



Testimony Before the Committee on  
Government Reform, House of  
Representatives

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# CONTINUITY OF OPERATIONS

## Agency Plans Have Improved, but Better Oversight Could Assist Agencies in Preparing for Emergencies

Statement of Linda D. Koontz  
Director, Information Management Issues



G A O

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Highlights of [GAO-05-619T](#), a testimony before the Committee on Government Reform, House of Representatives

## Why GAO Did This Study

To ensure that essential government services are available in emergencies, federal agencies are required to develop continuity of operations plans. According to guidance from the Federal Emergency Management Agency (FEMA), which is responsible for providing guidance for and assessing agency continuity plans, a key element of a viable capability is the proper identification of essential functions. GAO previously reported on agency continuity plan compliance, and determined that a number of agencies and their components did not have continuity plans in place on October 1, 2002, and those that were in place did not generally comply with FEMA's guidance.

GAO was asked to testify on its most recent work in continuity planning, which is discussed in a separate report, being released today ([GAO-05-577](#)). In this report, GAO reviewed to what extent (1) major federal agencies used sound practices to identify and validate their essential functions, (2) agencies had made progress since 2002 in improving compliance with FEMA guidance, and (3) agency continuity of operations plans addressed the use of telework arrangements (in which work is performed at an employee's home or at a work location other than a traditional office) during emergencies.

[www.gao.gov/cgi-bin/getrpt?GAO-05-619T](http://www.gao.gov/cgi-bin/getrpt?GAO-05-619T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or [koontzl@gao.gov](mailto:koontzl@gao.gov).

## CONTINUITY OF OPERATIONS

# Agency Plans Have Improved, but Better Oversight Could Assist Agencies in Preparing for Emergencies

## What GAO Found

Many of the 23 agencies that GAO reviewed reported using sound practices for identifying and validating essential functions, but few provided documentation sufficient for GAO to confirm their responses. (GAO identified these sound practices based on published literature and in consultation with experts on continuity planning.) Agency responses indicate that—although aware of the practices—agencies may not have followed them thoroughly or effectively. Further, the essential functions identified by agencies varied widely: the number of functions identified in each plan ranged from 3 to 538 and included ones that appeared to be of secondary importance. The absence in FEMA's guidance of specific criteria for identifying essential functions contributed to this condition. Subsequent guidance significantly addresses the sound practices that GAO identified. Also, the White House has begun a process to improve continuity planning. If this guidance and process are implemented effectively, they could lead to improved identification of essential functions in the executive branch.

As of May 1, 2004, agencies had made progress in improving compliance with FEMA guidance, but significant weaknesses remained. Agencies that had plans in place in both years showed significant improvement in the area of tests, training, and exercises. However, although some improvement occurred for other planning areas, important weaknesses remained: for example, 31 of 45 plans did not fully identify mission-critical systems and data necessary to conduct essential functions. Inadequate oversight by FEMA contributed to the level of weaknesses in agency continuity plans. FEMA plans to improve oversight using an online readiness reporting system, which it plans to have fully operational later this year, and it has already taken other steps to help agencies improve their plans, such as conducting an interagency exercise. However, FEMA does not plan to verify the readiness information that agencies will report in the system.

Finally, even though FEMA's continuity planning guidance in place in May 2004 did not address telework, one agency's continuity plan at that time included plans to use telework in response to an emergency. In addition, 10 agencies reported that they planned to use telework following a COOP event, but their plans were not clearly documented.

In its report, GAO made recommendations aimed at helping to improve continuity planning. These included establishing a schedule for the completion of recently initiated efforts, developing a strategy for short-term oversight in the meantime, and developing and implementing procedures that verify the agency-reported data used in oversight of agency continuity of operations planning. The report includes comments from FEMA. In commenting, FEMA agreed that there has been improvement in COOP plans and that additional oversight is needed.

