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*REPORT TO THE COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES*

*BY THE COMPTROLLER GENERAL
OF THE UNITED STATES*



Followup Review Of The
Office Of The Inspector General
Of Foreign Assistance

Department of State

This report responds to the Chairman's request for GAO to make a followup review of the Office of the Inspector General of Foreign Assistance and is limited to changes that have taken place since our 1975 review.

ID-76-83

July 25 1976

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

B-134192

The Honorable Thomas E. Morgan
Chairman, Committee on International
Relations
House of Representatives

HSE CIO

Dear Mr. Chairman:

In response to your request of July 20, 1976, we made a limited followup review of the Office of the Inspector General of Foreign Assistance. Because of time constraints imposed by the request, our work was limited to organization and staffing, planning and operating procedures, and reporting changes that have taken place since our 1975 review.

Certain improvements had been made in staffing, planning, and reporting; however, it is too soon to assess the full impact these changes may have on the Inspector General's operations. We believe that to fully evaluate the effectiveness of the Inspector General's operations, it is necessary to review the activities of the other internal audit organizations involved in examining foreign assistance programs. We plan to conduct such reviews and have already initiated a review of the Inspector General, Foreign Service, Department of State.

Details of our observations are included in appendix 1.

We did not obtain written comments on the report, but we did discuss our findings with the Inspector General.

A copy of the report is being made available to Congressman Derwinski who also had requested a review of the Office of the Inspector General of Foreign Assistance. D. 362

Sincerely yours,

ACTING

R. J. K. 11/11/76
Comptroller General
of the United States

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FOLLOWUP REVIEW OF THE
OFFICE OF THE INSPECTOR GENERAL OF FOREIGN ASSISTANCE

This report is a followup of the changes that have taken place in the Office of the Inspector General of Foreign Assistance (IGA) since our July 25, 1975, report, entitled Review and Evaluation of the Office of the Inspector General of Foreign Assistance. The report specifically addresses the changes in organization and staffing, planning and operating procedures, and reporting.

Our prior report pointed out that the Inspector General's effectiveness had been impaired by several factors, including:

- Concentration on reporting areas normally covered by internal review organizations.
- Limited use of the Office as a management tool by the State Department.
- Weaknesses in office management structure, operating policies, and procedures.
- Inadequate funding controls.

We found that IGA effectiveness, while hampered to some extent during the past year by significant personnel turnover, nevertheless improved in certain respects. Although IGA inspections and reports still cover subject areas within the scope of internal audit agencies--in effect, supplementing their work--we noted increased efforts being made to address more substantive issues and those which are beyond the purview of the internal auditors. Closer working relationships have been formed between the Inspector General and top State Department officials. IGA's management structure and operating policies were streamlined and simplified. Cost allocation procedures were instituted to permit fair division of IGA operating expenses between sponsoring program segments.

Our detailed observations are discussed in the following sections.

ORGANIZATION AND STAFFING CHANGES

IGA has undergone continued significant organizational and staffing changes in the past year. Full implementation of these changes is not yet complete and may not be for several months to come. Mainly, the changes consist of new appointments in the top management positions and replacement of most of the senior inspectors. The latter action was taken by IGA management in response to congressional criticism that IGA salaries were excessive. The disruption resulting from these staff changes had an adverse impact on IGA's effectiveness during fiscal year 1976. However, while the Inspector General acknowledges that the dramatic changes taking place within IGA have created uncertainties with respect to management of new personnel resources, he expresses confidence that IGA's performance and cost effectiveness will be improved in the long run.

Also, in the past year, steps were taken to increase IGA coordination with and enhance its role within the Department of State, to clarify the authority of the Inspector General vis-a-vis his Deputy, and to allocate the cost of inspections more equitably between program segments.

Organization

To clarify organizational relationships within IGA and the role of IGA in the Department, the functions of the Inspector General and his Deputy were revised in March 1976, to make the Deputy subordinate to but an "alter ego" of the IG with authority to act in the latter's absence. Formerly, they had equal authority and responsibilities. Subsequently, the Deputy IG was given basic planning responsibility for the Office.

Since assuming responsibility over IGA in February 1976, the present IG has (1) abolished two of the three Office Director (FSR-1) positions, Planning and Inspections; (2) given the two Presidentially appointed Assistant Inspectors General line-operating responsibility for the inspection staff; (3) divided the staff into two teams, with each inspector reporting directly to one of the Assistant IG's. The Deputy IG took over planning, and the Director, Office of Reports and Management, continued in his previous role. (See pp. 15, 16.)

