



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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B-278541

AUG 28 1973

The Honorable Rogers C. B. Morton
Secretary of the Interior

Dear Mr. Secretary:

By letter of April 26, 1973 (and enclosure), the Deputy Assistant Secretary of the Interior, requested that the Government Comptroller for Guam be designated by the Comptroller General as duly authorized representative for the purpose of auditing and examining the records of the Guam Economic Development Agency (GEDA), under provisions of the Guam Development Fund Act of 1968 (48 U.S.C. 1428).

The Deputy Assistant Secretary cites the provisions of 48 U.S.C. 1428a and 48 U.S.C. 1422d(n), as authority for such designation. The first cited code provision provides that the Comptroller General or his duly authorized representative shall have access to the books and records of GEDA for the purpose of audit and examination and 48 U.S.C. 1422a(1) requires the Government Comptroller to make "such other reports," in addition to his regular duties, as the Comptroller General may require. The Deputy Assistant Secretary expresses the view that the requested designation would clarify the Government Comptroller's interrelated audit responsibilities, make efficient use of audit capacity already on Guam, and avoid possible duplication of effort.

We do not believe that it would be appropriate to designate the Government Comptroller as a duly authorized representative of the Comptroller General for the purpose of making an annual audit of GEDA. The Government Comptroller is under the general supervision of the Secretary of the Interior, and the Comptroller's functions with regard to GEDA and the adequacy of its financial control system are performed to satisfy the Secretary, rather than the Comptroller General. Our Office must function as an independent agency, and cannot discharge its responsibilities through the Government Comptroller.

Some indication of the independent course that the General Accounting Office should follow may be inferred through section 301 of the Budget and Accounting Act of 1921, 63 Stat. 830, 31 U.S.C. 41, which created the General Accounting Office (GAO). Section 301 provides that the GAO "shall be independent of the executive departments and under the control and

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direction of the Comptroller General of the United States." For the Comptroller General to appoint an employee of an executive department as a representative of the General Accounting Office, performing statutorily prescribed duties, would seem to us to be in contradiction to the clear intent that the General Accounting Office is to be free of any ties to the executive branch in carrying out its functions. This concept is further defined in 43 U.S.C. 1459, by which expenditures of the Secretary of the Interior are subject "to adjustment and control by the proper accounting officers of the General Accounting Office."

While there is no express prohibition against the Comptroller General appointing the Government Comptroller of Guam as his representative for the purpose of making an audit of GMDA, there is no indication that Congress ever contemplated this being done, and if anything, the applicable statutes stress the degree of independence and separation the GAO is to maintain in its relations with the executive branch of Government.

Insofar as the jurisdiction of the Government Comptroller for Guam to make audits of GMDA is concerned, we believe that sufficient authority exists for him to do so, since GMDA is an agency of the Government of Guam. In relation to this subject, 43 U.S.C. 1422a(b) and (j) state as follows:

"(b) The government comptroller shall audit all accounts and review and record and adjudication of claims pertaining to the revenue and receipts of the government of Guam and of funds derived from bond issues; and he shall audit, in accordance with law and administrative regulations, all expenditures of funds and property pertaining to the government of Guam
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"(j) All departments, agencies, and establishments shall furnish to the government comptroller such information regarding the powers, duties, activities, organization, financial transactions, and methods of business of their respective offices as he may from time to time require of them; and the government comptroller, or any of his assistants or employees; when duly authorized by him, shall, for the purpose of securing such information, have access to and the right to examine any books, documents, papers, or records of any such department, agency, or establishment."

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With regard to possible duplication of effort by the Government Comptroller for Guam and the General Accounting Office, our Office would, as a matter of routine, consider any work performed by him in connection with any future audits we might make of GLDA.

In light of the foregoing, we would have no basis for granting the Deputy Assistant Secretary's request.

Sincerely yours,

R. F. KELLER

Assistant Comptroller General
of the United States

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