



PRESS RELEASE

Federal Deposit Insurance Corporation

Media Contact:
Robert M. Garsson (202-898-6993)

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FDIC ADJUSTS STRATEGIC PLAN TO REFLECT AGENCY'S ACCOMPLISHMENTS

FOR IMMEDIATE RELEASE

The Board of Directors today approved minor adjustments to the Corporation's strategic plan that recognize the progress the agency has made since the plan was first adopted two years ago.

The FDIC adopted the five-year plan -- the first in the agency's history -- in April 1995. It is the basis for the corporate operating plan, which implements the strategic plan through projects designed to accomplish the objectives of the plan, and the business plan that guides the day-to-day operations of all the FDIC's divisions and offices.

"When we reevaluated the plan earlier this year, all of us were pleased to see how well it has stood up over time," said Chairman Ricki Helfer. "The changes we made reflect the accomplishments of the past two years."

Chairman Helfer said the corporate planning process had imposed a greater degree of discipline and accountability on the agency's management practices.

"We don't approve any expenditures that haven't been evaluated and approved as part of the planning process," she said.

The strategic plan shifted the Corporation's focus from closing failed financial institutions to helping banks remain healthy and serve their communities.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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As part of that change in focus, a Division of Insurance was created to help identify emerging areas of risk before they result in significant problems for the banking industry.

The strategic plan also guided efforts to adjust staffing levels to the diminished workload that resulted from the banking industry's return to health. As a result, staffing was reduced 36 percent from the levels of 1994 and programs were developed to ensure that the downsizing would be implemented in a fair, equitable and humane manner.

Other accomplishments stemming from the strategic plan include:

- A comprehensive review of why banks and thrifts failed in the late 1980s and early 1990s;

- Creation of a board-level audit committee;

- Establishment of an Office of Internal Control Management;

- Implementation of a single automated general ledger that combined 100 separate accounting systems into one financial information management system;

- Application of technology to reduce the time examiners spend on-site in banks, provide more timely data to examiners and to give examiners more analytical tools for evaluating risks in an institution;

- Wider dissemination of information to the public through the Internet, conferences and new publications;

- Successful integration of the remaining functions and staff of the RTC into the FDIC;

- Reduction in annual expenses by 40 percent, to \$1.127 billion in 1996, not counting the \$579 million in RTC-work related expenses which were covered by funds appropriated by Congress.

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