objectives supporting program initiatives. At the same time, we note the current effort to make the EMA program more product-oriented, one that more clearly and directly meets the insufficiency cited here.

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Proposed Revision

...we found that FEMA's Emergency Management Assistance Program lacked expressed programmatic goals and objectives...

This has since been addresseed by the promulgation of program emphasis for FY 83, and the requirement to identify specific products and achievements intended for these funds.

Reference Page 22, paragraph 3

> "FIA also had a short-and long-range planning process, however, its focus was limited primarily to flood plain studies. Further, officials responsible for this planning process said it was not effectively communicated through the organization."

Reference Page 24, paragraph 1

> "There were limited performance reporting requirements in the FIA. It had a quarterly reporting process for its flood plain management program that gathered performance data from the FEMA regions. However, the reports had limited use for determining program accomplishments in that they only reported on actual versus planned staff year utilization."

Comment

These two statements do not specify the time period referred to, and leave the strong impressions that FIA lacks an effective planning system. The nearest thing to a clarification to this misimpression is found in the statement on page 37, paragraph 3, that:

> "Three directorates--SLPS, the U.S. Fire Administration, and FIA,--have developed and implemented processess which in some form identify specific directorate-wide objectives, tasks, and milestones that need to be completed in order to accomplish the goals and outputs contained in the top and regional management plans."

Reference Page 38, paragraph 2

> "The directorate planning systems that have been implemented have not been in place long enough to assess their effectiveness or determine which design is more efficient than the others. The systems do, in varying degrees, provide continuity and accountability between the top management and regional management systems."

Comment:

When Mr. Jeffrey S. Bragg was appointed Federal Insurance Administrator in August, 1981, one of his first priorities was to develop a

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program-wide planning system which would optimize the use of limited resources, coordinate complex, interrelated efforts, give management firm control over program direction and keep management informed of progress or problems in the organization through systematized monitoring and feedback. In short, his intent was to institute a system of program planning to promote activites which are necessary to achieve the organization's objectives and to discourage activities which are extraneous to or interfere with achieving those objectives.

In September 1981, after conferring intensively with his senior managers and analytic staff, he identified and defined FIA's purpose and goals and distributed these throughout FIA. By November, specific objectives had been developed to support the goals and guidance had been issued to managers for developing action plans and employee performance plans to support the objectives. In February 1982, he held an off-site planning meeting with senior and analytic staff to analyze FIA progress, point out obstacles, and identify future program directions. The results of that meeting led to the development of FY 83 FIA goals and objectives, and the planning cycle began again.

Mr. Bragg has continued to use this approach to analyze, plan, evaluate, and direct FIA's programs. The system has been fully communicated throughout FIA and has been very helpful in ensuring a unified and effective effort on the part of all FIA employees; he is convinced that this system has helped FIA to identify and achieve its objectives. In fact, one member of his analytic staff has spoken on the system at the Federal Executive Institute and at GAO, and has been invited to speak on it at the annual meeting of the Evaluation Research Society next month in Baltimore. Furthermore, FIA work in this area has been cited in a recently published textbook, Government Oversight and Evaluability Assessment, which is now being used by Federal program managers, contractors, and Congressional staff members.

Proposed Revision

If the GAO is going to specify past deficiencies in FIA planning on pp. 22 and 24, it should also specify the corrective actions which have occurred in FIA since that time. It is therefore recommended that the following statement be inserted on page 37 or 38:

> "FIA now has a comprehensive long and short term planning system which encompases FIA purpose, goals, objectives, action plans, and employee performance plans, which is systematically monitored by the Administrator, and which has been distributed to all FIA managers."

Page 19, Table 3-1

Table 3-1 on page 19 of the report states that FIA had no evaluation system in place as of June 1981. This statement is untrue.

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Comment

FIA's Program Review and Evaluation Division was formed in 1979 to evaluate, and assist with the evaluation of, FIA programs. In 1980-81, the Division conducted an in-dept Evaluability Assessment of FIA's major program, the National Flood Insurance Program.

Evaluability Assessment is a recognized state-of-the-art technique for ensuring cost-effective evaluation which produces useable, used results. It was first developed by the Urban Institute in the early 1970's and was the underlying principle of the Comptroller General's GAO Report number PAD-78-3, Finding Out How Programs are Working: Suggestions for Congressional Oversight, November 22, 1977.

Proposed Revision

Change table 3-1, page 19 to show that FIA did in fact have an evaluation system in place as of June 1981.

