

OSA-0869-72
19 July 1972

MEMORANDUM FOR: Executive Officer, OSA
Deputy for Operations, OSA
Deputy for Materiel, OSA
Chief, Contract Management Division, OSA
Chief, Security Staff, OSA
Chief, Budget & Finance Division, OSA
Chief, Personnel Division, OSA
Chief, Communications Staff, OSA
Chief, Aero-Medical Staff, OSA
Chief, Registry Branch, OSA

SUBJECT: Management Review and Improvement Program

- REFERENCE: A. Memo from DDS&T to D/SA dated 17 July 1972; Subject: OMB Circular A-44 (Revised) DDS&T-2075-72.
- B. Memo from DDS&T to D/SA dated 3 July 1972; Subject: OMB Circular A-44 (Revised) dated 24 May 1972 -- "Management Review and Improvement Program" DDS&T-2005-72, Executive Registry 72-3370).
- C. Attachment Circular No. A-44 Revised.

1. References, attached hereto, require a report on the subject program to the DDS&T. The report pertains only to CIA funds and should reflect only "accomplishments and plans which are reasonably significant." Externally imposed actions such as externally directed budget and personnel reductions are not to be reported. Negative reports are acceptable.

2. It is requested that each action addressee review the management plans and accomplishments of his office and forward drafts of proposed submission or a negative report to the undersigned by 4 August. Please destroy attachments after action is completed.

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Chief, Budget & Finance Division
Office of Special Activities

CLASSIFIED BY 83-0656

Attachments:
As stated above

CONFIDENTIAL

EXEMPT FROM GENERAL DECLASSIFICATION
OF E. O. 11652, EXEMPTION CATEGORY:
§ 5B(1), (2), (3) or (4) (circle one or more)
AUTOMATICALLY DECLASSIFIED ON
Approval of DCI
(unless impossible, insert date or event)

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DD/S&T-2075-72
17 July 1972

MEMORANDUM FOR: Director of Special Activities
Director of Research & Development
Director of Elint
Director of Scientific Intelligence
Director of Computer Services
Director of Foreign Missile & Space Center
Director of Special Projects

SUBJECT: OMB Circular A-44 (Revised)

1. Attached are a copy of the Executive Director-Comptroller's directives on compliance with the Office of Management & Budget (OMB) Management Review and Improvement Program and a copy of the attachment to Circular A-44 which defines the reporting requirements and includes formats for Sections II, IV, V, VI, VII, and VIII thereof.

2. For us to submit a directorate report to O/PPB by 15 August, you should complete your reviews and reports and forward the latter to Ex/O/DDS&T by close of business 9 August. Questions may be directed to [redacted] Ext 6889, the Comptroller Staff.

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[redacted]
Comptroller
Directorate of
Science and Technology

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EXEMPT FROM GENERAL DECLASSIFICATION
OF E. O. 11652, EXECUTIVE ORDER 11652
§ 60(1), (2), (3) or (4) (which are exempt)
AUTHORITY DERIVED FROM:
Approval of D.C.I.
(where appropriate, insert date or event)

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72-3770

DD/S&T: 2005-72

3 July 1972

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Plans
Deputy Director for Support
Deputy Director for Science and Technology
Inspector General
Director of Planning, Programming, and Budgeting
Director of Finance
Director of Personnel
Special Assistant for Information Control
Chairman, Information Processing Board

SUBJECT : OMB Circular A-44 (Revised) dated 24 May 1972 --
"Management Review and Improvement Program"

1. I am sure you are well aware of the President's instructions to each Department and Agency to intensify management review of federal activities, programs and services within its areas of responsibility and with the explicit goal of substantially increasing the performance level, productivity and quality of federal programs at lower cost. The Director of Central Intelligence intends and expects that this Agency will support these efforts in a positive and constructive manner.

2. Office of Management and Budget Circular A-44 Revised (copy attached) delineates the several elements of the government's management improvement and review program as well as certain annual reporting requirements. While obviously we must prepare the required reports, it should be kept in mind that the objective is not the preparation of an impressive report. Rather it is the identification and achievement of goals and objectives in improvement in program management, productivity, evaluation and performance which will accrue to the overall benefit of the Agency as well as the government.