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Mr. Chairman and Members of the Committee:

I appreciate the opportunity to participate in the Committee's hearing on federal continuity of operations planning. As you know, essential government services can be interrupted by a range of events, including terrorist attacks, severe weather, or building-level emergencies. Federal agencies are required by Presidential Decision Directive 67 to develop plans for ensuring the continuity of such services in emergency situations. The Federal Emergency Management Agency (FEMA), which was designated executive agent for executive branch continuity of operations (COOP) planning, issued Federal Preparedness Circular 65 in July 1999 as planning guidance to agencies. The circular states that, in order to have a viable COOP capability, agencies should identify their essential functions. These functions then provide the basis for subsequent planning steps. The circular also identified eight elements of a viable COOP capability.<sup>1</sup>

We previously reviewed agency COOP plan compliance with FEMA's guidance, at your request. At that time, we found that a number of agencies and their components did not have continuity plans in place as of October 1, 2002, and those that were in place did not generally comply with FEMA's guidance.<sup>2</sup>

We subsequently assessed plans in place on May 1, 2004, both from the agencies that had plans in place in 2002 and from agencies that subsequently adopted plans.<sup>3</sup> We examined to what extent

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<sup>1</sup> In June 2004, FEMA released an updated version of FPC 65, providing additional guidance to agencies on each of the topics covered in the original guidance, including an annex on essential functions.

<sup>2</sup> GAO, *Continuity of Operations: Improved Planning Needed to Ensure Delivery of Essential Services*, [GAO-04-160](#) (Washington, D.C.: Feb. 27, 2004.)

<sup>3</sup> As agreed with your staff, we evaluated agency continuity plans in place on May 1, 2004. Our methodology included evaluating the headquarters continuity plans for 20 of the 23 largest civilian departments and agencies, as well as for 25 components of departments, for compliance with the eight elements identified in FPC 65. We provided agencies with several opportunities to submit relevant documentation as well as respond to preliminary findings.

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- major federal agencies used sound practices to identify and validate their essential functions,
  - agencies had made progress in improving compliance with the guidance outlined in FPC 65 since our 2002 review,<sup>4</sup> and
  - agency continuity of operations plans addressed the use of telework arrangements (in which work is performed at an employee’s home or at a work location other than a traditional office) during emergencies.

At your request, I am summarizing today the findings and recommendations of the report on this most recent work, which is being released today.<sup>5</sup>

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## Results in Brief

Many of the 23 agencies reported using the eight sound practices for identifying and validating essential functions that we identified (for example, performing a risk and impact analysis for each essential function), but few provided documentation sufficient for us to confirm their responses. This indicates that agencies—although aware of these practices—may not have followed them thoroughly or effectively. In addition, the number of functions identified in each agency plan ranged from 3 to 538 and included ones that appeared to be of secondary importance (for example, “provide advice to the Under Secretary”). Both FEMA’s June 2004 revision to its guidance and a recently initiated White House effort have the potential, if effectively implemented, to help agencies better identify their essential functions and thus develop better continuity plans. However, the lack of a schedule to complete the White House effort makes it unclear when these improvements might take place.

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<sup>4</sup>Since the June 2004 version of FPC 65 was released after our cutoff date of May 1, 2004, we assessed plans against the July 1999 version of FPC 65.

<sup>5</sup>GAO, *Continuity of Operations: Agency Plans Have Improved, but Better Oversight Could Assist Agencies in Preparing for Emergencies*, [GAO-05-577](#) (Washington, D.C.: Apr. 28, 2005).

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Although agency COOP plans have shown improvement since our prior assessment of 2002 plans, most plans in place on May 1, 2004, continued to exhibit inconsistencies in the identification of essential functions and significant lack of compliance with FEMA's guidance. Inadequate oversight by FEMA contributed to the level of weaknesses in agency COOP plans. FEMA plans to improve oversight using an online readiness reporting system, which it plans to have fully operational later this year, and it has already taken other steps to help agencies improve their plans, such as conducting an interagency exercise. However, FEMA no longer plans to verify the readiness information that agencies will report in the system.