GAO COMMENT: We recognize that FIA's evaluability assessment is an important part of an effective program evaluation system. However, the process alone does not meet our criteria stated on pages 8 and 9 of this report. Also, while conducting our field work we found no evidence that actual program evaluations have ever occurred for FIA's major programs. Specifically, we looked for evaluations similar to the one recently prepared by GAO and cited on page 24 of this report entitled "National Flood Insurance: Marginal Impact on Flood Plain Development--Administrative Improvements Needed" (GAO/CED-82-105). Other than GAO evaluations such as the above, we found no internal activities which produced evaluations that could aid the management of FIA programs.

Page 32, first paragraph

"The above output (State assistance program funds) is not a good measure of performance. In fact, the program funds may better be viewed as an input to the program element rather than an output. Some measure of increased effectiveness in the management and use of flood prone areas may be a more adequate output measure."

Comment

We agree with the observation that funding, or number of awards, is not an output measure of State performance. This program, in particular, stresses measurable end-products. Funding (i.e., full use of available funds and full participation by the States is a valid ouput measure of FEMA's performance. That measure, however, must include quality (i.e., merits of funded activities as well as quantity of funding.

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Proposed Revision

"The above output (State assistance program funds) is a measure of FEMA, rather than State performance. In fact, the program funds..."

Page 54, subscript 1/

"1/ Prior to June 11, 1981, the effective date of FEMA's latest internal realignment, the Office of Personnel reported directly to the Agency's Director."

Comment

This statement is not correct. The date should be January 21, 1981. At this time, the Office of Personnel ceased reporting directly to the Director and reported to the Acting Associate Director. The relationship continued until the current management was confirmed and took control.

Proposed Revision

1/ Prior to January 21, 1981, the Office of Personnel reported directly to the Agency's Director. Thereafter, the Office of Personnel reported to the Acting Associate Director.

Page 54, subscript 1/

"1/ These positions do not include 11 personnel positions for FEMA's special communications facility, which maintained a full contingent of staff during the reorganization."

Proposed Revision

1/ These positions do not include 11 personnel positions for FEMA's Special Facility, which maintained a full contingent of staff during the reorganization.

Page 62, first paragraph

"In our assessment of FEMA's year-end spending, we analyzed FEMA's contract activity over the last two complete fiscal years (1980 and 1981) to see if heavier-than-average spending could be detected in the last month of these years. The analysis showed that in September 1980, 190 contract actions occurred, nearly twice the number of actions than in any other month of that year. In September 1981, there were 157 contract actions, more than three times the number than in any other month of FY 81. In addition, 22.6 percent of the total 1980 procurement obligations were incurred in September, and 19.0 percent in September a year later."

Comment

The major reason for the large number of contract actions during the last two months of the fiscal year was not addressed. Page vi cites the problem of the $7.5 million short-fall due to the failure to provide for the 9.1 percent civilian pay raise of October 1980. One of the primary

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methods used by the interim leadership of the Agency to absorb this deficit was to curtail and, in many cases, actually cancel proposed procurement actions. When the shortfall was eliminated, normal contracting procedures were reinstituted. The resumption of normal procurement activities occurred in the 4th quarter of the fiscal year. This fact ameliorates, in some way, the high rate of procurement obligations in September 1981.

Page 66, third paragraph

"RMA's Information Resources Management Office (IRMO) and Office of Administrative Support are responsible for the coordination and control of FEMA's information systems, telecommunications, automated data processing, and other activities, such as work processing, and library maintenance. Also, RMA is responsible for (1) providing direction, guidance, and goals, for the planning, management, and budgeting of information resources, and (2) assuring that adequate information is collected, processed, and delivered to the national emergency managers in an accurate and timely manner. In carrying out its responsibilities, IRMO provides technical guidance and assistance to other FEMA organizational units in the application of information resources to their activities."

Comment

Delineation of responsibilities between IRMO and Office of Administrative Support are not defined correctly.

Proposed Revision

RMA's IRMO is responsible for the planning, coordination, management, and control of FEMA's information systems, telecommunications, automated data processing and library maintenance. Also, RMA is responsible for (1) providing direction, guidance, and goals, for the planning, management, and budgeting of information resources, and (2) assuring that adequate information is collected, processed, and delivered to the national emergency managers in an accurate and timely manner (Office of Administrative Support function). In carrying out its responsibilities, IRMO provides technical guidance and assistance to other FEMA organizational units in the application of information resources to their activities.