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3. Within this context and under the guidelines contained in OMB Circular A-44 (revised) dated 24 May 1972, each Directorate is requested to submit to the Director of Planning, Programming, and Budgeting by 15 August 1972 details of plans and accomplishments as outlined in Sections II, IV, V, VI, VII and VIII of the attachment. The Inspector General will be responsible for Section I. Section III will be prepared by the Director of Finance. (Section VIII should be submitted through the Director of Personnel.)

4. In preparing this material, I particularly invite your attention to:

a. The Management Effectiveness and Cost Reduction Goals outlined in last year's report to OMB, Sections III and IV, against which our actual accomplishments should be measured.

b. Sections I, II and VI of this year's report, as vehicles to focus attention on real improvements in our management procedures for establishing priorities, evaluating performance and setting goals, all with the aim of increasing our overall effectiveness in carrying out CIA's important mission.

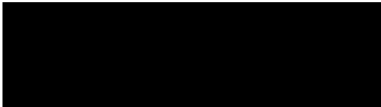
5. The Director of Planning, Programming, and Budgeting is assigned the task of integrating these contributions into an overall agency report which is due at OMB by 1 September. In carrying out this responsibility, he will utilize the advice and guidance of the Special Assistant to the Executive Director-Comptroller for Information Control with respect to Section V; the support of the IP Board for Section IV; and the Director of Personnel with regard to Section VIII.

6. In preparing each contribution to the Agency report, care should be taken to report only those accomplishments and plans which are reasonably significant in terms of their impact on the achievement of some Agency management, operational, or cost reduction goal. Reported accomplishments, of course, should bear up under scrutiny and future management improvement actions and plans should reflect serious intentions. The quality and validity of reported items are more important than quantity. In a covering memorandum any contributor may suggest priority improvement projects which require Agency-wide attention and action by the Executive Director-Comptroller in order to implement.

7. To provide a common basis for preparation of an overall Agency report, it is essential that each Section be prepared in accordance with the

format prescribed by OMB. Self-designed forms or formats will have to be returned by the Office of Planning, Programming, and Budgeting for resubmission in accordance with OMB instructions.

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W. E. Colby
Executive Director-Comptroller

Attachments:

- a. OMB Circular A-44 (Revised)
- b. 1971 A-44 Agency Report to OMB (for general information)

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ATTACHMENT
CIRCULAR NO. A-44
REVISED

Management Review and Improvement Program

Annual Management Report

1. Purpose of the report. The annual management report is designed to serve three purposes:

a. Promote an annual assessment by the departments and agencies of their management review and improvement program;

b. Assist the Office of Management and Budget in assessing department and agency progress and responsiveness in implementing the management review and improvement program; and

c. Consolidate interagency management review and improvement reporting requirements.

2. Number of copies. Each department and agency will submit four copies to OMB.

3. Report transmittal. A brief covering transmittal which summarizes the impact of reported plans and accomplishments on achieving operating program objectives will be submitted with the annual management report.

4. Report sections. The annual management report is divided into eight sections as specified in the Exhibit:

a. Management reviews (Section I); 16

b. Priority improvement projects (Section II);

c. Financial accomplishments and plans (Section III); OF

d. Automatic data processing (ADP) improvements (Section IV);

e. Management of Federal reports (Section V);

f. Productivity improvements (Section VI);

g. Cost reductions (Section VII); and

h. Nominees for Presidential Management Improvement Awards (Section VIII). VIA CP

(No. A-44)

5. Preparation guidelines. The following general guidelines will be applied in preparing the annual management report:

a. Limitations. Reportable data will be limited to review and improvement plans and accomplishments initiated by a department or agency through new or improved management actions. Externally imposed actions such as externally directed budget and personnel reductions or legislative changes are not reportable.

b. Data availability. If requested, departments and agencies will be prepared to provide to the Office of Management and Budget substantiating data for any information submitted in the annual management report. Departments and agencies are not required to maintain central files of substantiating data and are encouraged to retain such data at the originating level.

c. Validation. Departments and agencies will assure that an independent evaluation has been made of the reasonableness and validity of reported accomplishments. This independent evaluation must:

(1) Be made by an organization other than the organization responsible for the accomplishment; and

(2) Provide through sampling, or other appropriate technique, an acceptable level of confidence that the accomplishment actually took place and is valid as reported.

d. Idea interchange. Departments and agencies will highlight improvements in any Section of the report that may have applicability for other departments and agencies.

