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REPORT TO THE CONGRESS

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Status, Progress, And Problems  
In Federal Agency Accounting  
During 1970 And 1971 B-115398

BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES

~~701121~~

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MAY 19, 1972



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-115398

To the President of the Senate and the  
Speaker of the House of Representatives

We are presenting our third report, covering calendar years 1970 and 1971, summarizing the progress made by Federal agencies in developing and improving their accounting systems in accordance with the requirements of the Congress and with the related principles and standards prescribed by the Comptroller General. This report was prepared in response to the recommendation of the House Committee on Government Operations (H. Rept. 1159, 90th Cong., 2d sess., March 5, 1968). 1101530

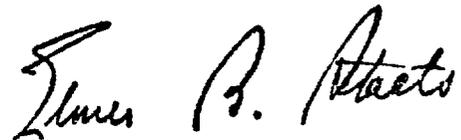
Our first report, covering calendar year 1968, was largely secured from audit and systems reviews made by the General Accounting Office and by agency internal audit staffs. The second, for 1969, was compiled primarily on the basis of the agencies' own evaluations of their respective improvement efforts, obtained through questionnaires which we addressed to the heads of Federal departments and agencies. This report is based primarily on information which we have ascertained through working with the agencies in the development and review of their accounting systems.

The status of approvals as of December 31, 1971, under our two-stage process follows.

- For civil departments and agencies, 112 of 157 statements of accounting principles and standards, 83 of 153 systems designs, and 15 segments of systems had been approved.
- For Department of Defense activities, 27 segments of statements of principles and standards, three systems designs, and three segments of systems had been approved. The Department has not ascertained specifically its potential number of accounting systems which may be subject to approval.

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Copies of this report are being sent to the Director, Office of Management and Budget, and to the heads of departments and agencies.

A handwritten signature in black ink, reading "James B. Stewart". The signature is written in a cursive style with a large, prominent initial "J".

Comptroller General  
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
PCBC	President's Commission on Budget Concepts

## CHAPTER 1

### INTRODUCTION

This third report on the status, progress, and problems in Federal agency accounting covers 2 years, 1970 and 1971, and is submitted in response to the recommendation of the House Committee on Government Operations (H. Rept. 1159, 90th Cong., 2d sess., March 5, 1968). The first report was issued on September 18, 1969, and the second on December 31, 1970 (B-115398). In the future the report will be issued after the close of each calendar year.

With the exception of Government corporations subject to the provisions of the Government Corporation Control Act (31 U.S.C. 850) and certain quasi-governmental entities that, by law, are subject to that act, the accounting systems of all executive departments and agencies are subject to approval by the Comptroller General.

The information reported herein is primarily that which the General Accounting Office (GAO) itself has ascertained through its cooperative accounting systems work with the departments and agencies, and through the review and approval processes. Our prior annual reports were based partially on agency statements in response to questionnaires.

Chapter 2 of this report summarizes the status of Federal agency accounting systems at December 31, 1971. Chapter 3 reviews the agencies' accounting system improvement progress and problems during 1970 and 1971, and sets forth GAO's observations and efforts to assist them in developing better accounting systems.

## CHAPTER 2

### SUMMARY OF STATUS OF DEPARTMENT AND AGENCY

#### ACCOUNTING SYSTEMS AT DECEMBER 31, 1971

##### COMPTROLLER GENERAL REQUIREMENTS

The head of each executive agency is responsible for establishing and maintaining systems of accounting which conform to the principles, standards, and related requirements prescribed by the Comptroller General. A two-phase procedure has been established for examination of agency accounting systems that are submitted to the Comptroller General for approval--approval being agreement that the proposed systems conform to the prescribed principles and standards. Under this two-phased procedure, the accounting principles and standards established by the agency as the basis for each accounting system are examined first. After the principles and standards are approved, the design--procedures and practices that will be followed to perform the agency's accounting work--is reviewed to determine whether it is in accordance with the approved principles and standards.

##### CIVIL AND INTERNATIONAL DEPARTMENTS AND AGENCIES

Of 153 accounting systems subject to approval at December 31, 1971, 83 complete systems designs had been approved, an increase of 16 during the 2-year period ended on that date. In addition, 15 segments and subsystems had been approved. Approvals of statements of principles and standards increased by 15, to a total of 112. At the year-end, 13 complete systems designs and 10 statements of principles and standards had been submitted for approval and were being reviewed. These actions, together with 21 complete systems designs; 10 segments; and five statements of principles and standards, previously submitted by agencies and returned to them or withdrawn by them, add up to the following totals: 127 of

157<sup>1</sup> statements of principles and standards, 117 of 153 systems designs, and 25 of 31 segments.

The chart on the following page, based on figures in appendix I, shows progress to date and the work remaining to be done.

#### DEPARTMENT OF DEFENSE

Accounting systems cooperative improvement work with the Department of Defense is constrained by the two following conditions that differ from those in the civil departments and agencies.

