

POSTAUDIT NEEDED TO DETERMINE REFUNDS

We issued an audit report in February 1966 to the Congress criticizing the Department of Defense for DCAA not making the postaudit to determine the amount of refund that should be made.⁸

Now, you see that is from December 1962. From the time the legislation was effective to February 1966, Defense had not done anything in this area.

Finally, they got on the bandwagon and made up an audit program and began making postaward audits.

INADEQUATE POSTAUDITING

But even today, for instance, there is not, in our opinion, sufficient numbers of these contracts being postaudited to determine if adjustments should be made in the price.

Chairman PROXMIRE. So today has that form been distributed; is it in use?

Mr. NEWMAN. Yes.

Chairman PROXMIRE. Are they complying with the Truth in Negotiations Act, in your judgment?

Mr. NEWMAN. Yes, insofar as furnishing the Form 633 is concerned.

Chairman PROXMIRE. Are they complying?

Mr. NEWMAN. Yes, they are using that form today.

Chairman PROXMIRE. I understand.

I am told that a rollell is imminent. I know Congressman Curtis has a number of questions, and I would like to ask him to take the Chair while those of us who have to respond to the rollell will do so and we will be back.

Representative CURTIS (presiding). Thank you, Mr. Chairman.

GAO REPORTS TO CONGRESS

Following up on this, Mr. Staats, you referred to two reports that you made to the Congress, one on this auditing. To which group in the Congress did you make that report or was it to an individual?

Mr. STAATS. We refer to a report to Congress, Congressman Curtis; a report we send normally to the Speaker and to the President of the Senate.

REPORTS TO COMMITTEES

Representative CURTIS. I see. One that would be made in response to this committee you would address to this committee?

Mr. STAATS. We would also make reports to committees which are at the specific request of the committee.

Representative CURTIS. Of course; but these reports were to the Congress?

Mr. STAATS. That is correct. It was a public report.

Representative CURTIS. Yes.

Mr. STAATS. All reports to the Congress become public reports, whereas a report to the committee may or may not in the discretion of the committee.

⁸ Staff study, 1967, p. 85.