1. Project title.
2. Identification of program or function covered by the Project.
3. Summary statement of improvement approach:
 - a. Brief description of Project.
 - b. Reasons Project was selected.
 - c. Brief evaluation of the usefulness of primary improvement techniques (e.g., value analysis, cost effectiveness analysis, etc.) applied.
4. Specification of improvement objectives and performance indicators:

Performance Indicators**	Performance	Objectives
BPRI**	Base Year	Past Year
	Past Year	Current Year
a. Productivity.		
b. Service.		
c. Quality.		
d. Cost.		
5. Assessment of performance:
 - a. Reasons for short fall or above average performance.
 - b. Corrective action initiated or required.
 - c. Target dates for improvement objective achievement.

*Submit this Section for each Priority Improvement Project. Priority Improvement Projects fiscal year 1972 may be reported in the format contained in Exhibit 1 to Circular No. 44, Revised, dated February 16, 1970.

**Develop all four indicators for each Project if applicable. If not applicable, explain.

SECTION IV - AUTOMATIC DATA PROCESSING (ADP) IMPROVEMENTS*

Description
of Improvements**

Identification of
Program or Function

Significant improvements in the performance level of a program or function as a result of using ADP capability:

- a. Planned for current year.
- b. Achieved during past year.

Significant improvements in the management of computer facilities and resources:***

- a. Planned for current year.
- b. Achieved during past year.

Information to be reported in this Section is covered in Circular No. A-83.

**If reported in Section II, list only the Priority Improvement Project title.

***Report such improvements as consolidation of computer facilities, results from the use of hardware and software monitoring techniques, standardization of system requirements, etc.

SECTION V - MANAGEMENT OF FEDERAL REPORTS*

Brief description of procedures established to manage Federal reports:**

- a. Reports management policy.
- b. Reports management objectives.
- c. Reports management approach.

Cost of reports:***

Reporting Category	-----Cost-----		Difference
	July 1 (Past Year)	July 1 (Current Year)	
a. Public Reporting (man-hours)			
b. Interagency Reporting (dollars)			
c. Internal Reporting (dollars)			

*Information to be reported in this section is covered in Circular A-40 and the Federal Property Management Regulations.

**This description is to be reported only in the first submittal or in subsequent submittals when a significant change in reports management procedures has been implemented.

***Attach a summary analysis of difference in cost of reporting over the past year citing such factors as the reporting impact of new programs and an assessment of the effectiveness of reports management efforts.

SECTION VI - PRODUCTIVITY IMPROVEMENTS*

Identification of Program or Function

Description of Improvement

1. Significant improvements in the productivity of Government operations planned for the current year.
2. Significant improvements in the productivity of Government operations achieved in the past year.

*Information to be reported in this Section is covered in Circular A-11, Section 24. Productivity Improvements for fiscal year 1972 do not have to be reported.

**If reported in Section II, list only the Priority Improvement Project title. In all other cases, include a productivity index in the description of the improvement.

SECTION VII - COST REDUCTIONS*

Overall cost reduction dollar savings goal for current year.

Overall cost reduction dollar savings achieved or estimated for:

<u>Use of Savings</u>	<u>Past Year**</u>	<u>Current Year***</u>	<u>Budget Year***</u>
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- a. Finance other approved requirements of the reporting unit
- b. Reprogrammed to finance other approved requirements
- c. Placed in reserve or applied to reducing the President's budget

Summary descriptions of past year cost reduction achievements when the achievement:

- a. Has applicability to other departments and agencies; or
- b. Has a significant estimated budgetary effect in the current or budget year.

*If cost reduction is selected as a Priority Improvement Project and reported in Section II, this Section will not be submitted.

**Dollar savings actually achieved during the past year.

***The estimated budgetary effect in the current and budget year of cost reductions achieved in the past year, if applicable, as covered in Circular A-11, Section 24.1.

SECTION VIII - NOMINEES FOR PRESIDENTIAL MANAGEMENT IMPROVEMENT AWARDS

1. Submit for each nomination:

- a. Nominee's name, title, and grade; or identification of group.
- b. Organization.
- c. Summary of achievement.
- d. Summary of benefits.
- e. Agency contact official (name, title, phone number).
- f. Any agency award that has been granted or is in process for the achievement.
- g. Specific evidence of the degree of ingenuity, innovation, extraordinary dedication, exceptional skill demonstrated by the nominee.
- h. Any additional pertinent information.

Nomination limitations: None. However, each potential nomination should be carefully screened to assure that the nomination is warranted. If more than one nomination is submitted, indicate the order of preference.