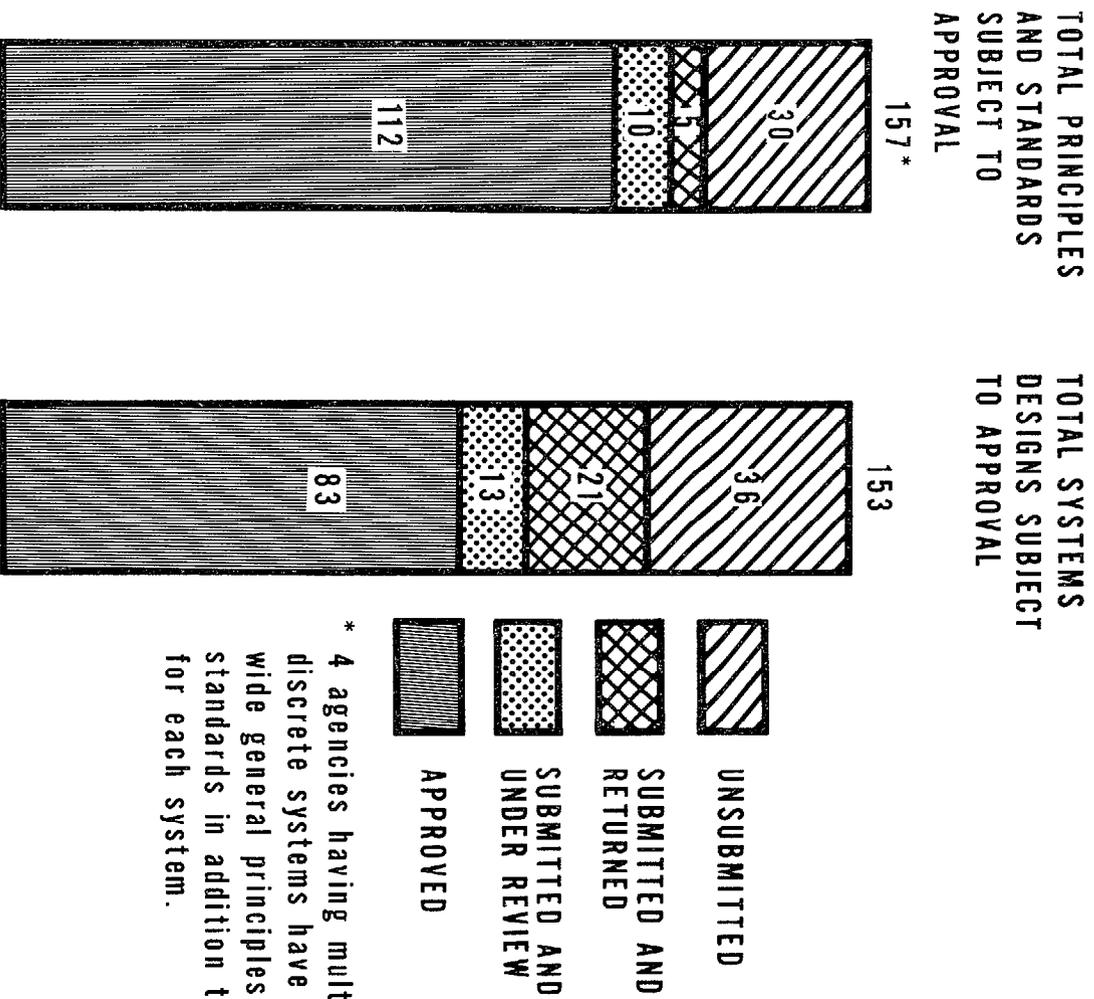
1. Accounting instructions generally are issued in piecemeal form and in conjunction with operational or management instructions rather than in the form of an integrated accounting system.
2. The Department has not established, nor have we been able to ascertain, the potential number of accounting systems and segments of systems subject to approval. At year-end, however, the Assistant Secretary of Defense (Comptroller) had agreed to our suggestions that there should be a definition and an enumeration of the Department's accounting systems, had invited our cooperation in their development, and had arranged to start action on the project.

Within these constraints, the Department and its constituent military services devoted substantial effort to the development of better accounting as part of their objectives for improving their financial management. At December 31, 1971, the designs of three complete systems and three segments of systems had been approved, as well as 27 directives and/or instructions containing accounting principles and standards. (See app. II for details.)

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<sup>1</sup>The number of statements of principles and standards is larger than the number of systems designs because a few agencies having multiple discrete systems submit principles and standards statements on an agencywide basis as well as for the individual systems.

**APPROVAL STATUS OF  
STATEMENTS OF ACCOUNTING PRINCIPLES AND STANDARDS  
AND ACCOUNTING SYSTEMS DESIGNS  
AS OF DECEMBER 31, 1971**



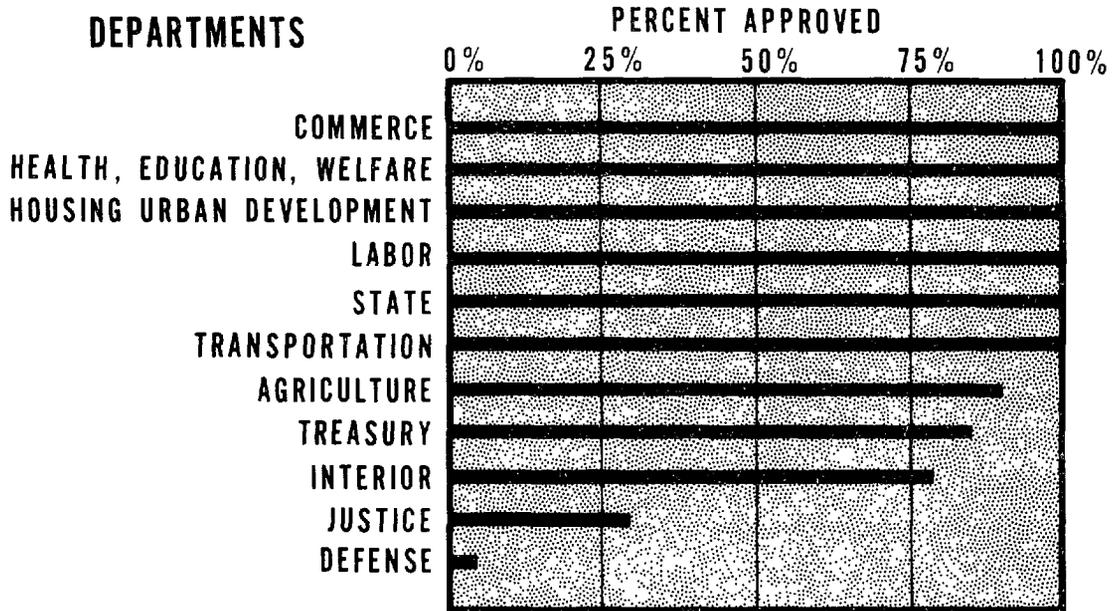
\* 4 agencies having multiple discrete systems have agency-wide general principles and standards in addition to those for each system.

