

B-115398.01

DEC 14 1978

The Honorable  
The Secretary of the Interior

Dear Mr. Secretary:

Enclosed is a copy of our May 26, 1978, report to the Congress on the Status, Progress, and Problems in Federal Agency Accounting During Fiscal Year 1977 (FGMSD-78-24). As you know, the Comptroller General is required by the Budget and Accounting Procedures Act of 1950 to approve executive agency accounting systems when he finds them to be in conformity with the principles, standards, and related requirements which he prescribes. Comments pertaining to the status of Department of the Interior accounting systems appear on pages 6, 16, 17, and 77.

We have commenced preparing our report for fiscal year 1978 and note that neither of the two accounting systems you had scheduled for approval during the past year were submitted to us.

With the transfer of the power agencies to the Department of Energy and the transfer of the Mining Enforcement and Safety Administration to the Department of Labor, the number of unapproved accounting system designs in your department has been reduced to four. While our staff is hopeful that one of these, the system of the Office of the Secretary, can be approved in the next few months, the outlook for the other three is not favorable. The target dates for approval of the systems of the National Park Service, the U. S. Fish and Wildlife Service, and the Bureau of Outdoor Recreation (now Heritage Conservation and Recreation Service) have continued to slip over the past several years.

We believe your personal support is necessary to get these three accounting systems redesigned to qualify for our approval. Such approval will give you assurance that these systems will be (1) less susceptible to fraud and (2) more responsive to managers' needs. Without an adequate financial management system, it is difficult to attain program objectives at the least cost to the taxpayers.

We would be pleased if you and representatives from the three agencies mentioned above could join us for lunch in the near future so that we could discuss the problems you are having in qualifying and submitting these systems for approval.

The Bureau of Indian Affairs, whose accounting system was approved in 1953, has been in the process of redesigning its system for several years and we would be glad to have its representative also attend if you so desire.

If you could have your secretary call Mrs. Rigsby on 275-5481, we will try to arrange for a date that would be convenient for you.

If there is any information you need prior to the luncheon, please let us know.

Sincerely yours,

(Signed) Elmer B. Steeds

Comptroller General  
of the United States

Enclosure