

1. To date our audit effort has been directed toward obtaining background information necessary to any expansion of the audit and to attempt to define areas of Comptroller activities that may be subject to our audit.
 - a. We have had ^{contacts with} ~~access to~~ four of the five divisions and one of the two staffs in the Comptroller's office. We have also been in frequent contact with the Audit Staff.
 - b. For CIA planning purposes, you are advised that our efforts at CIA have been entirely in this direction. We are not presently engaged in any voucher audit as was done in the past, and we do not have any present plans to continue such an audit in the future. Our last voucher audit of non-sensitive transactions of Fiscal Division was through fiscal year 1957.
2. It presently appears that it will take substantial effort on the part of both GAO and CIA in attempting to effect any increase in the scope of our audit.
 - a. Principal difficulty has arisen from the difference between the CIA and GAO interpretations of the restrictions placed on the audit by the Director of Central Intelligence that any GAO audit must remain outside the area of sensitive security operations.
 - (1) GAO's interpretation was that we would have access to all support activities and that we could examine the organizational structure of the Agency, Agency policies, procedures, and practices, but that any verifications made would be limited to so-called "vouchered expenditures".
 - (2) CIA's interpretation was that sensitive security areas includes the administrative activities of the Support organizations supporting the sensitive activities, that GAO audit will have to remain outside such support activities, and that the Agency regulatory issuances would not be made available to GAO because they disclose sensitive procedures and activities.

no expansion in Comptroller staff

From 6/25 after screening.

*Poll's power sheet
for 4/13/60 meeting*

Document No. _____
Review of this document by CIA has determined that
 CIA has no objection to declassification of information of CIA interest that must remain classified at TS S C
Authority: HR 70-2
Date of CIA interest _____

2. b. Broad evaluations do not appear possible at this time - (review and appraisal of internal review mechanisms, property procedures and controls).
- c. Only about 5 percent of total CIA expenditures can be accounted for on any sort of a comprehensive basis. Although 30 percent of total CIA expenditures are against non-sensitive allotments, over 80 percent of the 30 percent is for payroll.
3. It has been difficult to obtain and understand Agency policies and procedures through discussion or through screened instructional matter. It would be helpful to us if:
 - a. The current regulations setting forth Agency organizational structure, Agency policies and procedures could be made available on some systematic basis without substantial holes being created as a result of security screening.
 - b. Management activity reports could be made available to us regardless of sensitivity so long as they did not detail specific transactions or activities. The reports we have in mind would be those prepared by the units and divisions say within Logistics to keep the division heads and the Director of Logistics activities performed.
4. ~~We believe that~~ the Office of Logistics may be susceptible to audit on some comprehensive basis, and have made contact with Mr. Garrison to initiate a preliminary review of the Office. This will entail initially only the two men presently assigned to the audit.
5. Clearance for additional staff member (s) for audit assignment
 - a. Time required to clear.
(Prior AEC clearance reduce this time to any great extent)
 - b. Put in specific staff member for clearance.

4/13/60 Logistics representative