STATUS BY DEPARTMENT

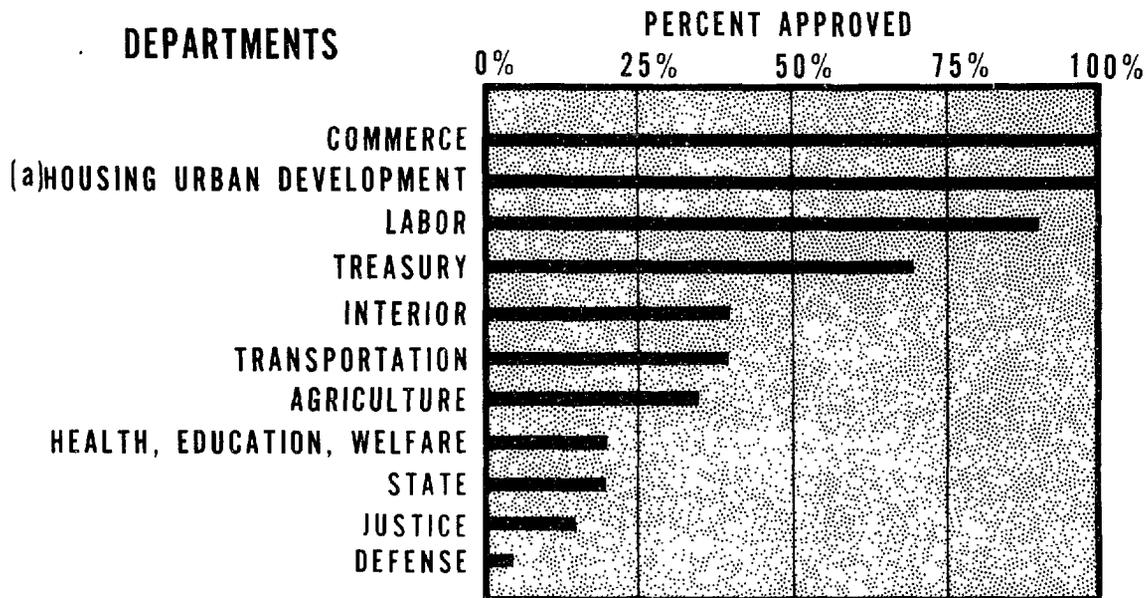
The following charts show the status of approval of accounting systems for each department, ranked according to degree of completion.

**APPROVAL STATUS BY DEPARTMENT AT DECEMBER 31, 1971**

**ACCOUNTING PRINCIPLES AND STANDARDS**



**SYSTEM DESIGNS**

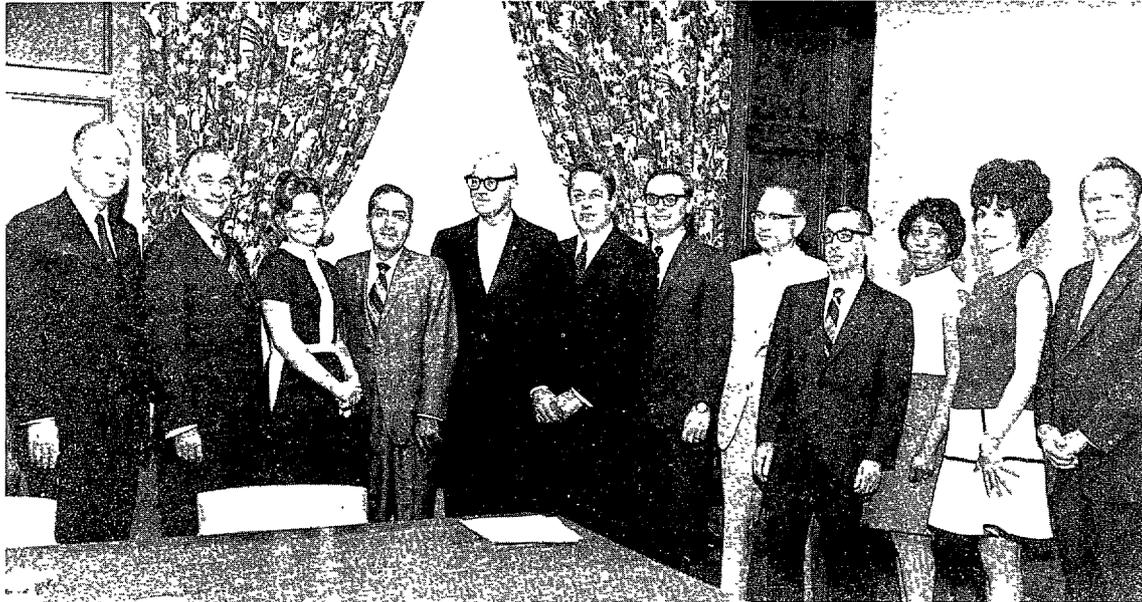


(a) Designs of subsystems have not been completed.

Of the 11 departments, six had all of their statements of principles and standards approved, but only two departments had all of their accounting system designs approved. In the Department of Housing and Urban Development, the designs of the subsystems within its approved system had not yet been completed. The Departments of Labor and of Treasury possibly are nearer overall completion than is the Department of Housing and Urban Development.

Similar charts for independent agencies are not shown because most of them have only one accounting system. For the approval status of such agencies, see appendixes III and IV.

