

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON 25, D. C.

CIVIL ACCOUNTING AND
AUDITING DIVISION

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 It contains nothing of CIA interest
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January 25, 1960

MEMORANDUM TO THE FILE

STATINTL

E. L. Pahl, CAAD, met with [redacted] (GAO contact in the Office of the Deputy Director, Support) on Friday, January 22, 1960, at 3:00 PM. The following summarizes the matters discussed.

STATINTL

Mr. Pahl requested clarification of the extent to which Mr. Samuelson should be permitted knowledge of the details of the CIA audit in light of Mr. White's statement in our January 7, 1960, meeting that we should not withhold any information from Mr. Samuelson. [redacted], although he could not recall the specific context of Mr. White's statements, advised that Mr. White's statement was to the effect that Mr. Samuelson should be granted access to whatever information was necessary for Mr. Samuelson to carry out his responsibilities for the CIA audit. [redacted] advised that this did not contemplate that all of the specific knowledge and data obtained in our audit could be available for Mr. Samuelson's review, but meant that, for example, any reports on our audit activity would be subject to his review. The same approach would apply to Mr. Campbell, Mr. Keller and Mr. Morse of GAO - - the findings of our audit generally can be discussed with these officials to the extent necessary for them to carry out their responsibilities.

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STATINTL

[redacted] suggested that the book CENTRAL INTELLIGENCE AND NATIONAL SECURITY by [redacted] Ransom, Harvard Press, 1958, would be helpful to GAO in getting a general understanding of CIA, its mission and background, and its place in the U. S. Intelligence Community, and he made a copy of the book temporarily available for our use.

STATINTL

[redacted] advised he understood GAO wanted a designation in writing of the specific documents and records that could be made available for GAO audit in the Fiscal Division.

In order to satisfactorily explain matter to Mr. Samuelson's satisfaction, it may be necessary to provide all details of a matter. However, under this theory it will be necessary to withhold from the answer as much as possible.
Pahl

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Mr. Pahl explained that he had not requested any written guidelines on access. It was pointed out that our usual audit approach was to obtain sufficient data during the survey phase to place us in a position to determine what areas should receive audit priority and to be in a position to program these areas. To be in a position to program in such a highly classified and compartmented operation as CIA, required the programmer to have knowledge of the specific documents, records, and information that would be available for review and audit, and that which would be withheld from review and audit in the interest of CIA security.

STATINTL

██████████ agreed that such an approach appeared to be reasonable, and appeared necessary to any expansion of the GAO audit. He pointed out, however, that to delineate areas of access in the Fiscal Division, or other CIA organizational components, without an indication of the extent of the audit or review of such an area might lead to greater restrictions being placed on access given to GAO than might be allowed if GAO could be more specific as to what the extent of their audit might be in that area. An example of this would be the books of original entry supporting the Fiscal Division General Ledger. The Agency will not grant unlimited access to the Cash Receipts Register summarizing receipt transactions for posting to the Fiscal Division General Ledger, because complete access would enable GAO to obtain knowledge of the source or sources and the amounts of funds of the Agency, which sources and amounts may be of a confidential nature that could not be disclosed to us. However, limited access to this register might be granted to GAO to the extent necessary, perhaps, to the expansion of our audit without violating the security restrictions involved.

Mr. Pahl agreed to continue his preliminary survey phase of the CIA audit on the basis that the determination of what specific audit access will be granted will be made when, and if, an audit of an activity is scheduled. At such time, and on a "need to know" basis of what is necessary to the audit of such activity, the determination as to GAO access will be requested.

STATINTL

██████████ asked when we expected to complete the preliminary phase of our CIA audit. Mr. Pahl advised that Mr. Samuelson's initial thinking had been a matter of about 2 months would be involved. However, because of the limited access to written background material on the agency and its components, Pahl expressed the belief that it would be a considerably longer period than Mr. Samuelson had anticipated.

E. Pahl