

*Revised*



B-183651

DEC 28 1977

The Honorable James T. McIntyre  
Acting Director, Office of  
Management and Budget

Dear Mr. McIntyre:

This letter responds to the request of your office for our comments on possible amendments to H.R. 8588, 95th Congress, a bill which if enacted would create Offices of Inspector General in a number of agencies.

We are in agreement with all of the modifications to H.R. 8588 proposed by your office to resolve objections raised by the General Accounting Office and other Federal agencies to certain provisions of that bill. We are especially pleased with the proposals which would eliminate from the bill those sections requiring each Inspector General to submit reports directly to the Congress without review or comment by the agency head. We believe that if H.R. 8588 is amended in accordance with the proposed amendments, enactment of the bill would be very beneficial.

We would still like to see a further modification which we previously recommended to Congress. We believe the title "Inspector General" should be broadened to "Office of Inspector and Auditor General." The present title suggests the Inspector General has the investigative function but does not indicate his responsibility for the full scope of audit, including audits to determine financial integrity and compliance with pertinent laws and regulations, audits to identify inefficiencies or wasteful practices and audits to assess effectiveness in achieving program goals. We are concerned that unless the investigative and audit functions are given equal emphasis in the title, the audit function may be subordinated to the investigative function. This could eventually weaken the audit structure of the affected agencies. We believe the name change we have suggested would retain the impact of the title "Inspector General" while indicating that this official is also responsible for audit.

We also suggest deleting the words "fully and currently" from section 1(3), which states that one of the purposes of establishing Offices of Inspector General is to keep the Congress fully and currently informed. OMB has already proposed the deletion of "fully and currently" from section 3(a)(4), which describes the Inspector General's duties and responsibilities. It would therefore seem consistent to delete it from

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section 1(3). The use of "fully and currently" in section 1(3) appears to be a vestige of the previous intent of the bill to have Inspectors General submit reports directly to the Congress without review by the agency head. Removal of the phrase would make it clearer that the Inspector General works for the agency head, not the Congress.

We note that the reference in the proposed new subsection 4(a)(5) of the bill to subsection 6(c) should probably refer to subsection 4(c).

Also for your consideration we enclose our comments concerning section 5(a)(3) subpoena authority that we provided the House Government Operations Committee with respect to the same provision in H.R. 2819. We believe these comments still apply.

Finally, we suggest that the bill include a provision to amend the organization and operation of the Offices of Inspector General in the Department of Health, Education and Welfare and the Department of Energy to conform to the agencies included in H.R. 8588.

Sincerely yours,

(SIGNED) ELMER B. STAATS

Comptroller General  
of the United States

Enclosure