During the period covered by this report, the Department of Commerce, in May 1971, became the first Cabinet agency whose complete accounting system designs have been approved by the Comptroller General, as required by law. The picture below shows Department of Commerce financial systems staff members and top departmental officials and the Comptroller General at an informal celebration on June 18, 1971.



From the left: Elmer B. Staats, Comptroller General; Maurice H. Stans, Secretary of Commerce; Eleanor Clark; Meir S. Gabbay, Chief, Financial Systems Staff; C. L. Harvill; Ben L. Brown; John J. Zych, Harry Kirst; W. R. Kuttner; June Williams; Joyce Cicala; and Larry A. Jobe, Assistant Secretary for Administration.

On May 7, 1971, the Department of Commerce was congratulated by the President for becoming the first executive department to secure approval of all of its systems designs. A copy of the President's letter is included as appendix V.

## CHAPTER 3

### REVIEW OF AGENCY PROGRESS AND PROBLEMS

During the 2-year period ended December 31, 1971, 15 statements of principles and standards, 16 systems designs, and 1 segment were approved.

The following tabulation shows additional systems that were under formal review at December 31, 1971, and the principal problems that needed resolving.

Statements of Accounting Principles and Standards  
and Systems Designs Submitted for Approval  
and Principal Problems in Their Review  
at December 31, 1971

<u>Departments and major independent agencies</u>	<u>Principal problems</u>
<u>Principles and standards</u>	
Department of Defense: Military standard contract administration procedures (an adjunct to mechanization of Contract Administration Services system design)	Inadequate documentation.
Air Force Department-wide principles and standards	Provisions relative to accrual of annual leave do not conform to Comptroller General's standards. Descriptions of specific principles and standards insufficient and require use of extensive reference materials.
Department of the Treasury: Internal Revenue Service revenue accounting	Policy for accrual of tax revenues under study.
Federal Home Loan Bank Board	Treatment of annual leave costs and liabilities not conforming to Comptroller General's principles and standards.
District of Columbia Government	No important unresolved problems; approval expected early in 1972.
<u>Systems designs</u>	
Department of Agriculture: Office of Management Services, working capital fund	None; approval expected early in 1972.
Foreign Agricultural Service	Better cost disclosure and an improved financial reporting system needed.
Department of Defense: Mechanization of Contract Administration Services	Extensive design changes due to requests of military services and results of tests.
Navy Industrial Fund for Research, Development, Test and Evaluation	Inadequate description, particularly of the automatic data processing system.
Department of the Interior: Bonneville Power Administration	Improved reporting practices for operating and repayment arrangements as marketing agent for hydroelectric projects are needed.
Bureau of Outdoor Recreation	GAO gave the agency suggestions for needed revisions in March 1971, but the agency is doing no further work pending decision on a proposed reorganization of administrative functions, including accounting.
Bureau of Reclamation	Design does not provide for identification of power revenues from irrigation aid nor for offset by related expenses.
Geological Survey	Review under way; no problems identified yet.

# BEST DOCUMENT AVAILABLE

<u>Departments and major independent agencies</u>	<u>Principal problem.</u>
<u>Systems designs (continued)</u>	
Department of Transportation: Federal Aviation Administration	Extensive fieldwork required due to decentralized system and diverse specialized activities; incomplete system documentation.
Department of the Treasury: Bureau of Customs	No provision for classifying costs by program or for furnishing cost data for use in controlling operations.
Internal Revenue Service, administrative and payroll	No important unresolved problems; approval expected in 1972.
Veterans Administration: Benefit payments	Review under way; no problems to date.
Insurance programs	Awaiting restatement of principles and standards scheduled for 1972.
Advisory Commission on Intergovernmental Relations	Extensive rewrite necessary to describe system desired by agency.
Executive Office of the President: Office of the Vice President	Original design documentation did not adequately describe system; considerable revision required.

## PREMATURE SUBMISSIONS

Most of the systems designs in the above tabulation were submitted for approval before they had been completely developed or before adequate documentation describing the design had been assembled. To try to preclude premature submissions in the future, we are working cooperatively with numerous agencies on both their designs and their principles and standards. In this way, problems can be met and resolved and documentation can be completed before the systems are submitted for approval and elapsed time from beginning to approval can be shortened.

In a November 1970 letter to the heads of departments and agencies, the Comptroller General outlined the form for requesting approval of the design of an accounting system. This has resulted in a better understanding of the documentation required and should help to eliminate delays in the approval process.

## BUDGETING AND ACCOUNTING FOR COSTS

Some departments and agencies are of the opinion that they don't need cost data for the effective control and management of their operations and, therefore, see little need for accrual accounting. If such agencies administered their functions by use of cost-based operating budgets, as required by the law, there would be a demand for costs and accrual accounting.

Public Law 84-863 (31 U.S.C. 66a(c)) which in 1956 amended the Budget and Accounting Act of 1921 and the Budgeting and Accounting Procedures Act of 1950, provided that:

"for purposes of administration and operation, such cost-based budgets shall be used by all departments and establishments and their subordinate units. Administrative subdivisions of appropriations or funds shall be made on the basis of such cost-based budgets."

A cost-based operating budget projects future work plans in terms of costs of resources consumed and work done, and,

for a procurement program indicates items procured or produced. Since such budgets project the financial impact of operations in terms of estimated consumed costs and levels of inventories and resources, management can obtain a complete financial picture of proposed agency operations in relation to the work load or assignment of duties. Cost-based operating budgets provide an enforceable plan of performance and a standard against which actual events can be judged.

Therefore we have encouraged agencies to adopt cost-based operating budgets to improve their internal management. Lack of such budgets deters the adoption of accrual accounting, a legal requirement for the approval of an accounting system design.

