30. What is your estimated dollar cost for the completion and operation of the basic parts of your management information system?

We estimate our dollar cost for the ADP operations of our management information systems to be approximately $75,000 per year.

31. At what level is the determination made concerning what is needed in the management information system?

The determination as to what is needed in the management information system is made by the managing director with final approval of the Chairman.

E. *Internal auditing*

32. Do you have a centrally organized internal audit system within your agency which operates independently of department and agency operations?

Yes, the Commission's internal audit functions are under the management of the Managing Director, who reports directly to the Chairman of the Commission. As was pointed out in the Committee on Government Operations eighth report at the 88th Congress, "* * * smaller agencies may not need internal management controls where management can be maintained on a day-to-day basis." In keeping with this philosophy, our internal audit functions are carried out in conjunction with other management controls. Included are our program evaluation process, our central status system, our field internal inspections, and our internal fiscal audits.

The program evaluation system provides the means to define program objectives and measures bureau and office accomplishments in relationship to such established objectives. Taking into consideration overall Commission goals, past performance, availability of resources, anticipated workload, etc., the system enables the Commission to make sound determinations concerning the efficient use of its resources. The system also monitors the performance of each program to determine problem areas, for example, duplication of effort, poor productivity, inefficient operations, backlogs, etc.

The Commission's proceedings activities are monitored regularly through our central status system. This system serves as the basic source of information concerning the progress of the Commission's decisional workload. Reports analyzing the status and progress of the docket in terms of volume, distribution among the various steps of processing, and elapsed time are prepared each month and circulated to top management.

The objectives of the field internal inspection program are to determine whether approved programs, policies, and instructions are understood by field officials and their staffs and whether they are being properly administered in the field. Central office inspections of technical program operations and field management are made to assure efficient and uniform administration and enforcement of the Interstate Commerce Act, related acts, and the Commission's regulations throughout the field establishment. Reports of these inspections are made to top management.

Finally, our internal fiscal audits are made of all bureaus and offices to determine compliance with fiscal accounting and reporting methods, time and attendance, leave, travel and other related fiscal matters. An example of the effectiveness of these fiscal audits is revealed by the results of the GAO audit of the pay of employees of the Commission for the period October 1, 1961, through June 30, 1965. The audit revealed only one error in salary payments (overpayment of $371.20) during this period covering over $80 million in disbursements.

33. Is your internal audit staff made up of persons with experience in accounting and auditing?

Yes, our internal audit staff includes persons with experience in accounting and auditing, as well as other management and substantive program areas.

34. Is the scope of review by the internal audit staff limited in any way?

The internal audit process, as described under item 32, encompasses all organizational entities of the Commission with the exception of the immediate offices of Commissioners. Internal written communications involved in the decisional process of the Commission (proceedings activities) are considered to be outside the scope of the internal audits.

35. Are all reports and recommendations of the internal audit staff submitted in full directly to the head of the agency?

Yes, reports of findings and recommendations of the internal audit staff are submitted directly to the Chairman and the Vice Chairman of the Commission. The underlying working papers and source documents are made available when requested.