

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

All final audit reports and recommendations prepared by the Office of Audit, OST, are submitted in full to the Secretary and all Assistant Secretaries. In the administrations, audit reports and recommendations are generally submitted directly to the respective Administrators and pertinent summaries thereof are periodically prepared by the Office of Audit, OST, for the Secretary and Assistant Secretaries.

36. Is the audit staff responsible to or subject to direction by any official who is also primarily responsible for an activity which might be audited?

With the exception of FHWA, the departmental audit staffs report to officials who are also responsible for some activities audited. However, this arrangement has in no way affected the independence or objectivity of the audits performed, nor has it prevented direct access to the head of the organizations where warranted. Within the Office of the Secretary, the audit responsibility to the Assistant Secretary for Administration has actually enhanced the importance and recognition of the audit functions through his close relationship with the Secretary and other Assistant Secretaries.

37. Are the personnel assigned to the internal audit function adequately protected from recriminations and arbitrary personnel action that might result from an adverse effect of their reports upon other agency employees?

Yes.

38. Are all reports and recommendations of the internal audit staff available to the Comptroller General and to appropriate congressional committees?

All departmental reports and recommendations are available to representatives of the Comptroller General and the appropriate congressional committees upon request. The GAO further has free access to all workpapers and other data supporting the audit reports.

F. Automatic Data Processing

39. Do you have a central organization in your agency which is responsible for ADP management?

Yes. Under the guidance of the Assistant Secretary for Administration and the Director of Management Systems is the Data Systems Division which has the functional responsibility for ADP management.

40. Will you describe its functions?

Its function is, broadly speaking, to provide review, development, and leadership of a comprehensive departmental data handling system covering all ADP requirements, resources, applications, and standards.

41. Who has the responsibility for deciding whether or not the use of a computer for a particular function within your agency is justified?

This is a joint responsibility. The administrators are empowered to approve systems costing \$25,000 or less as a complete system. All others are reviewed at the secretarial level with approval vested in the Assistant Secretary for Administration.

42. On what basis is the decision made? Are there documented systems studies available for review in all cases?

The decision is made on the basis of in-depth quantitative analysis. All studies are documented and on file for review.

43. Can you cite instances in which a request for a computer system was disapproved for lack of adequate justification?

Yes. We recently disapproved the purchase of a large-scale machine by one of our administrations because of the lack of adequate justification.

The National Highway Safety Bureau proposed the purchase of an IBM 7094 computer for UCLA at a cost of approximately \$600,000 for use in highway safety research. The alleged rationale was that (1) a considerable number of programs of continuing research value had been written for this computer, (2) the relation of the computer to UCLA's auto driver simulator. This proposal was rejected on the grounds that: (a) Obsolescence of the 7094 computer. (b) actual DOT utilization would be no more than one shift. The Bureau was asked to renegotiate with UCLA for a contract for actual use of up to one shift and reprogramming for a later generation computer which would be compatible with DOT's long-range system planning.

44. Assuming the use of a computer has been fully justified by a proper study, are there procedures for determining whether the requirement can be satisfied by using (sharing) equipment already installed in your agency? Will you describe the procedures?