#### ACCOUNTING FOR PROPERTY

Lack of monetary property accounting is keeping several agency accounting systems from being approvable under the standards established by the Comptroller General. This includes lack of records of the value of inventories of goods and buildings, machinery, and other assets of durable nature. Knowledge of such costs is very important in many aspects of agency operations.

Most agencies accept the need for monetary property accounts and provide for them in their statements of principles and standards. The problem is in translating the standards into systems designs that will provide the necessary data. This is often a sizable task--a task to which many agencies have not yet devoted sufficient effort.

In an operation as large as the Federal Government, there always will be problems in maintaining property accounts after they have been properly designed and installed. Nevertheless we believe that more attention to adequate administration and operation of monetary property accounts will produce more accurate information for use in the decision-making processes relating to costs and the management of property.

#### GAO ASSISTANCE

Although the responsibility of developing an approvable accounting system is that of the head of each department and

agency, GAO continues to give encouragement and assistance to speed up agency action and to give management more adequate financial data. The approval of an agency's accounting principles, standards, and designs is important; but no improvement actually occurs until the agency installs the system and puts the operating results into use. Therefore GAO assists an agency also, when requested and to the extent that resources are available, in implementing approved designs, and ensures that the reports produced are useful to management.

To further aid agencies to understand why the Congress has required accrual accounting since 1956, we published a booklet in 1970 entitled "Frequently Asked Questions About Accrual Accounting In The Federal Government." The answers to these questions have helped to clear up some misunderstandings and undoubtedly account, in part, for the efforts now in progress by so many agencies to improve their accounting systems.

## CIVIL AND INTERNATIONAL DEPARTMENTS AND AGENCIES

## STATUS OF APPROVALS AND REVIEWS

AS OF DECEMBER 31, 1971

## Complete Systems

Principles and standards:	
Approved during 1970 and 1971	15
Approved as of January 1, 1970--adjusted total	<u>97<sup>a</sup></u>
Approvals as of December 31, 1971	112
Reviews in process as of December 31, 1971	<u>10</u>
Approved and in process on December 31, 1971	122
Scheduled for submission	<u>35</u>
Total principles and standards subject to approval at December 31, 1971	<u>157</u>
Systems designs:	
Approved during 1970 and 1971	16
Approved as of January 1, 1970--adjusted total	<u>67<sup>a</sup></u>
Approvals as of December 31, 1971	83
Reviews in process as of December 31, 1971	<u>13</u>
Approved and in process on December 31, 1971	96
Scheduled for submission or resubmission	27
Not scheduled for submission	<u>30</u>
Total system designs subject to approval at December 31, 1971	<u>153</u>
Segments of Systems	
Approved during 1970 and 1971	1
Approved as of January 1, 1970	<u>14</u>
Approvals as of December 31, 1971	15
In process at December 31, 1971	<u>-</u>
Approved or in process at December 31, 1971	15
Scheduled for submission or resubmission	2
Not scheduled for submission	<u>14</u>
Total segments of systems	<u>31</u>

<sup>a</sup>Adjusted for approvals prior to Jan. 1, 1970, of Army Corps of Engineers, Civil Functions, and Federal Highway Administration, Department of Transportation, that were omitted from previous report.

## APPENDIX II

DEPARTMENT OF DEFENSE  
 STATUS OF APPROVALS AND REVIEWS  
 AS OF DECEMBER 31, 1971

	<u>Approved</u>	<u>In process of approval</u>
<b>PRINCIPLES AND STANDARDS:</b>		
Approval status as of January 1, 1970	20 <sup>a</sup>	7 <sup>a</sup>
Activity during period January 1, 1970 to December 31, 1971:		
Submitted for approval	-	3
Approved	7	-7
Returned or withdrawn(-)	<u>-</u>	<u>-1</u>
Approval status as of December 31, 1971	<u>27</u>	<u>2</u>
<b>SYSTEMS DESIGNS:</b>		
Approval status as of January 1, 1970	3 <sup>a</sup>	(a)
Activity during period January 1, 1970 to December 31, 1971:		
Submitted for approval	-	-
Approved	-	-
Returned or withdrawn(-)	<u>-</u>	<u>-</u>
Approval status as of December 31, 1971	<u>3</u>	<u>-</u>
<b>SYSTEMS SEGMENTS:</b>		
Approval status as of January 1, 1970	1 <sup>a</sup>	3
Activity during period January 1, 1970 to December 31, 1971:		
Submitted for approval	-	2
Approved	2	-2
Returned or withdrawn(-)	<u>-</u>	<u>-1</u>
Approval status as of December 31, 1971	<u>3</u>	<u>2</u>

<sup>a</sup>As adjusted.

