

Our audit policies recognize that each Government agency has a primary responsibility to determine, with due regard to all applicable restrictions and requirements, the manner in which its activities and operations are carried out. Our Office is not empowered to direct changes in agency policies, procedures, and functions. We do, however, observe opportunities for achieving greater economy, improving efficiency, and attaining better results. Important deficiencies encountered are fully developed for presentation in our reports with appropriate recommendations for corrective action by the Congress or executive departments.

Senate bill 2114 has as its purpose a periodic congressional review of Federal grants-in-aid to States and to local units of government. Senator Mundt's proposed amendment to section 3 of Senate bill 2114 would require the legislative committees of the House and of the Senate having jurisdiction over the programs to consider whether any changes should be made in the purpose or direction of the program, or in the procedures and requirements of the program to conform to the recommendations of the Comptroller General. Several witnesses for the executive departments apparently interpreted the proposed amendment as *requiring* that the Comptroller General make recommendations as to whether or not any changes in purpose or direction of the original program should be made. We construe this section to require that the legislative committees of the House and of the Senate having jurisdiction over the grant-in-aid programs consider two things: (1) whether any changes should be made in the purpose or direction of the program and (2) whether any changes should be made in the procedures and requirements of the program to conform to the recommendations of the Comptroller General.

It seems clear to us that section 3 of the proposed amendment would not *require* that the Comptroller General make recommendations concerning changes in purpose or direction of grant-in-aid programs. Our existing reporting policy, however, is to invite the attention of the Congress to any significant information obtained during our work which we believe or know to be of interest to it. Inherent in this policy is the inclusion in our reports of recommendations and suggestions which are made to the Congress or the executive departments for consideration, on the basis of the information in the reports, as to whether program changes of a substantive or policy nature should be made. We consider that reporting on substantive and policy matters is an existing responsibility of our Office, and we believe that our reports on Federal programs, including grant-in-aid programs, clearly evidence that we have been carrying out this responsibility for many years.

Sincerely yours,

JOSEPH CAMPBELL,  
*Comptroller General of the United States.*

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,  
May 23, 1968.

Hon. EDMUND S. MUSKIE,  
*Chairman, Subcommittee on Intergovernmental Relations, Committee on Government Operations, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This letter is in response to your request of February 28, 1967, for a report on S. 698, a bill "To achieve the fullest cooperation and coordination of activities among the levels of government in order to improve the operation of our federal system in an increasingly complex society, to improve the administration of grants-in-aid to the States, to provide for periodic congressional review of Federal grants-in-aid, to permit provision of reimbursable technical services to State and local government, to establish coordinated intergovernmental policy and administration of grants and loans for urban development, to authorize the consolidation of certain grant-in-aid programs, to provide for the acquisition, use, and disposition of land within urban areas by Federal agencies in conformity with local government programs, to establish a uniform land acquisition policy for Federal and federally aided programs, and for other purposes."

This Department agrees in principle with the objectives of the bill—to achieve optimum cooperation and coordination of activities among the various levels of government. The President has strongly emphasized the necessity for increased collaboration among Federal and State governments and communities, particularly in areawide planning. We believe that the bill would be a step towards strengthening and improving the effectiveness of Federal-State programs, but