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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548



CIVIL DIVISION

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Dear Mr. Carlucci:

We have reviewed selected activities of the War on Poverty Committee of Memphis and Shelby County, Tennessee, an Office of Economic Opportunity (OEO) grantee. The fieldwork, which was completed in July 1970, was directed toward evaluating significant aspects of the grantee's program management and three major program components--the Neighborhood Centers, the Summer Youth program, and the Emergency Food and Medical Services program. Our review was conducted primarily at the offices of the grantees in Memphis, Tennessee.

We were informed that OEO terminated the funding of the grantee effective October 31, 1970, for its failure to implement recommendations of OEO review teams and a consultant firm, aimed at necessary improvements in program operations. Because of this occurrence, we do not plan any further reporting of the results of our review other than bringing to your attention the following findings.

Our review showed that the grantees had experienced two major problems, (1) serious organizational difficulties including significant staff turnover and, (2) inadequate records and program evaluations by which the grantee could have measured its progress against established goals and which would have enabled it to better plan future programs for assisting the poor.

Although the grantee's operations have been terminated and no further corrective action can be taken, the problems noted in our review appear to be common to other community action agencies and our views expressed here should be applicable to agencies with similar problems. Also, in the event that OEO funds another grantee in the Memphis area, we believe it would be desirable to alert the new grantee's board and administrative personnel to the type of problems we noted so that such problems can be avoided to the extent feasible.

GRANTEE STAFFING PROBLEMS

The grantee had experienced serious organizational problems in its administrative staff, including significant staff turnover and vacancies for several months in such key positions as Assistant Director for Program Services, Program Operations Coordinator, and

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directors for Early Childhood Development and for Human Services Project. There were delays by the governing board in developing and by the grantee in implementing personnel policies and procedures necessary for an orderly administration of programs. Because of the seriousness of these problems, a consultant firm was hired by the governing board to perform a review of the personnel and administrative problems. Also, an OEO regional review team performed a review of the grantee's activities relative to its personnel problems. Both reviews resulted in reports making similar observations on staff turnover and morale problems and recommended corrective action. We have been informed that failure to implement these recommendations led to OEO's decision to terminate funding of the grantee's programs.

PROGRAM PLANNING AND EVALUATION

The grantee had taken certain actions to comply with legislative and OEO requirements for planning and evaluating its programs, but the actions taken were not adequate to be used as a basis, where necessary, for reallocating resources or modifying programs, two important objectives of the planning and evaluation processes.

With respect to planning, our review showed that the grantee did not adhere to OEO's planning guidelines because it did not have an adequate planning capability. During the last two program years, the OEO regional office did not provide any planning funds to the grantee to enable acquisition of such a capability.

The grantee's evaluations of its program activities were of limited scope and depth, did not identify actual accomplishments of its programs, and did not appear to have significantly affected the subsequent year's plans and programs. The grantee attributed the incompleteness of its evaluations primarily to a lack of staff and inadequate OEO guidance. During the program year 1968-1969, the key staff position of evaluation coordinator had been vacant for about seven months.

We believe that a closer monitoring of the grantee's operations and active assistance to the grantee by the OEO regional office would have enabled the development of needed planning and evaluation capabilities.

MOBILIZATION OF RESOURCES

The grantee had achieved some noteworthy accomplishments in mobilizing community resources by obtaining cash and in-kind contributions in donated space, and personal services from the city and county. We believe, however, that a more systematic approach to the identification of all potential resources and coordination with other

agencies providing assistance to the poor might have resulted in the mobilization of additional resources. Specifically, we believe that the grantee should have taken the following actions:

- prepared a documented plan for coordinating all available community resources in a concerted attack on poverty
- maintained a central file showing the resources available and the results of contacts and cooperative arrangements made with other organizations active in the community
- made a specific effort to provide for an in-house evaluation of the effectiveness of its mobilization efforts
- created a specific position in the organization having overall authority and responsibility for identifying, mobilizing and coordinating available resources.

INVOLVEMENT OF THE POOR

The poor had been afforded opportunities to participate in the various facets of the grantee's operations such as representatives of the poor on the grantee's board of directors, and as employees carrying out program operations, and members of area councils. We found, however, that more could have been done by the grantee to (1) stimulate interest in elections of representatives of the poor to area councils and improve the low percentage of votes cast in such elections and (2) establish programs requested by the poor within the individual target areas.

Problems relating to involvement of the poor were noted in two OEO reviews of the grantee's operations. The reviews recognized that the grantee had established associations of the poor but had not provided adequate assistance to these associations, and that grantee staff members did not keep themselves adequately informed of current council activities or in some cases, did not know whether the councils still existed. We believe that more vigorous follow-up actions by the OEO regional office could have helped the grantee to increase its effectiveness in involving the poor in grantee activities.

NEIGHBORHOOD SERVICE CENTER

A neighborhood center established by the grantee in the South Memphis area had been successful in satisfying some of the immediate needs of target-area residents through personal contacts to determine family problems, provision of food, and furnishing the assistance of social workers. Also, the center had succeeded in bringing services provided by other agencies in the community closer to residents of the area.

Fragmentary recordkeeping by the grantee's neighborhood center precluded us from evaluating the effectiveness of the center's activities in meeting the need for services by the poor. In the absence of complete records on goals and performance, it was not feasible to measure the impact which distribution of free food or clothing, referrals to a welfare agency, or the other services provided by the center had on the total needs of the target population.

EMERGENCY FOOD AND MEDICAL SERVICES PROGRAM

The approved plan of operation for program year 1968-1969 was not followed in that the food stamp component, budgeted at \$12,000, was not implemented. These funds were redirected by the executive director into the purchase of food rather than food stamps without obtaining the approval of the board of directors and OEO. This change of strategy resulted in reducing the potential benefits available to the population served, as the use of food stamps would have allowed the recipients to purchase more food--in some cases by a factor of 75 percent--for the same cost than the amount procured under the direct purchase method. For the subsequent program year 1969-1970, the food stamp program was carried out as provided in the program plan. In addition, the grantee failed to establish an advisory council for this program year as was required by OEO guidelines.

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We would appreciate any comments you may have on these matters and we will be available to meet with you or your staff to discuss them further should you desire. We wish to acknowledge the courtesies extended to our representatives during this review.

Sincerely yours,

Henry Eschwege

Henry Eschwege
Associate Director

The Honorable Frank C. Carlucci
Acting Director
Office of Economic Opportunity

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