Subsequently, in July 1976, the IG created a position of Chief Inspector (FSR-2) under each Assistant IG with authority to act in the latter's absence. In making the announcement, the IG pointed out that the change did not constitute an additional

layering of management since, when the Assistant IG's were functioning, all inspectors would be responsible solely to them. The rationale given for creating the Chief Inspector positions was to provide continuity of management in the inevitable circumstance of change in the Presidentially appointed positions.

Clearly, a need exists for management continuity and stability. One of IGA's problems over the years, as noted in our prior report, has been the absence of permanent leadership in the key positions. The IG's decision to assign major operating responsibilities to the other appointive positions obviates the need for additional top-level career positions to perform these functions. However, it also increases the potential for management problems should future appointees not be qualified for their positions, appointment changes occur simultaneously, or positions be left vacant for an extended time.

The establishment of the career Chief Inspectors will help smooth the transition between new Assistant Inspectors General. Besides the Chief Inspectors, only the Director, Office of Reports and Management, provides continuity of IGA management. The IG believes this will provide sufficient institutional memory provided care is exercised in the naming of future appointments. The reduction in top-level managers from seven to five to run an inspection and administrative staff of the same size is a major improvement. Should it prove unworkable, we believe substituting career personnel for one or more of the appointive positions, rather than supplementing them, should be considered in order to keep management overhead at a reasonable level.

Staffing

Extensive staffing changes during the last year, some not yet implemented, affected both the management and inspector ranks of IGA. New appointments were made in three of the four Presidentially designated positions. Two of the three Office Director (FSR-1) positions were eliminated and the incumbent personnel terminated. Ten of the inspectors have left IGA since October 1975, seven in the past 2 months, and four others are scheduled to be transferred. Most of the departing inspectors had extensive IGA and investigative experience. They are being replaced with younger personnel with diversified investigative and program management experience.

IGA management contends that the inspection staff turnover was necessitated by having to comply with a Senate Committee directive to reduce salary costs. Some of the affected inspectors

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believe IGA management actions are discriminatory and aimed at reducing the organization's effectiveness. A State Department official has determined that IGA management acted within its prerogatives in responding to the Committee's direction. The impact on the organization's effectiveness cannot be evaluated yet.

A complete changeover in IGA top management has occurred within the last 2 years, as shown below.

<u>Position title</u>	<u>Date of appointment</u>	<u>Tenure of prior appointee</u>
Inspector General	Feb. 17, 1976	21 months
Deputy Inspector General	June 16, 1976	22 months
Assistant Inspector General	June 20, 1976	22 months
Assistant Inspector General	May 8, 1975	Vacant 7 months
Director, Office of Reports and Management	Aug. 18, 1974	Not applicable

One of the first acts of the new IG was to abolish the positions of the Directors of Office of Planning and Office of Inspections, effective March 1, 1976. The incumbents (FSR-1's) were terminated, and two inspector positions were added to maintain the authorized strength at 41 but were not filled.

In a report dated March 18, 1976, the Senate Appropriations Committee proposed limiting fiscal year 1976 IGA funds to \$1,400,000 versus the \$1,683,000 requested. The Committee expressed particular annoyance with the wage rates of IGA employees, over half of whom were reported to be paid in excess of \$30,000 per year.

Subsequently, the fiscal year 1976 limitation was raised to \$1,550,000 by adoption of the conference committee's proposal. Also, a limit of \$375,000 was placed on IGA for the transition quarter (July 1, 1976, through September 30, 1976). For fiscal year 1977, the Senate Committee approved a revised budget estimate of \$1,626,000, down \$161,000 from the original request.

The revised 1977 budget estimate was arrived at by a deliberate effort on the part of IGA management to replace all of the highest paid inspectors (except the two selected to remain as Chief Inspectors) with lower grade personnel. In addition, several other inspectors submitted their resignations. In all, 10 inspectors were affected by the budget cut, 4 FSR-2s and 6 FSR-3s or equivalents. They will be replaced with 6 FSR-4s and

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2 FSR-3s, and 2 inspector positions are being eliminated. The effect of these actions is expected to reduce IGA salary costs by about \$173,000 annually, or \$12,000 in excess of the \$161,000 budget cut approved by the Senate Committee. The average salary of inspectors is projected to drop from \$33,600 to \$28,700. The following table summarizes the change in the staffing pattern of inspectors since our last report.

	<u>On board 5-31-75</u>	<u>Original FY 1977 request</u>	<u>Senate-approved FY 1977 request</u>
FSR-2	7	^a 7	2
FSR-3 or equivalent	9	13	8
FSR-4	<u>6</u>	<u>3</u>	<u>13</u>
	<u>22</u>	<u>23</u>	^b <u>23</u>

a
Includes one inspector on reimbursable detail.

b
Number of positions remain unchanged because the two positions created by converting Office Directors to inspectors are being eliminated.

