

We recommended that the Director of the Bureau of the Budget take action to insure that the agencies jointly develop and apply the most desirable set of appraisal procedures. We have been informed that the departments have agreed to develop uniform appraisal methods.

Closer coordination between agencies can be of benefit in other ways. We have found opportunities for savings in situations where the program of one agency could be modified so that it would also serve the needs of another.

Two such situations were discussed by us in reports issued during the past year. One report involves research projects by the Federal Aviation Administration and the Public Health Service on the effects of aging on pilots; the other concerns activities of Federal agencies in the establishment of geodetic control points. I have included more detailed discussion of these reports in attachment No. 13. (See p. 30.)

AUDIT WORK OVERSEAS

I would like to turn briefly to our work overseas, besides the subject of military supply systems which we discussed earlier, our efforts in oversea areas have been concentrated for the most part on the military construction and economic assistance programs in South America and certain other countries; and operation FRELOC—the relocation of United States and NATO forces from France.

In view of the increased U.S. Government activity in Vietnam and the surrounding area, we have during the past year increased the application of our audit manpower in Southeast Asia. We have established offices in Saigon and in Manila under the direction of our Far East Branch in Honolulu. We are also in the process of establishing an office in New Delhi under the direction of the European branch in Frankfurt.

Our audit work in Vietnam has included a survey of the \$1.2 billion U.S. construction program, on which we expect to submit a report to the Congress before the end of May; a survey of the commercial import program administered by the Agency for International Development, on which we plan to send a report to the Congress within the next month; and reviews of the adequacy of the internal audits and management inspections of these and other major U.S. programs in Vietnam. The results of our initial survey on these audits and management inspections were reported to the Congress last July. A few days ago we submitted a further report on the progress made and areas of continuing need. This followup report showed that there had been significant increases in the number and scope of internal reviews, but that there remained a need to maintain and increase management surveillance over U.S. activities in Vietnam.

We have continued to review the administration of U.S. foreign assistance programs in other parts of the world, including South America. In addition to audits of selected segments of the economic assistance, military assistance, and food-for-peace programs in various countries, we are endeavoring to broaden our audit coverage by reviewing on a more comprehensive basis all of the major U.S. programs in a given country. Some of the countries where we have either segmented or more broadly based reviews in process or planned