

criteria, a major input is the experience and knowledge of the appraising organization. Familiarity with the performance, organization, problems, and personnel of the appraised organization combined with knowledge of management and technical principles are vital to the development of meaningful criteria. The value of this knowledge is most evident in making judgments where quantitative data is unavailable. For this reason, appraisal should be made by persons with experience in, or a thorough knowledge of, the area being appraised.

E. REPORTING

1. Reports in functional areas should be concise and prepared in a form that will be sufficiently clear for future reference and follow-up, and which can serve as a basis for determination by AEC management of the action required by the organization appraised.
2. Conclusions and recommendations included in the report should be based upon facts and findings clearly stated in the body of the report.
3. Facts and findings should be discussed by the appraiser with the appraised organization in advance of the report preparation to assure accuracy and common understanding.
4. After review and approval by higher level management, copies of the functional reports are normally given to the organization appraised unless there is some reason which is sufficiently sensitive to warrant a different course of action.
5. Distribution of appraisal reports should be restricted to those having a responsible interest in them.
6. The determination by AEC management of the quality of the appraised organization's overall performance should always be made known to that organization. Normally, this is in the form of a written statement from an authoritative source (e.g., Field Office Manager, Headquarters Division or Office Head). If the statement:

- a. identifies significant deficiencies, it should serve as a basis for candid discussions between AEC management and the appraised organization's management looking toward

agreement on remedial courses of action.

- b. shows that performance has been generally good but there are some areas where minor improvements are needed, the statement should ask for comments with respect to the needed improvements.
- c. shows that performance has been generally satisfactory and there are no recommendations for improvements, its transmittal to the appraised organization is AEC's official recognition of satisfactory performance.

F. FOLLOW-UP

1. Appraisal recommendations are initially followed up within 90 days after the report is transmitted to the appraised organization. Additional follow-ups are scheduled as appropriate.
2. Records of follow-up actions are maintained, and the recommendation is considered open either until satisfactory corrections have been made or AEC management has agreed to an alternate solution. This record is a source of information for future appraisals.
3. The follow-up activities for each office should be centrally coordinated by officials with authority to expedite action.

G. SCOPE AND FREQUENCY

The scope and frequency of appraisals will be determined by management after consideration of the following factors:

1. Relative importance of the activity.
2. Management's need for information.
3. Past performance experience and appraisal results. Problem areas and key functions representing potential trouble spots should be identified for frequent review.
4. Interval since last appraisal. Ideally, every function should be appraised at least once every three years.
5. Age of organization. New organizations should be thoroughly oriented with respect to AEC program objectives and management policy as early as practicable. The first appraisal of such