

It has been my experience through the years that every time there is a study of a particular function, the recommendation is that it be elevated closer to the top executive. In fact, I recall at least 50 reports recommending that additional functions be placed in the office of the President in order to get adequate attention. I feel that in this instance adequate attention is being given by top management and that Mr. Drummond's independence as an auditor is not circumscribed by his organizational location.

Mr. BROOKS. Well, undoubtedly if your top internal audit personnel have access to you, and they have an adverse report on a major program, it goes to your office first, and you either read it or have whomever you personally want to review it, and it would be at that point that you would interrogate the program man, not prior to that?

Mr. MACY. That's right.

Mr. BROOKS. Do I understand that the reports of your internal audit section are based on examination and evaluation, but they do not submit it first to the program officer?

Mr. MACY. No; they submit it first to the top, and then it is referred by the Executive Director to the program manager for his comments. We have one before us at the present time where there is disagreement between the recommendations offered by Mr. Drummond's unit as a result of an audit, and the views of the program manager. It will be up to the Executive Director and the Commissioners to decide which way we should move.

Mr. BROOKS. This is fair enough. If you have the full facts without any intimidation on anybody's part, then you can make up your own mind, because you take the rap for it either way.

Mr. MACY. I am accountable in the final analysis. If Mr. Drummond finds a problem or anything that looks adverse, he is free to call me immediately and identify it.

Mr. BROOKS. I would not be an agency head unless I had a good, well-tested internal auditman, because you can get into all kinds of problems. Secretary Freeman over in Agriculture had some difficulties and has since revamped his system. I think you might want to take a look at it, if you have not already, Mr. Drummond. You may have evaluated it.

Mr. MACY. Of course, Mr. Chairman, our situation is different because we don't have grants—if we had large sums of money to make grants or contracts, why, we might do it differently.

Mr. BROOKS. I understand. There is a difference between the Commission and the large departments.

What is the agency doing, sir, regarding ADP management within the agency?

F. AUTOMATIC DATA PROCESSING

Mr. MACY. The Commission has been very active in the ADP management area for a good many years. At the present time we have quite a substantial range of operations, which are processed by automatic data processing. In December 1966, we acquired an RCA Spectra for the purchase price of \$675,000. This new equipment, of the latest generation, is intended to make it possible for us to perform quite a range of functions through automatic data processing.