Finally, even though FEMA's continuity planning guidance in place in May 2004 did not address telework, one agency's continuity plan in place at that time indicated that it was planning to use telework in response to an emergency. In addition, 10 agencies reported that they planned to use telework following a COOP event, but their plans were not clearly documented.

In our report, we made recommendations to the Assistant to the President for Homeland Security and to the Secretary of Homeland Security to ensure that agencies are adequately prepared to continue performing essential functions following an emergency. In commenting on our findings and recommendations, FEMA agreed that there has been improvement in COOP plans and that additional oversight is needed.

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## Background

Federal operations and facilities have been disrupted by a range of events, including the terrorist attacks on September 11, 2001; the Oklahoma City bombing; localized shutdowns due to severe weather conditions, such as the closure of federal offices in the Washington, D.C., area in September 2003 due to Hurricane Isabel; and building-level events, such as asbestos contamination at the Department of the Interior's headquarters. Such disruptions, particularly if prolonged, can lead to interruptions in essential government services. Prudent management, therefore, requires that federal

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agencies develop plans for dealing with emergency situations, including maintaining services, ensuring proper authority for government actions, and protecting vital assets.

Until relatively recently, continuity planning was generally the responsibility of individual agencies. In October 1998, Presidential Decision Directive (PDD) 67 identified the Federal Emergency Management Agency (FEMA)—which is responsible for responding to, planning for, recovering from, and mitigating against disasters—as the executive agent for federal COOP planning across the federal executive branch. FEMA was an independent agency until March 2003, when it became part of the Department of Homeland Security (DHS), reporting to the Under Secretary for Emergency Preparedness and Response. Under PDD 67, its responsibilities include

- formulating guidance for agencies to use in developing viable plans;
- coordinating interagency exercises and facilitating interagency coordination, as appropriate; and
- overseeing and assessing the status of COOP capabilities across the executive branch.

According to FEMA officials, the directive also required that agencies have COOP plans in place by October 1999.

In July 1999, FEMA first issued Federal Preparedness Circular (FPC) 65. FPC 65 is guidance to the federal executive branch for use in developing viable and executable contingency plans that facilitate the performance of essential functions during any emergency. Specifically, the guidance

- established the identification of essential functions as the basis for COOP planning;
- defined essential functions as those that enable agencies to provide vital services, exercise civil authority, maintain safety, and sustain the economy during an emergency;
- defined the elements of a viable continuity of operations capability according to eight topic areas: identification of essential functions; development of plans and procedures; identification of orders of

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succession; delegations of authority; provision for alternate facilities; provision of interoperable communications; availability of vital records; and conduct of regular tests, training, and exercises; and

- set up an interagency working group to coordinate continuity planning.

FPC 65 applies to all federal executive branch departments and agencies at all levels, including locations outside Washington, D.C. It directed the heads of each agency to assume responsibilities including

- developing, approving, and maintaining agency continuity plans and procedures;
- developing a COOP multiyear strategy and program management plan; and
- conducting tests and training of agency continuity plans, contingency staffs, and essential systems and equipment.

At your request, we previously reported on federal agency headquarters contingency plans in place in October 2002.<sup>6</sup> At that time, we determined that most agencies identified at least one function as essential, but the functions varied in number and apparent importance. Furthermore, while 20 of 23 agencies had documented COOP plans, none addressed all the guidance in FPC 65. We identified inadequate guidance and oversight as factors contributing to these weaknesses, and recommended that DHS (1) ensure that agencies without plans develop them, (2) ensure that agencies address weaknesses in their plans, and (3) conduct assessments of plans that included an independent verification of agency-provided data and an assessment of identified essential functions. In response to these recommendations, DHS reported in July 2004 that it (1) was developing an online system to collect data

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<sup>6</sup> GAO, *Continuity of Operations: Improved Planning Needed to Ensure Delivery of Essential Government Services*, [GAO-04-160](#) (Washington, D.C.: Feb. 27, 2004) and *Continuity of Operations: Improved Planning Needed to Ensure Delivery of Essential Services*, [GAO-04-638T](#) (Washington, D.C.: Apr. 22, 2004).

