*In process*

Fiscal audits:
- Dallas region
- Denver region

*Scheduled*

Fiscal audits:

| | |
|---|---|
| New York region | Date open. |
| Atlanta region | May 1968. |
| Boston region | April 1968. |
| Chicago region | May 1968. |
| St. Louis region | May 1968. |

MANAGEMENT AND OPERATIONAL AUDITS

| Office to be audited | Quarter | Fiscal year |
|---|---|---|
| Bureau of Policies and Standards | 4 | 1968 |
| Bureau of Training | 1 | 1969 |
| Bureau of Inspections | 2 | 1969 |
| Bureau of Executive Manpower | 3 | 1969 |
| Bureau of Management Services | 4 | 1969 |
| Bureau of Recruiting and Examining | 1 | 1970 |
| Bureau of Retirement and Insurance | 2 | 1970 |
| Bureau of Personnel Investigations | 3 | 1970 |

Mr. BROOKS. How many people are on your internal audit staff?

Mr. MACY. Bob, do you want to comment on your people?

Mr. DRUMMOND. Yes, there are 10 permanently assigned, and we have one administrative intern assigned, for a total of 11. This breaks down into nine professional and two clerical employees.

Mr. BROOKS. When you audit a program that is the responsibility of someone who might be senior to you, do you have full access at such a time to Mr. Macy?

Mr. DRUMMOND. Yes, I do.

Mr. BROOKS. This, of course, is one of the things which we have found is essential. I don't know what the grades are, but I know if an investigator who is a grade 5 finds a program that he thinks is absolutely out of line—and I don't mean criminal, but just poor policy, poor management, unjustified expenses, et cetera—if he makes that report to a grade 15, the investigator may not be up for a grade 7 for a long time.

We don't want to, at any time, handicap the investigators from making a free and full disclosure to the top management in a given agency. The only way is to protect them from possible recrimination.

Mr. MACY. Mr. Chairman, let me respond to that. The audit schedule and the operations of the audits under Mr. Drummond's direction are approved by the Chairman and the Executive Director, and the reports come to them. The responsible manager has an opportunity to comment on the observations that are made in the audit, but the reports come to the top, and decisions with respect to them are made at the top. Now I realize that the Comptroller General's recommendation was that this office be located in the office of the Chairman, or in the office of the Executive Director. When we established the office it was our view that it was preferable from a management and organizational point of view to have this office work with Mr. Williams in the Bureau of Management Services.

We have promised the Comptroller General, and we will promise you, that after a year of experience we will evaluate it to see if this has produced any problems.