



Highlights of [GAO-03-113](#), a report to Congress included as part of GAO's Performance and Accountability Series

## Why GAO Did This Report

The 2003 performance and accountability series includes the first report on the Federal Emergency Management Agency (FEMA) since the series started in 1999. GAO reported on management challenges facing FEMA this year because of the increased national significance of the agency's missions and the additional responsibilities placed on the agency.

The information GAO presents in this report is intended to help sustain congressional and agency attention on continuing to make progress in addressing these challenges and ultimately overcoming them. This report is part of a special series of reports on governmentwide and agency-specific issues.

## What Remains to Be Done

GAO believes that FEMA should

- ensure effective coordination of preparedness and response efforts,
- enhance the provision and management of disaster assistance for efficient and effective response,
- reduce the impact of natural hazards by improving the efficiency of mitigation and flood programs, and
- resolve financial management weaknesses to ensure fiscal accountability.

[www.gao.gov/cgi-bin/getrpt?GAO-03-113](http://www.gao.gov/cgi-bin/getrpt?GAO-03-113).

To view the full report, click on the link above. For more information, contact John H. Anderson Jr. at (202) 512-2834 or [andersonj@gao.gov](mailto:andersonj@gao.gov).

# PERFORMANCE AND ACCOUNTABILITY SERIES

## Federal Emergency Management Agency

## What GAO Found

FEMA has made progress in recent years in achieving its mission of supplementing state and local governments' efforts to prepare and respond to major disasters. FEMA's mission will be absorbed into a new Department of Homeland Security. As FEMA moves to integrate its mission into this new department, FEMA faces several management challenges to:

- **Ensure effective coordination of preparedness and response efforts.** FEMA and its missions will be transferred in their entirety into the new Department of Homeland Security (DHS)—the largest reorganization of the federal government since 1947. However, FEMA's homeland security and nonhomeland security missions will be under separate DHS directorates. The separation of disaster and emergency preparedness responsibilities will present coordination challenges for the Undersecretaries within DHS.
- **Enhance the provision and management of disaster assistance for efficient and effective response.** FEMA has demonstrated its ability to quickly get resources to stricken communities in many disasters. However, FEMA needs to develop more objective and specific criteria to assess the capabilities of states and localities to respond to a disaster. FEMA needs to assess how the extent of its response and recovery assistance to future disasters may be affected by the magnitude and scope of recovery efforts undertaken in New York City. Information system problems and a shortfall of appropriately trained FEMA staff could compromise FEMA's ability to respond to a disaster.
- **Reduce the impact of natural hazards by improving the efficiency of mitigation and flood programs.** As the number of large, costly disasters has grown, FEMA has placed more emphasis on disaster mitigation efforts to reduce the effects of natural hazards. However, concerns about the cost effectiveness of some of the mitigation programs have been raised. The National Flood Insurance Program has not operated on a sound financial footing for several years.
- **Resolve financial management weaknesses to ensure fiscal accountability.** From 1998 to 2000, FEMA's Inspector General issued unqualified opinions on FEMA's consolidated financial statements. However, problems with some of FEMA's systems resulted in a qualified opinion on their 2001 financial statement, and FEMA plans to take corrective action. Until corrective actions are completed to address reliability of information and instances of noncompliance with requirements of certain laws and regulations, FEMA will not be able to achieve effective financial accountability.