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from agencies on the readiness of their continuity plans that would evaluate compliance with the guidance, (2) had conducted an interagency exercise, and (3) had developed a training program for agency continuity planning managers. DHS added that it planned to conduct an independent validation of each agency's self-assessment after deployment of the readiness system.<sup>7</sup>

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## Many Agencies Reported Using Sound Continuity Practices, but Few Provided Adequate Supporting Documentation

Based on an analysis of published literature and in consultation with experts on continuity planning, we identified eight sound practices related to essential functions that organizations should use when developing their COOP plans. These practices, listed in table 1, constitute an ongoing process that includes identifying and validating essential functions.

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<sup>7</sup> GAO, *Status of Key Recommendations GAO Has Made to DHS and Its Legacy Agencies*, [GAO-04-865R](#) (Washington, D.C.: July 2, 2004).



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**Table 1: Eight Sound Practices for Continuity Planning**

**Practices**

Establish a structured COOP project work group/committee that includes representatives of all agency components, legal advisors, and continuity experts and either includes a member of the agency's executive management or reports to a member of the agency's executive management. Such a committee should be involved in the initial selection of essential functions.

Determine the resources necessary to perform each function.

Determine the dependencies necessary to perform each function.

Develop a schedule or project plan for critical stages in the continuity of operations program effort.

Identify and rank plausible threats, vulnerabilities, liabilities, and/or exposures through a risk assessment.

Perform a risk and impact analysis for each essential function—including prioritization of essential functions and determination of minimum acceptance level of output and recovery time objective for each function.

Develop and implement a strategy for validating the continuity plan and the underlying essential functions.

Change its essential functions as the result of the validation process.

Source: GAO.

With regard to COOP plans in place on May 1, 2004, many of the 23 agencies reported using some of the sound practices in developing plans, included identifying and validating essential functions, but few provided documentation sufficient for us to validate their responses. This indicates that agencies—although aware of these practices—may not have followed them thoroughly or effectively. For example, it is unlikely that a thorough risk analysis of essential functions could be performed without being documented.

Further, the essential functions identified by agencies varied widely: the number of functions identified in each plan ranged from 3 to 538. In addition, the apparent importance of the functions was not consistent. For example, a number of essential functions were of clear importance, such as

- “conduct payments to security holders” and
- “carry out a rapid and effective response to all hazards, emergencies, and disasters.”

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Other identified functions appeared vague or of questionable importance:

- “champion decision-making decisions” and
- “provide advice to the Under Secretary.”

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## New Guidance and Review Process Could Result in More Consistent Identification of Essential Functions

The high level of generality in FEMA’s guidance on essential functions contributed to the inconsistencies in agencies’ identification of these functions. As was the case during our 2002 review, the version of FPC 65 in place on May 1, 2004, defined essential functions as those that enable agencies to provide vital services, exercise civil authority, maintain safety, and sustain the economy during an emergency. The document did not, however, define a process that agencies could use to select their essential functions.

In June 2004, FEMA released an updated version of FPC 65, providing additional guidance to agencies on each of the topics covered in the original guidance, including an annex on essential functions. The annex lists several categories that agencies must consider when determining which functions are essential, including

- functions that must continue with minimal interruption or cannot be interrupted for more than 12 hours without compromising the organization’s ability to perform its mission and
- functions assigned to the agency by federal law or by order of the President.

The new guidance goes on to outline steps addressing the prioritization of selected functions as well as the identification of resources necessary to accomplish them and of interdependencies with other agencies.

On January 10, 2005, the Assistant to the President for Homeland Security issued a memorandum outlining additional guidance on essential functions and initiated a process to identify and validate agency-level functions. The memorandum noted that in the past

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many departments and agencies had had difficulty clearly identifying and articulating their essential functions. It attributed this difficulty, in part, to the lack of a defined set of national-level essential functions to guide agency continuity planning, resulting in multiple efforts to develop agency essential functions for different specific purposes (e.g., planning for Year 2000 computer continuity, information technology planning, and critical infrastructure planning). Further, it noted that departments and agencies sometimes do not distinguish between a “function” and the specific activities necessary to perform the function.

