rea of grants-in-aid financial reporting—an area only beginning to be recognized ꞩ a serious intergovernmental fiscal management problem. It authorizes the 'resident to promulgate rules and regulations simplifying financial reporting equirements of Federal grants-in-aid and, to the extent feasible, making them ıore uniform.

The new title's third section provides the basis for constructive efforts to void unnecessary duplication and time-consuming fiscal management procedures t the Federal level and establishes a basis for accepting State and local account-ıg and auditing systems that meet acceptable standards. The Comptroller ·eneral, the Secretary of the Treasury, and the Director of the Bureau of the ıudget are directed to conduct a joint study of the principles, standards, and elated requirements of executive agencies governing the accounting and auditing f Federal grants-in-aid. They are to identify ways and means of developing overnment-wide accounting and auditing procedures to foster greater coopera-.on and coordination among the financial management officials of all levels f government. This assignment, in effect, is already theirs under the Budget nd Accounting Act of 1950 and we understand a Task Force is being established ) look into these issues.

The Comptroller General under this third section is directed to study and eview the accounting and auditing systems of the States and their political ıbdivisions in order to determine their adequacy and effectiveness in light of ıe principles and standards prescribed by him. After consulting with the ecretary of Treasury and the Director of the Budget and considering statutory equirements and the needs of administering Federal agencies, the Comptroller ·eneral is authorized to prescribe rules and regulations permitting such agencies ) substitute the accounting and auditing systems of State and local governments 'hen they meet prescribed standards.

This proposed new title seeks to develop new intergovernmental arrange-ıents in the accounting and auditing field which would lead to a significant aving in time and energy and provide the basis for significant improvements ı intergovernmental fiscal management—without in any way shortcutting the xercise of fiscal prudence and accountability at all levels of government.

We turn now to S. 2981, the final major topic that is covered in your hearings, Ir. Chairman.

It is our understanding that S. 2981, "The Joint Funding Simplification .ct of 1968," has been referred to your Subcommittee and that this measure is to e considered in these hearings. The Advisory Commission, in its *Fiscal Balance* eport, recommended enactment by the Congress of this Administration bill as an nportant means of modernizing the management of Federal assistance rograms.

States and localities more and more are adopting a "multifunctional," "pack-ging" approach to meet varying social and physical developmental needs. Yet resently, a State or local government in putting together an integrated program ıust apply separately, for example, for the educational component, welfare omponent, job training component, urban renewal component, and so on. :eeping the separate applications moving along in tandem frequently nearly ecomes an exercise in administrative futility. The applicant State or local ommunity may find part of its components approved and other suspended in a ıorass of administrative and fiscal uncertainty, because of competition within ertain funding sectors. This bill seeks to remove or simplify administrative r technical requirements to permit a more flexible "package" approach to onsideration, processing, approval, and administration of Federal Assistance rograms.

S. 2981 would accomplish this by (1) authorizing waiver or modification of ertain statutory procedural requirements; (2) permitting agency heads to elegate the approval and administration of Federal assistance programs to ther agencies; (3) providing for a special fund in each agency to finance joint rojects; (4) describing ways Federal agency heads can foster joint projects: nd (5) authorizing the President to establish implementing standards and rocedures. The proposal would not change, with certain exceptions, substantive rovisions of law governing assistance programs, such as eligibility criteria, ıatching ratios, and apportionment formulas.

The Advisory Commission believes this joint funding approach is workable ssuming it is reinforced with strong direction at the highest administrative evels in the Executive Branch and at the same time receives the dedication ) cooperate from functional program administrators. We are convinced that