

Action:

An employee, grade GS-12, has been designated as Records Officer, and the files have been studied in conjunction with the Office of Security, RI/PI, and the Records Management Staff, in an attempt to improve the records control program and afford better sterilization of files.

4. Action has been taken on the seven recommendations which were previously under study:

Recommendation:

Page 7, Recommendation #5: "The Chief of the Audit Staff should investigate the type of control being exercised over Agency funds by subsidies, determine whether more effective audits can be made, and submit appropriate recommendations to the Director."

Action:

This problem was studied by the Committee which reported on the "Blanket Waiver" question. Consideration of means for providing more effective audits for subsidy projects continues, not only within the Audit Staff but also within DD/P and other elements of DD/S.

Recommendation:

Page 7, Recommendation #8: "Field Audit Units should be on the Table of Organization of the Audit Staff and not on DD/P overseas Tables of Organization."

Action:

Field Audit Units have been transferred to the Table of Organization of the Audit Staff.

Recommendation:

Page 27, Recommendation #14: ". . . Chief of the Audit Staff take such stern decisive measures as may be necessary . . . Senior Auditor, [] Field Unit . . ."

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Action:

The Senior Auditor referred to has been returned to headquarters and reduced in grade.

Recommendation:

Page 32, Recommendation #11: "The Chief of the Audit Staff be given a full-time Deputy . . ."

Action:

Further study has led to the appointment of an Assistant to the Chief, Audit Staff in order to insure continuity. A full-time Deputy is not required at this time.

Recommendation:

Page 32, Recommendation #2: "The Property and Contracts Audit Branch be . . . placed under the immediate supervision of the Chief of the Audit Staff . . . until . . . work . . . is on a current basis and adequate attention is being given to audit of property accounts and industrial contracts."

Action:

As previously reported, the staff of this Branch was strengthened and as a result, great progress has been made in bringing the work up to a current status. In addition, a new Chief for the Industrial Contracts Audit Branch (Finance Division) with extensive experience in the Department of Defense was employed last Fall. Since his arrival many of the problems among the Finance Division, the suppliers, the Office of Logistics and the Audit Staff have been resolved, resulting in better relations inside and outside the Agency and more expeditious and effective processing of documents. In view of the above, it is believed that the need no longer exists to remove the Property and Contracts Audit Branch from the supervision of the Chief of the Headquarters Audit Division.

Recommendation:

Page 36, Recommendation #10: "It is recommended that the monthly report of the Audit Staff to the Deputy Director (Support) be revised"

Action:

Agreement has been reached with the Deputy Director (Support) as to the type of report to be submitted to him by the Audit Staff.

Recommendation:

Page 37, Recommendation #2: "It is recommended that the Director of Personnel, in conjunction with the Chief of the Audit Staff and the Comptroller, establish a formal mechanism to insure that members of both headquarters and Field Audit Units are considered for vacancies in budget-finance positions and vice versa."

Action:

This matter has been reviewed by the Director of Personnel and the Support Career Board and it has been agreed that it is not advisable to provide a formal mechanism to fill vacancies existing in the Audit Staff and the Office of the Comptroller by transfer. The Audit Staff is now below its authorized strength and opportunities for promotion are still available within the Staff. However, in an exceptional case transfer may be authorized, and one such transfer has been made since the Inspector General completed his Survey.

Recommendation:

Page 44, Recommendation #7: "The Chief of the Audit Staff review his decision that the Audit Staff does not have any vital material for storage in the Agency repository and determine whether or not audit reports should be submitted to the Agency Records Officer for microfilming and permanent storage."

Action:

The Chief of the Management Staff has reviewed the present vital materials program of the Audit Staff and has agreed that it is adequate.

5. Inasmuch as the major recommendations submitted by the Inspector General have been accepted and action is completed or well along in most instances, I am submitting this as a final report and will consider it as such unless specific instructions to the contrary are received from you.

SUED

H. GATES LLOYD
Acting Deputy Director
(Support)

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