To address these issues, the memorandum identified eight National Essential Functions that are necessary to lead and sustain the country during an emergency and, therefore, must be supported through continuity capabilities. Table 2 lists the eight National Essential Functions.

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**Table 2: National Essential Functions**

<b>Functions</b>
Preserve our constitutional form of government.
Provide leadership visible to the nation and the world; maintain the trust and confidence of the American people.
Defend the country against all enemies, foreign or domestic, and prevent or interdict future attacks.
Maintain and foster effective relationships with foreign nations.
Protect against threats to the homeland and bring to justice perpetrators of crimes or attacks against the nation, its citizens, or its interests.
Provide rapid and effective response to and recovery from the domestic consequences of an attack or other incident.
Protect and stabilize the nation’s economy; ensure confidence in financial systems.
Provide for critical federal government services that address the national health, safety, and welfare needs of the nation.

Source: White House.

The memorandum asked major agencies to identify their Priority Mission Essential Functions—those functions that must be performed to support or implement the National Essential Functions before, during, and in the immediate aftermath of an emergency. The document stated that, generally, priority functions must be uninterrupted or resumed during the first 24 to 48 hours after the occurrence of an emergency and continued through full resumption of all government functions.

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When identifying their functions, agencies were asked to also identify the National Essential Function that each priority function supports, the time in which the priority function must be accomplished, and the partners necessary to perform the priority function. The memorandum asked agencies to reply by February 18, 2005.

The memorandum emphasized the need for the involvement of senior-level agency officials, calling for each agency's functions to be first approved by an official with agencywide responsibilities. The memorandum then laid out a process by which the functions would be validated by an interagency group within the Homeland Security Council. According to FEMA officials, two agencies' essential functions have already been reviewed, and there are plans to complete all agency reviews by the end of the summer. The validated functions would then be used to support development of a new continuity policy and would be used to develop and implement improved requirements for capabilities, inform the annual budget process, establish program metrics, and guide training and exercises and other continuity program activities. The memorandum did not set any time frames for these later steps.

Together, FEMA's revised guidance and the guidance from the White House significantly address the best practices that we identified. For example:

- Both documents call for agencies to identify dependencies necessary to perform the functions.
- FEMA's guidance calls for agencies to prioritize their essential functions and identify the resources necessary to perform them.
- The White House guidance calls on agencies to identify the recovery time necessary for each function and outlines a process to validate the initial list of functions.

If implemented effectively, the new guidance and the review process conducted by the White House could result in more consistent identification of essential functions across the executive branch. The functions could then form the basis for better plans for continuing the most critical functions following a disruption to normal operations. However, without time frames for completing

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the outlined process, it is unclear when the expected improvements will occur.

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## Agency COOP Plans Have Improved, but None Address All of FEMA's Guidance

When compared with our prior assessment, agency continuity plans in place on May 1, 2004, showed improved compliance with FEMA's guidance in two ways:

- One agency and nine component agencies that did not have documented continuity plans in place at the time of our 2002 review had put such plans in place by May 1.
- For each of the topic areas outlined in the guidance, agencies generally made progress in increasing compliance.

However, two major agencies did not have plans in place on May 1, 2004. As of April 2005, one of these two had finalized its plan.

In addition, after analyzing these plans, we found that none in place on May 1 followed all of FEMA's guidance. Of the eight topic areas identified in FPC 65, these 45 COOP plans generally complied with the guidance in two areas (developing plans and procedures and order of succession); generally did not comply in one area (tests, training, and exercises); and showed mixed compliance in the other five areas. Specifically, when examining the governmentwide results of our analysis of the eight planning topics outlined in FPC 65, we determined the following:

- *Essential functions.* Most agency plans identified at least one function as essential and identified which functions must be continued under all circumstances. However, less than half the COOP plans identified interdependencies among the functions, established staffing and resource requirements, or identified the mission-critical systems and data needed to perform the functions.
- *Plans and procedures.* Most plans followed the guidance in this area, including establishing a roster of COOP personnel, activation

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procedures, and the appropriate planning time frame (12 hours to 30 days).

