

The many varying procedures caused by the vast increase in Federal programs has resulted in a lack of public confidence in Federal land acquisition practices. Political subdivisions, as owners, are also affected. Local government should be compensated in full for land and facilities condemned by the Federal Government.

TITLE X

NACO endorses and urges the enactment of the recently added title X of the bill relating to accounting, auditing, and reporting of Federal assistance funds. With the terrific increase in Federal grants-in-aid programs, has come a complex of Federal auditing and accounting procedures for local government to adhere to, based upon the various enabling legislation, appropriation acts, departmental regulations, and so forth. A serious question, we feel, exists as to whether the existing financial reporting, accounting, and auditing procedures are reasonable in their demands upon local government. We feel they are not. This is one important area where overall remedial legislation could serve to coordinate the many complex procedures and make it easier for everyone concerned. We are aware that each Federal agency is charged by Congress and by the Comptroller General to insure proper use of Federal funds. We do, however, see the immense usefulness of a system which would foster greater interdepartmental coordination among the various financial management officials administering grant programs. This legislation would permit the Comptroller General to study and review the accounting and auditing systems of the States and upon his approval of their system, would allow the results of State audits to be accepted by a Federal agency in lieu of their own fiscal audits. This discretion of the Comptroller General could also be extended to local governments receiving sizable Federal grants. Adequate safeguards are provided.

We feel this is an area of our grant-in-aid system which has been ignored to date in any efforts to coordinate and make more effective our grant-in-aid programs. It is an area which would save Federal, State, and local administrators a great deal of duplicated and expensive effort.

And so you can see from this testimony that NACO once again wants to express its wholehearted support for this Intergovernmental Cooperation Act of 1968. We are with it all the way.

Senator MUSKIE. Thank you very much.

Mrs. SPELLMAN. I do want to say it has been a pleasure to have the opportunity to come before you.

Senator MUSKIE. The appendix of your statement will be included in the record.

(The material referred to follows:)

AMERICAN COUNTY PLATFORM TITLES IV, V, VI OF THE INTERGOVERNMENTAL
COOPERATIVE ACT

2-4. *Federal impact on local government structure and planning.*—The federal aids for urban development administered by numerous federal departments and agencies are of vital importance to the Nation's counties. Such programs, however, to be most effective, must be coordinated with each other and with local planning and decision-making, and administered through effective and responsible local governments.