Page 67, last paragraph

"This establishment of FEMA brought together a wide assortment of computer hardware systems, telecommunications systems, and information systems from its five predecessor organizations. In September 1979, FEMA attempted to establish a centralized management capability for these systems. The former FEMA Director delegated the authority to carry out these functions to the National Preparedness Programs Directorate (which

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was formerly the Plans and Preparedness Directorate). Specifically, the directorate was delegated the authority to develop appropriate policy and guidance for the implementation of various OMB circulars, regulations and executive orders pertaining to ADP and telecommunications activities. This effort was unsuccessful."

Comment

This paragraph does not describe the complete situation which existed at that time. The authority was delegated by memo to NPP while at the same time remaining in the then, Office of Operations Support, through the FEMA mission and function statement published in the Federal Register. The memo delegation to the Plans and Preparedness Directorate was recinded in December 1980. Because of the dual delegation, intramural conflict prevented any improvement.

Proposed Revision

This establishment of FEMA brought together a wide assortment of computer hardware systems, telecommunications systems, and information systems from its five predecessor organizations. In September 1979, FEMA attempted to establish a centralized management capability for these systems. The former FEMA Director delegated the authority to carry out these functions to the National Preparedness Programs Directorate (which was formerly the Plans and Preparedness Directorate). Specifically, the directorate was delegated the authority to develop appropriate policy and guidance for the implementation of various OMB circulars, regulations and executive orders pertaining to ADP and telecommunications activities. The function, however, continued to be performed by the then Office of Operations Support. The memo delegation to the Plans and Preparedness Directorate was rescinded in December 1980. Because of the dual delegation, intramural conflict prevented any improvement.

Page 67, third paragrph,

"In September 1981, FEMA established a centralized information resources management capability within the RMA directorate by creating IRMO. To date, IRMO and the task force which preceded it have accomplished the following:

Inventoried FEMA's information systems, ADP, and telecommunications resources.

Prepared draft instructions which provided general policy and guidance on the management of information resources as prescribed by various Federal laws, regulations, and OMB circulars, including Public Law 96-511--the Paperwork Reduction Act of 1980.

Drafted a policy statement that would establish an Information Resource Council in accordance with P.L. 96-511 that would provide a top management forum for the development and promulgation of policy for management of information resources. (As this is written it has been established.)

Prepared, as required by OMB Bulletin No. 81-21, FEMA's information management plan."

Comment

Add two new subparagraphs

Proposed Revision

In September 1981, FEMA established a centralized information resources management capability within the RMA directorate by creating IRMO. To date, IRMO and the task force which preceded it have accomplished the following:

Inventoried FEMA's information systems, ADP, and telecommunications resources.

Prepared draft instructions which provided general policy and guidance on the management of information resources as prescribed by various Federal laws, regulations, and OMB circulars, including Public Law 96-511--the Paperwork Reduction Act of 1980.

"Developed a centralized organizational structure, to assist senior agency officials in implementing the provisions of P.L.-511."

Drafted a policy statement that would establish an Information Resource Council in accordance with P.L. 96-511 that would provide a top management forum for the development and promulgation of policy for management of information resources. (As this is written it has been established.)

Prepared, as required by OMB Bulletin No. 81-21, FEMA's information management plan.

Established FY 82 goals and mission statement for IRMO.

Page 69, second paragraph

"IRMO also has set a goal to address management information systems, but this effort will be primarily limited to the implementation of the Financial Management System (FARS) and a computer-based electronic mail system. As previously noted, the Business Applications Division has played a major role in implementing FARS."

Proposed Revision

IRMO also has set a goal to address management information systems, but this effort will be primarily limited to the implementation of the FARS

initially and then expand into the key areas of resource management functions of information, personnel, budget, manpower, and a computer-based electronic mail system. As previously noted, the Business Applications Division has played a major role in implementing FARS.

Page 71, first paragraph

"We found one instance where a major information system for FEMA's civil defense program - the Project Status Report (PSR) - was not being used in FEMA because the data was perceived to be materially inaccurate."

Comment

This statement is not universally true. While there are always questions of data reliability, we know of only one segment of the PSR (civil protection) where the GAO statement applies. Program managers rely on and use the data in the other segments for planning and evaluation purposes.

Proposed Revision

We found one instance where portions of a major information system for FEMA's civil defense program - the PSR - was not being used in FEMA because the data was perceived to be materially inaccurate.

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