- *Orders of succession.* All but a few agency plans identified an order of succession to the agency head. Most plans included orders of succession for other key officials or included officials outside of the local area in the succession to the agency head. Many plans did not include the orders of succession in the agency's vital records or document training for successors on their emergency duties.
- *Delegations of authority.* Few plans adequately documented the legal authority for officials to make policy decisions in an emergency.
- *Alternate facilities.* Most plans documented the acquisition of at least one alternate facility, and many included alternate facilities inside and outside of the local area. However, few plans documented that agencies had sufficient space for staff, pre-positioned equipment, or appropriate communications capabilities at their alternate facilities.
- *Redundant emergency communications.* Most plans identified at least two independent media for voice communication. Less than half of the plans included adequate contact information, and few provided information on backup data links.
- *Vital records.* Less than half of the plans fully identified the agency's vital records. Few plans documented the locations of all vital records or procedures for updating them.
- *Tests, training, and exercises.* While many agencies documented some training, very few agencies documented that they had conducted tests, training, and exercises at the recommended frequency.

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## Inadequate Oversight by FEMA Contributes to Noncompliance

During our prior review of 2002 plans, we found that insufficient oversight by FEMA contributed to agencies' lack of compliance with the guidance. Specifically, we noted that FEMA had not conducted an assessment of agency contingency plans since 1999. As a result, we recommended that it conduct assessments of agency continuity plans that include independent verification of agency-reported information. In response, DHS reported that it was developing a

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readiness reporting system to assist it in assessing agency plans and planned to verify the information reported by the agencies.

Although neither of these planned actions was completed by May 1, 2004, FEMA has made subsequent efforts to improve its oversight. According to FEMA officials, development of the readiness reporting system was completed in March 2005, and the system is expected to be operational and certified by October 2005, at which time there will be seven locations (including two FEMA locations) using the system. They added that once the system becomes fully operational, agencies will be required to periodically provide updated information on their compliance with FEMA's guidance. These officials also reported that the agency had taken additional steps to improve readiness. Specifically, they stated that the interagency exercise held in mid-May 2004 successfully activated and tested agency plans; they based this assessment on reports provided by the agencies. Furthermore, FEMA has begun planning for another interagency exercise in 2006. In addition, as of April 2005, FEMA had provided training to 682 federal, state, and local officials from 30 major federal departments and agencies and 209 smaller agencies—including state, local, and tribal entities. FEMA officials stated that because of these additional successful efforts to improve readiness, they no longer planned to verify agency-reported readiness data.

While the revised guidance, recent exercise, and ongoing training should help ensure that agency continuity plans follow FEMA's guidance, FEMA's ongoing ability to oversee agency continuity planning activities will be limited by its reliance on agency-provided data. Without verification of such data, FEMA lacks assurance that agency plans are compliant and that the procedures outlined in those plans will allow agencies to effectively continue to perform their essential functions following a disruption.

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## One Agency Plans to Use Telework in Response to an Emergency

Telework, also referred to as telecommuting or flexiplace, has gained widespread attention over the past decade in both the public

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and private sectors as a human capital flexibility that offers a variety of potential benefits to employers, employees, and society. In a 2003 report to Congress on the status of telework in the federal government, the Director of the Office of Personnel Management (OPM) described telework as “an invaluable management tool which not only allows employees greater flexibility to balance their personal and professional duties, but also allows both management and employees to cope with the uncertainties of potential disruptions in the workplace, including terrorist threats.”<sup>8</sup>

As we reported in an April 2004 report, telework is an important and viable option for federal agencies in COOP planning and implementation efforts, especially as the duration of an emergency event is extended.<sup>9</sup> In a July 2003 GAO report, we defined 25 key telework practices for implementation of successful federal telework programs.<sup>10</sup>

Although not required to do so, 1 of the 21 agency continuity plans in place on May 1, 2004, documented plans to address some essential functions through telework. Two other agencies reported that they planned to use telework to fulfill their essential functions, and eight agencies reported that they planned for nonessential staff to telework during a COOP event, but their continuity plans do not specifically mention telework.