STATUS OF UNAPPROVED ACCOUNTING SYSTEMS DESIGNS

AS OF DECEMBER 31, 1971

Department or agency	Principles and standards			Systems design	
	Approved	Submitted	Scheduled for submission	Submitted	Scheduled for submission
<b>DEPARTMENT OF AGRICULTURE:</b>					
Office of Management Services					
Appropriated funds	Aug. 1968	-	-	-	Mid-1972
Working capital fund	Oct. 1968	-	-	Dec. 1971	-
Agricultural Research Service					
Appropriated funds	June 1968	-	-	-	Apr. 1972
Working capital fund	June 1968	-	-	-	-
Agricultural Stabilization and Conservation Service					
	Oct. 1968	-	-	-	July 1973
			First half of 1972		
Animal and Plant Health Service	-	-	-	-	-
Farmers Home Administration	May 1969	-	-	-	July 1973
					First half of 1972
Soil Conservation Service	June 1969	-	-	-	First half of 1972
			First half of 1972		First half of 1972
Food and Nutrition Service	-	-	-	-	-
Foreign Agricultural Service	May 1968	-	-	Apr. 1970	-
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:</b>					
Centralized payroll system	-	-	July 1972	-	July 1972
Office of the Secretary	-	-	Sept. 1972	-	Sept. 1972
Food and Drug Administration	-	-	Mar. 1973	-	Mar. 1973
Health Services and Mental Health Administration	-	-	Dec. 1973	-	Dec. 1973
National Institutes of Health	-	-	Sept. 1973	-	Sept. 1973
Office of Education	-	-	June 1973	-	June 1973
Social and Rehabilitation Service	-	-	July 1973	-	July 1973
Social Security Administration: Disability, health, and retirement and survivors insurance	-	-	Nov. 1972	-	Nov. 1972
<b>DEPARTMENT OF THE INTERIOR:</b>					
Office of the Secretary	Jan. 1970	-	-	-	-
Bureau of Outdoor Recreation	May 1969	-	-	Nov. 1969	-
Bureau of Reclamation	Dec. 1971	Dec. 1967 <sup>a</sup>	-	Nov. 1969 <sup>a</sup>	-
U.S. Fish and Wildlife Service	-	-	-	-	-
Bureau of Sport Fisheries and Wildlife	May 1969	-	-	-	-
Geological Survey	Aug. 1970	-	-	Oct. 1971	-
National Park Service	June 1969	-	-	-	July 1972
Office of Saline Water	-	-	-	-	-
Bonneville Power Administration	July 1968	-	-	Nov. 1969	-
Alaska Power Administration	Apr. 1971	-	-	-	-
Departmental integrated personal services system, Washington, D.C.	-	-	-	-	-
Personnel employee payroll system, Denver, Colorado	-	-	-	-	-
<b>DEPARTMENT OF JUSTICE:</b>					
Department-wide principles and standards	May 1969	-	-	-	-
Legal activities and general administration	-	-	Mar. 1972	-	Mar. 1972
Centralized payroll system	-	-	June 1972	-	June 1972
Federal Bureau of Investigation	-	-	June 1972	-	June 1972
Bureau of Prisons	-	-	June 1972	-	June 1972
Bureau of Narcotics and Dangerous Drugs	-	-	July 1972	-	July 1972
Law Enforcement Assistance Administration	-	-	July 1973	-	July 1973
Segments of systems: Judgments, fines, penalties, and forfeitures	-	-	-	-	Dec. 1972
<b>DEPARTMENT OF LABOR:</b>					
Departmental	Mar. 1968	-	-	-	1972
Segments of systems: Contractor-held property	-	-	-	-	1972

<sup>a</sup>Previously approved and resubmitted.

APPENDIX III

<u>Department or agency</u>	<u>Principles and standards</u>			<u>Systems design</u>	
	<u>Approved</u>	<u>Submitted</u>	<u>Scheduled for submission</u>	<u>Submitted</u>	<u>Scheduled for submission</u>
DEPARTMENT OF STATE:					
Department-wide	Sept. 1968	-	-	-	-
Agency for International Development	Dec. 1967	-	-	-	-
Segments:					
Appropriation accounting	-	-	-	-	-
Allotment accounting	-	-	-	-	-
Accounting for capital assistance	-	-	-	-	-
Accounting for program assistance	-	-	-	-	-
Accounting for technical assistance	-	-	-	-	-
Property owned	-	-	-	-	-
Supplemental accounting	-	-	-	-	-
Consolidated financial reporting	-	-	-	-	-
Centralized payroll	-	-	-	-	-
DEPARTMENT OF TRANSPORTATION:					
Office of the Secretary	-	-	Dec. 1972	-	Dec. 1972
Federal Aviation Administration	Jan. 1967	-	-	July 1970	-
National Highway Safety Transportation Administration	-	-	-	-	-
Federal Railroad Administration	-	-	-	-	-
Transportation Systems Center	-	-	-	-	-
DEPARTMENT OF THE TREASURY:					
Bureau of Customs	-	May 1969	-	May 1969	-
Internal Revenue Service:					
Administrative and payroll	-	June 1969	-	June 1969	-
Revenue accounting	-	June 1971	-	-	-
Office of the Treasurer:					
Accounting for public moneys	Feb. 1971	-	-	-	July 1972
Consolidated Federal Law Enforcement Training Center	-	-	June 1972	-	June 1972
ACTION	-	-	-	-	-
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS	-	June 1971	-	June 1971	-
ENVIRONMENTAL PROTECTION AGENCY	-	-	-	-	-
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION	May 1971	-	-	-	June 1972
FARM CREDIT ADMINISTRATION	Feb. 1970	-	-	-	-
FEDERAL HOME LOAN BANK BOARD	-	June 1971	-	-	-
FEDERAL MEDIATION AND CONCILIATION SERVICE	Dec. 1969	-	-	-	June 1972
NATIONAL CREDIT UNION ADMINISTRATION	Sept. 1970	-	-	-	-
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES	-	-	-	-	-
NATIONAL LABOR RELATIONS BOARD	-	-	-	-	-
VETERANS ADMINISTRATION:					
Benefit payments accounting	-	Oct. 1971	-	Oct. 1971	-
Insurance programs	-	Dec. 1969	-	Dec. 1969	-
EXECUTIVE OFFICE OF THE PRESIDENT:					
Office of Economic Opportunity	Oct. 1969	-	-	-	-
Office of Emergency Preparedness	-	-	June 1972	-	-
Office of the Vice President	-	Jan. 1971	-	Jan. 1971	-
Office of Science and Technology	-	-	-	-	-
DISTRICT OF COLUMBIA GOVERNMENT:					
Central accounting system	-	Dec. 1971	-	-	-
Four additional systems (unnamed)	-	-	-	-	-
Segments:					
Department of Corrections Revolving fund	-	-	-	-	-
WASHINGTON AQUEDUCT	-	-	-	-	-

