

The Board has formal procedures for handling appeals which conform to CSC regulations.

68. Is personnel management considered to be an integral part of the mission of your agency?

Yes.

69. How does your agency treat equal employment opportunity and employment of the handicapped?

All personnel actions are based on merit and discriminatory practice is prohibited. The Board has a coordinator for employment of the handicapped.

H. GAO audit reports

70. Has the General Accounting Office issued any audit reports on the overall operations of your agency, that is, reports not directed at a functional program of the agency, but rather at the management and administration of the agency?

No.

71. If so, to what extent have the recommendations contained in these reports been carried out?

Not applicable.

QUESTIONS ON AGENCY OPERATIONS AT THE PROGRAM LEVEL

1. What is the nature of and authority for this program?

The Board was established by the Renegotiation Act of 1951, as amended (Public Law 9, 82d Congress, approved Mar. 3, 1951), to determine and eliminate excessive profits realized by contractors and subcontractors in the defense and space programs.

2. Who is the person primarily in charge of this program at the operative level?

Chairman of the Board.

3. How much money and capital equipment is available under this program for fiscal 1968?

Total amount of \$2,600,000 and a proposed supplemental of \$76,000 to cover the pay increase. Capital equipment at a value of \$295,324.84 is also available.

4. Would you describe the output generated by this program?

Determinations as to the existence or nonexistence of excessive profits in specific cases involving defense and space contractors and subcontractors.

5. Can you quantify this output in any way?

Yes.

6. Would you describe the principal operations that are involved in producing this output?

All filings by contractors are received by the Office of Assignments. These are examined for acceptability, and checked for subsidiary, affiliated or related companies. Acceptable filings which show renegotiable business in excess of the "floor" are forwarded to the Office of Accounting. The Office of Accounting makes a determination on the adequacy and correctness of the segregation of sales and allocation of costs and expenses of each filing and forwards the filing to the Office of Review for examination. When circumstances warrant, this Office has the authority to assign filings to the regional boards for detailed processing. It also makes recommendations to the Statutory Board to clear filings without assignment, if the profits are obviously not excessive, except in a limited area where authority has been delegated to this Office to grant clearances without approval by the Statutory Board.

In each assigned case, the regional board formally commences renegotiation, obtains such additional information as it may need, and then determines whether the contractor has realized excessive profits, and if so, in what amount. Authority has been delegated to the regional boards to complete those cases in which renegotiable profits before income taxes are \$800,000 or less (class B). In any such case, if a clearance is issued or a refund agreement is entered into with the contractor, the action of the regional board is final; if agreement is not reached with the contractor, the regional board issues an order, which is subject to review and final determination by the statutory board. The regional boards also process cases of greater magnitude (class A), but in such cases their authority is limited to recommending determinations to be made by the statutory board; and if a regional board's recommendation is not acceptable to either the statutory board or the contractor, the case is reassigned from the regional board to the Statutory Board for further processing and completion.

The Office of Accounting conducts a complete accounting review of each case that is subject to final approval by the statutory board, and assists in the account-