However, none of the agencies that are planning to use telework during a COOP event documented that the necessary preparations had taken place. These preparations—derived from the 25 key telework practices for the development of an effective telework program—include informing and training the staff, ensuring that there is adequate technological capacity for telework, providing technological assistance, and testing the ability to telework.

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<sup>8</sup> U.S. Office of Personnel Management, *Report to the Congress: The Status of Telework in the Federal Government* (Washington, D.C.: January 2003).

<sup>9</sup> GAO, *Human Capital: Opportunities to Improve Federal Continuity Planning Guidance*, [GAO-04-384](#) (Washington, D.C.: Apr. 20, 2004).

<sup>10</sup> GAO, *Human Capital: Further Guidance, Assistance, and Coordination Can Improve Federal Telework Efforts*, [GAO-03-679](#) (Washington, D.C.: July 18, 2003).



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In summary, Mr. Chairman, although agency COOP plans have shown improvement since our prior assessment of 2002 plans, most plans in place on May 1, 2004, continued to exhibit inconsistencies in the identification of essential functions and significant lack of compliance with FEMA's guidance. Both FEMA's revision to this guidance and a recently initiated White House effort have the potential, if effectively implemented, to help agencies better identify their essential functions and thus develop better continuity plans. However, the lack of a schedule to complete the White House effort makes it unclear when these improvements might take place. Agencies' efforts to develop continuity plans could also be aided by FEMA's efforts to develop a readiness reporting system, conduct a governmentwide exercise, and train agency COOP planners, as well as by any guidance or policies that result from the White House effort.

Finally, even though FEMA's continuity planning guidance in place in May 2004 did not address telework, one agency's continuity plan at that time included plans to use telework in response to an emergency. In addition, 10 agencies reported that they planned to use telework following a COOP event, but their plans were not clearly documented.

In our report, we make recommendations aimed at helping to ensure that agencies are adequately prepared to perform essential functions following an emergency. We recommended that the Assistant to the President for Homeland Security establish a schedule for the completion of the recently initiated effort to validate agency essential functions and refine federal continuity of operations policy. We also recommended that the Secretary of Homeland Security direct the Under Secretary for Emergency Preparedness and Response to

- develop a strategy for short-term oversight that ensures that agencies are prepared for a disruption in essential functions while the current effort to identify essential functions and develop new guidance is ongoing;

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- develop and implement procedures that verify the agency-reported data used in oversight of agency continuity of operations planning; and
  - develop, in consultation with OPM, guidance on the steps that agencies should take to adequately prepare for the use of telework during a COOP event.

In commenting on our findings and recommendations, the Under Secretary for Emergency Preparedness and Response of DHS stated that the department agreed that there has been improvement in COOP plans and attributed that improvement to a renewed emphasis by DHS and the White House. The department also agreed with the need for additional oversight and noted that FEMA had begun conducting COOP site assessments at departments and agencies to improve readiness. The Under Secretary's letter drew attention to a number of actions taken after the May 1, 2004, cutoff date for our assessment. Finally, the Under Secretary pointed out that the readiness reporting system that FEMA is developing was not intended to be a COOP plan assessment tool, but that it instead provides key officials with the ability to determine plan status in near real time. We continue to believe that it is important for FEMA to assess agency plans as part of its oversight responsibilities. Regardless of the system's intended use, we believe its capabilities, as described by FEMA, make it a valuable tool that the agency should use when exercising these responsibilities.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions that you or other members of the Committee may have at this time.

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## Contacts and Acknowledgements

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