APPROVALS OF PRINCIPLES AND STANDARDS  
AND SYSTEMS DESIGNS  
AS OF DECEMBER 31, 1971

	Principles and <u>standards</u>	Systems <u>designs</u>	<u>Segments</u>
<b>DEPARTMENT OF AGRICULTURE:</b>			
Centralized automated payrolling system	Sept. 1967	Sept. 1967	-
Office of Management Services:			
Appropriated funds	Aug. 1968	-	-
Working capital fund	Oct. 1968	-	-
Agricultural Research Service:			
Appropriated funds	June 1968	-	-
Working capital fund	June 1968	-	-
Agricultural Stabilization and Conservation Service	Oct. 1968	-	-
Consumer and Marketing Service	July 1968	July 1971	-
Farmers Home Administration	May 1969	-	-
Federal Crop Administration	June 1967	June 1967	-
Federal Extension Service	Oct. 1969	Oct. 1969	-
Forest Service:			
Appropriated funds	Oct. 1968	May 1969	-
Working capital fund	Mar. 1969	May 1970	-
Rural Electrification Administration	May 1968	Aug. 1957	-
Soil Conservation Service	June 1969	-	-
Foreign Agricultural Service	May 1968	-	-
Total	15	7	-
<b>DEPARTMENT OF COMMERCE:</b>			
Department-wide principles and standards	June 1969	-	-
Office of the Secretary	Feb. 1970	Feb. 1970	-
Bureau of the Census	May 1966	May 1966	-
Economic Development Administration	Oct. 1970	Oct. 1970	-
Maritime Administration	Jan. 1971	Jan. 1971	-
National Bureau of Standards	Feb. 1953	Feb. 1953	-
National Oceanic and Atmospheric Administration	Oct. 1970	Oct. 1970	-
Patent Office	Mar. 1971	Mar. 1971	-
Total	8	7	-
<b>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE:</b>			
Department-wide (Umbrella) system	Apr. 1970	Apr. 1970	-
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</b>			
	Apr. 1970	Apr. 1970	-
<b>DEPARTMENT OF THE INTERIOR:</b>			
Office of the Secretary	Mar. 1970	-	-
Government of American Samoa	July 1952	July 1952	-
Trust Territory of the Pacific Islands	Mar. 1954	Mar. 1954	-
Bureau of Indian Affairs	-	Jan. 1953	-
Bureau of Land Management	Feb. 1969	Aug. 1971	-
Bureau of Mines	May 1954	May 1954	-
Bureau of Outdoor Recreation	May 1969	-	-
U.S. Fish and Wildlife Service:			
Bureau of Sport Fisheries and Wildlife	May 1969	-	-
Geological Survey	Aug. 1970	-	-
National Park Service	June 1969	-	-
Alaska Power Administration	Apr. 1971	-	-
Bonneville Power Administration	July 1968	-	-
Southeastern Power Administration	Nov. 1952	Nov. 1952	-
Southwestern Power Administration	July 1952	July 1952	-
Bureau of Reclamation	Dec. 1971	-	-
Total	14	7	-
<b>DEPARTMENT OF JUSTICE:</b>			
Department-wide principles and standards	May 1969	-	-
Legal activities and general administration:			
U.S. Marshalls--collections and earnings	-	-	Sept. 1949
Federal Bureau of Investigation:			
Payroll operations	-	-	Oct. 1954
Immigration and Naturalization Service	Apr. 1967	Apr. 1967	-
Total	2	1	2

# APPENDIX IV

	Principles and standards	Systems designs	Segments
<b>DEPARTMENT OF LABOR:</b>			
Departmental accounting system:	Mar. 1968	-	-
General accounting	-	-	Jan. 1971
Cost accounting	-	-	Apr. 1971
Working capital fund	-	-	Jan. 1970
Department-held property	-	-	Jan. 1970
Payroll, etc.	-	-	Feb. 1971
Bureau of Employment Compensation	-	-	Aug. 1970
Manpower Administration:			
Program fund accounting	-	-	Oct. 1971
Wage and Hour and Public Contracts Division:			
Wage Restitution Fund	-	-	Oct. 1968
Federal-State Employment Security Agency	May 1970	Dec. 1970	-
Total	2	1	8
<b>DEPARTMENT OF STATE:</b>			
Department-wide principles and standards	Sept. 1968	-	-
Foreign Service Retirement and Disability Fund	July 1970	July 1970	-
Working capital fund	May 1965	May 1965	-
Agency for International Development:	Dec. 1967	-	-
Accounting for excess property	-	-	Dec. 1968
Accounting for foreign currencies	-	-	Jan. 1969
Accounting for loans	-	-	Feb. 1968
Investment Guaranty program	-	-	June 1967
International Boundary and Water Commission	Jan. 1953	Jan. 1953	-
Total	5	3	4
<b>DEPARTMENT OF TRANSPORTATION:</b>			
Department concepts, principles, and standards	June 1970	-	-
Federal Aviation Administration	Jan. 1967	-	-
Coast Guard	Dec. 1951	Dec. 1951	-
Federal Highway Administration	June 1967	June 1967	-
Alaska Railroad revolving fund	Sept. 1957	Sept. 1957	-
Total	5	3	-
<b>DEPARTMENT OF THE TREASURY:</b>			
Department-wide principles and standards	May 1969	-	-
Office of the Secretary	June 1969	June 1969	-
Bureau of Accounts:			
Administrative accounting	May 1967	May 1967	-
Central accounting for cash	Oct. 1968	Oct. 1968	-
Central accounting for foreign currency	June 1969	June 1969	-
Investment branch accounting	Mar. 1969	Mar. 1969	-
Bureau of Engraving and Printing	July 1952	July 1952	-
Bureau of the Mint	Jan. 1953	Jan. 1953	-
Bureau of the Public Debt:			
Administrative Accounting	June 1968	June 1968	-
Public Debt Accounting	Dec. 1968	Dec. 1968	-
Office of the Treasurer of the United States:			
Administrative accounting	June 1968	June 1968	-
Fiscal Service automatic data processing payroll system	May 1967	May 1967	-
Accounting for public moneys	Feb. 1971	-	-
U.S. Secret Service	Nov. 1971	Nov. 1971	-
Total	14	12	-
AMERICAN BATTLE MONUMENTS COMMISSION	Aug. 1958	Aug. 1958	-
ATOMIC ENERGY COMMISSION	Mar. 1963	Mar. 1963	-
CIVIL AERONAUTICS BOARD	Jan. 1964	Jan. 1964	-
<b>CIVIL SERVICE COMMISSION:</b>			
Administrative accounting	Nov. 1968	May 1970	-
Retirement and Disability Fund	Nov. 1968	Nov. 1968	-
Group Life Insurance Fund	Nov. 1968	Nov. 1968	-
Employee Health Benefits Fund	Nov. 1968	Nov. 1968	-
Retired employees health benefits fund	Nov. 1968	Nov. 1968	-
Total	5	5	-
ARMY CORPS OF ENGINEERS--CIVIL FUNCTIONS	Jan. 1955	Jan. 1955	-
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION	May. 1971	-	-
FARM CREDIT ADMINISTRATION	Feb. 1970	-	-

