

The program structure follows the functional lines of the Board.

9. Has the program budgeting concept been fully implemented within your agency as yet in operational terms?

The program budgeting concept has been implemented within CAB in operational terms to the extent we know how to do so. We are going through a period of learning and expect through experience to be able to improve on what we now have and be able to make better use of it.

10. To what extent do you believe that your new budget concept will improve the efficiency of agency operations?

I am unable at this time to determine the full extent to which the new budget concept will improve the efficiency of CAB operations. We have already been able to reduce the amount of work and time involved in preparing the budget, and we have not had to employ more people. I can see advantages of this concept in establishing objectives by program and allocating resources to programs. This year, for the first time, Board plans, resources, and output have been expressed on a program basis. Actual performance will also be expressed on this basis. After some experience with the program budget concept we will be better equipped to more fully evaluate the benefits to CAB.

C. Accounting Systems Development

11. Has the GAO given its approval of your accounting system?

Yes. The Board's entire accounting system was approved (without qualifications) in its entirety by the Comptroller General on January 18, 1968, letter reference, B-161-885.

12. Is the accounting system basically established in terms of accrual costs as the GAO and this subcommittee have recommended?

Yes. The Board's books of account are maintained on the accrual basis of accounting in accordance with the Budget and Accounting Procedures Act of 1950, as amended, and the standards and principles prescribed by the Comptroller General of the United States.

13. What is the target date for completely implementing an accrual accounting system throughout the Agency?

It is already implemented. The Agency's accounting system has been on an accrual basis since 1962 and on July 1, 1967, accrual accounting procedures were amended and implemented to conform with the requirements of the Comptroller General as reflected in the approved accounting system.

14. Is your accounting system output oriented so that it will be on the same basis as budgeting and planning?

Yes. The accounting system fully supports the Board's operating budget and provides data on both a fully accrued expense basis and an obligation basis. Expenditures and obligations are recorded and controlled on an organizational (responsibility) basis which is capable of conversion to reflect the costs of the Board's programs.

15. What basis do you use for establishing the charges for products or services provided to other agencies, and how are these handled in your accounting system?

Charges to other agencies are generally based on out-of-pocket costs pursuant to interagency agreements and are recorded as earned, on the accrual basis, in the Board's books of accounts.

16. Are capital assets, such as building and equipment items, formally recorded in the accounting system, and upon what basis are they depreciated?

The Board's capital assets are recorded in the accounting system on an accrual basis and are depreciated on the basis of the estimated life of major classes of assets.

17. Are the costs of the agency's physical assets considered in establishing the charges for services to other agencies?

Cost of the agency's physical assets are not included in charges to other Federal agencies for services furnished by CAB. These costs, however, together with all other costs, are considered in establishing charges for services furnished to others outside of the Federal Establishment.

18. Are agency accounting reports used regularly in program management?

Yes. Each month, financial statements are prepared for each organizational (responsibility) center showing the operating budget, accrued costs to date, and accrued projections to the end of the period, for controllable costs. Overall financial statements, which include all accrued costs, obligations, and the operating budget are also prepared for the Board as an entity. These statements are used by management to follow the utilization of funds in relation to the budget so