

amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant under this Act which are pertinent to any such grant."

The primary purpose of audits by the General Accounting Office is to make for the Congress independent examinations of the manner in which Government agencies are discharging their financial responsibilities. Financial responsibilities of Government agencies are construed as including the administration of funds and the utilization of property and personnel only for authorized programs, activities, or purposes, and the conduct of programs or activities in an effective, efficient, and economical manner. Full and complete access to all records pertaining to the subject matter of an audit or investigation is necessary in order that the General Accounting Office can fully carry out its duties and responsibilities.

If the amendment proposed above is adopted it is not contemplated that the General Accounting Office will make a detailed examination of the books and records of every recipient of a loan or grant, or even a major part of them. However, selective checks will be made to provide reasonable assurance that assistance funds are being properly applied or expended.

Also, if the Public Health Service Act is amended in the manner suggested above, a new section 406 should be added to H.R. 15757 which would provide for the repeal of the "records and audit" provisions presently applicable to several programs authorized by the Public Health Service Act. The following language is suggested for that purpose:

"SEC. 406. Section 399b (42 U.S.C. 280b-11); section 796 (42 U.S.C. 295h-5); and section 909 (42 U.S.C. 299i), of the Public Health Service Act are hereby repealed."

And a new section 407 should be added to the bill which would read as follows:

"SEC. 407. Section 1 of the Public Health Service Act is amended to read as follows:

"SECTION 1. (a) Titles I to X, inclusive, of this Act may be cited as the 'Public Health Service Act.'

"(b) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title X (as in effect prior to the enactment of this Act) as title XI, and by renumbering sections 1001 through 1014 (as in effect prior to the enactment of this Act), and references thereto, as sections 1101 through 1114 respectively."

Sincerely yours,

FRANK H. WEITZEL,
Assistant Comptroller General of the United States.

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., June 10, 1968.

HON. HARLEY O. STAGGERS,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: The following comments are submitted in response to your request for a report by the Veterans Administration on H.R. 15757, 90th Congress.

The bill would amend the Public Health Service Act to extend and improve programs relating to the training of nursing and other health professions and allied health professions personnel, student aid for such personnel, and health research facilities.

The proposed legislation applies to programs administered by the Department of Health, Education, and Welfare, and would appear to impose no additional administrative responsibility on the Veterans Administration. We, therefore, defer to the views of that Department with respect to detailed analysis of the separate provisions of the bill.

The Veterans Administration has an extensive hospital and medical program to provide care for sick and disabled veterans. In carrying out this program we employ a large number of physicians, dentists, nurses, and other professional