	<u>Principles and standards</u>	<u>Systems designs</u>	<u>Segments</u>
FEDERAL COMMUNICATIONS COMMISSION	Sept. 1958	Sept. 1958	-
FEDERAL MEDIATION AND CONCILIATION SERVICE	Dec. 1969	-	-
FEDERAL POWER COMMISSION	June 1965	June 1965	-
FEDERAL TRADE COMMISSION	Aug. 1958	Aug. 1958	-
GENERAL SERVICES ADMINISTRATION	June 1965	June 1965	-
INDIAN CLAIMS COMMISSION	Jan. 1961	Jan. 1961	-
INTERSTATE COMMERCE COMMISSION	June 1968	June 1968	-
NATIONAL AERONAUTICS and SPACE ADMINISTRATION	June 1969	June 1969	-
NATIONAL CAPITAL PLANNING COMMISSION	Mar. 1958	Mar. 1958	-
NATIONAL CREDIT UNIONS ADMINISTRATION	Sept. 1970	-	-
NATIONAL MEDIATION BOARD	July 1958	July 1958	-
NATIONAL SCIENCE FOUNDATION	Apr. 1969	Nov. 1954	-
PANAMA CANAL ZONE GOVERNMENT	June 1964	June 1964	-
RAILROAD RETIREMENT BOARD	June 1968	Feb. 1971	-
RENEGOTIATION BOARD	Sept. 1958	Sept. 1958	-
SECURITIES AND EXCHANGE COMMISSION	June 1969	June 1969	-
SELECTIVE SERVICE SYSTEM	Apr. 1954	Apr. 1954	-
SMALL BUSINESS ADMINISTRATION	Dec. 1968	Aug. 1970	-
SMITHSONIAN INSTITUTION: National Gallery of Art	Aug. 1959 Nov. 1958	Aug. 1959 Nov. 1958	- -
Total	2	2	-
SUBVERSIVE ACTIVITIES CONTROL BOARD	June 1959	June 1959	-
TAX COURT OF THE UNITED STATES	July 1958	July 1958	-
UNITED STATES INFORMATION AGENCY: Payroll segment	Dec. 1968 -	Dec. 1970 -	- Oct. 1966
Total	1	1	1
VETERANS ADMINISTRATION:			
Administrative accounting	Sept. 1956	Sept. 1956	-
Personnel and pay data system	July 1969	July 1969	-
Medical care and administration	Sept. 1956	Sept. 1956	-
Construction of facilities	Sept. 1956	Sept. 1956	-
Supply fund	Sept. 1956	Sept. 1956	-
Direct Loan program	Nov. 1953	Nov. 1953	-
Loan Guaranty program	Mar. 1954	Mar. 1954	-
Total	7	7	-
EXECUTIVE OFFICE OF THE PRESIDENT:			
Office of Management and Budget	June 1967	June 1967	-
Office of Economic Opportunity	Oct. 1969	-	-
National Security Council	Feb. 1959	Feb. 1959	-
The White House Office	Oct. 1969	Oct. 1969	-
Total	4	3	-
Total as of December 31, 1971	112	83	15

THE WHITE HOUSE  
WASHINGTON

May 7, 1971

Dear Maury:

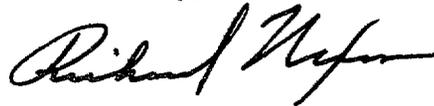
It was interesting to learn that the Department of Commerce has passed a significant milestone in becoming the first Cabinet Department whose complete accounting system design has been approved by the Comptroller General as required by law.

You and Assistant Secretary Jobe deserve a special word of appreciation for the leadership responsible for this accomplishment. I know that both of you are keenly aware of the significant contribution that accurate, intelligible and timely financial data can make to the efficiency and the economy of execution of our programs. This is what I tried to convey in my August 12, 1969 memorandum. We must indeed have "financial systems that illuminate every level and stage of decision-making: from the first-line supervisor to the President and the Congress, from the long-range forecast to the critical post-audit."

I am confident that you will move ahead with the same quick responsiveness in putting these accounting systems into operation. Your accomplishments should serve to demonstrate to all Federal agencies how progress can be made in strengthening administrative practices.

With warmest regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Nixon".

Honorable Maurice H. Stans  
Secretary of Commerce  
Washington, D. C. 20230