

3666 ECONOMIC OPPORTUNITY ACT AMENDMENTS OF 1967

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., January 10, 1967.

Mr. W. FLETCHER LUTZ, Jr.,
*National President,
Federal Government Accountants Association,
Washington, D.C.*

DEAR MR. LUTZ: This is in response to your letter of December 21, 1966, in which you refer to the increased use of public accountants by Government agencies for performing accounting or auditing services in connection with federally-supported programs. You state that your Association has determined that there is a great variety of language used in agency regulations to identify the eligibility of public accountants. You suggest that our Office reaffirm the model audit language contained in our 1960 annual report.

The model language adopted by our Office in 1960 was developed for the purpose of making recommendations to the Congress in connection with proposed legislation for the incorporation of patriotic and charitable organizations. In 1964, we proposed to the Congress a uniform audit provision applicable to all federally-chartered patriotic and charitable organizations. This bill was enacted as Public Law 88-504, approved August 30, 1964, and contains the model audit language.

In developing this language, it was our thought that, because a good many states do not license public accountants and in these jurisdictions anyone can practice as a public accountant without having to present any evidence as to his character and competence and without being subject to any ethical disciplines, federally-chartered organizations, other organizations tinged with public interest, or activities wholly or partially supported by Federal funds should be audited only by individuals or firms who are subject to the regulations, disciplinary measures, and a code of ethics provided under state laws. The model language was developed in conjunction with the American Institute of Certified Public Accountants and reads as follows:

"The accounts of the (enterprise) shall be audited annually in accordance with generally accepted auditing standards by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a state or other political subdivision of the United States."

We have found no reason to modify this language since its adoption and still advocate its use in bills or legislative proposals which include requirements for independent audits of activities conducted under Government auspices, with Government support, or as creatures of the Federal Government.

You may make such publication of this letter as you deem appropriate.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

NATIONAL FARMERS UNION,
Washington D.C., July 5, 1967.

Congressman CARL D. PERKINS,
*House Office Building,
Washington, D.C.*

DEAR CONGRESSMAN PERKINS: Enclosed is a newly prepared report by the National Farmers Union on rural Neighborhood Youth Corps programs under funds from the Department of Labor. The Neighborhood Youth Corps programs are sponsored by Illinois, Indiana, Wisconsin and Arkansas Farmers Union.

The Neighborhood Youth Corps programs encourage drop-outs to return to school by giving them part-time employment not only during the summer but during the school year as well. All of the young people involved are learning the discipline of work and many are receiving training in skills that will enable them, at the end of their schooling, to enter the labor market with something tangible to offer a prospective employer in private industry.

Sincerely,

BLUE A. CARSTENSON,
Assistant Legislative Director.

P.S. I am looking forward to testifying before your committee.