

28. Are you performing the work in-house, or are you utilizing contractor personnel?

The Office of the Secretary is utilizing in-house capability as is the majority of the administrations. One exception is the FHWA which is making extensive use of contractor personnel for its MIS development.

29. What main benefits do you feel your management information system will provide in the management of your agency's activities?

Management information is a tool of planning and control. DOT's system will aid in planning programs, et cetera, giving a measure of the performance and adherence to the plan.

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

It is too early in the planning to make a reliable estimate of the cost of developing and implementing the DOT information system.

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

In general, the decision will be a cost benefit one made at the Assistant Secretary of Administration level. The specific content and outputs of the developed system will be determined by the users of that system.

E. Internal Auditing

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

No. The Department of Transportation presently maintains a decentralized internal audit system under the general guidance of a Director of Audit located in the Office of the Secretary. This decentralized audit system has been approved as being most feasible during the initial stages of the Department's existence. It is also in consonance with the Department's decentralized organizational structure and operational programs assigned to the FAA, the FHWA, the Coast Guard, and other smaller administrations.

Although the Director of Audit and the decentralized internal audit staffs, with the exception of FHWA, report to an official who has responsibility for some audited operations, independent and objective audit action, has not been inhibited.

The present decentralization audit system further reflects enough flexibility to permit organizational changes that may be warranted in the interests of greater economy and efficiency. The following factors are illustrative:

(a) Separate internal audit staffs have not been established in the newer and smaller administrations (e.g., FRA, SLSDC, and NTSB). These administrations are centrally audited by the Office of Audit, OST.

(b) An aggressive evaluation program has been established by the Office of Audit, OST, to ascertain whether or not audit services within the Department meet the needs of management and whether they are compatible with highest professional auditing standards. In this regard, all internal audit reports issued by the administrations are reviewed by the Office of Audit and special field evaluation is made of each administration's audit function.

(c) During the first year of the Department's operations, two significant internal audit organizational changes have been effected or approved. In FHWA, the internal audit function has been transferred from the jurisdiction of the field FHWA Administrators, to the central direction of the Office of Audit and Investigations. In FAA, a similar centralization of internal audit has been approved by the Department, and GAO was officially notified.

(d) A formal "counterpart" study of all audit resources in the Department is planned early next fiscal year. This study may result in consolidation of certain audit functions that are now being carried out at different organizational levels.

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

The internal audit staffs of the Department are made up principally of persons with experience in accounting and auditing.

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

With the exception of the Coast Guard, the scope of review by the internal audit staffs within the Department is not limited. The Coast Guard's present financial management limitation placed upon its internal audit scope, has been specifically identified in a recent evaluation by the Office of Audit, OST, and the matter is now under discussion with the Commandant, U.S. Coast Guard.