The 10 inspectors affected by the budget cut were generally those with the highest salary, as well as the most experience. Their salaries averaged \$36,420 per year, ranging from \$37,800 to \$34,300. Only one inspector with a salary exceeding \$34,300 was retained. Although this individual has been with IGA for little more than a year and is less experienced than any of the terminated inspectors, the IG determined that he was best qualified for one of the two Chief Inspector positions. The 10 inspectors averaged over 7 years' experience with IGA and ranged in age from 42 to 66. As of July 31, 1976, 6 had already left IGA; the 4 remaining inspectors have career status and attempts were under way to place them in other positions in the Department.

Personnel brought on board in the last year and those currently being processed to replace the departing inspectors, while hired at substantially lower salaries, are generally younger and less experienced. Their ages range from 33 to 43 and they appear well qualified for the positions. All recent appointments have been made at salaries below \$30,000 per year.

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Several inspectors affected by the budget cut contend that IGA management acted unfairly and with prejudice in dismissing them. They have filed grievances with the Department of State and the American Foreign Service Association, alleging age discrimination and unfair labor practices. A counselor for the Department advised them that management had the prerogative to assign them elsewhere in the Department, in keeping with the needs of the service and their qualifications. The actions taken by the IGA have the backing of top State Department management.

FUNDING AND EXPENDITURES

IGA draws its operating funds from the foreign assistance programs it oversees, including the Agency for International Development (AID), Military Assistance Program (MAP), and Peace Corps. While the Foreign Assistance Act limits IGA expenditures to \$2 million annually, the Congress has historically imposed tighter spending restrictions on IGA. Position vacancies and reduced staff travel enabled the Office to meet a reduced expenditure ceiling during fiscal year 1976. Implementation of a time reporting system now permits it to assess funds from each of the participating program segments on the basis of actual inspection work performed. However, the costs of individual assignments are still not compiled to determine whether they are reasonable in relation to their value.

For fiscal year 1976, IGA was limited to expenditures of \$1,500,000. Obligations as of June 30, 1976, amounted to \$1,492,713. Allotments received from AID, MAP, and Peace Corps were in line with IGA inspection time expended on these programs. The time reporting system produced a report showing that of the 13 man-years direct inspection time charged in fiscal year 1976, 57 percent was for AID; 38 percent for MAP; and 5 percent for the Peace Corps, Inter-American Foundation, and the Overseas Private Investment Corporation. AID and MAP, respectively, provided 59 percent and 39 percent of IGA operating funds in the same period.

IGA expenditures for staff travel were lower than projected. Travel obligations amounted to \$181,900, versus the original budget request of \$278,000 which was based almost entirely on 100 individual overseas inspection trips. During the year, however, only 61 such trips were completed, covering 31 countries. On the average, an inspector completed 2 trips of 25 days each at the overseas sites. Plans were to have each inspector make 4 inspection trips during the year.

Position vacancies and turnovers also have been a significant problem. As of August 1, 1976, of the 25 inspector positions, 9 were vacant, 4 were held by departing inspectors and 1 was reserved for a detailed inspector. (See p. 17.) Although 7 of the vacancies occurred at June 30, 1976, or later, at least 2 positions have been vacant since March 1976. Of the 11 permanent inspectors presently on board, none has been with IGA as long as 3 years.

RELATIONSHIPS WITHIN THE DEPARTMENT OF STATE

IGA's relations within the Department of State seem to be improving. We found evidence that IGA reports were being circulated to and read by the Department's top officials. Feedback to IGA indicates that the reports are found useful and that consideration is being given to integrating IGA more into certain oversight activities of the Department. Communication has also improved. Requests for subject ideas of possible future IGA inspections were solicited from and well responded to earlier this year by members throughout the Department. Discussions are currently being held between the IG and top officials on ways to improve agency compliance with routine IGA inspection findings short of invoking the IG's statutory project suspension authority.

PLANNING AND OPERATING PROCEDURES

Because recent IGA management reorganization eliminated two of seven top management positions the planning and inspection responsibilities were realigned and reassigned. As a consequence of realignment, important improvements have been made to the planning and inspection functions since the last GAO review.

The planning function is now the direct responsibility of the Deputy Inspector General while the inspection execution function was assigned to the two Assistant Inspectors General who now have direct line responsibility to carry out the inspections. All three of these officials are political appointees.

The current inspection plan, prepared by the Deputy IG, is a reasonable working document for planning and executing inspections. It is simple, direct, flexible, lists inspections by priority, and contains high-level management inputs which seem to address policy matters of concern to top State Department management.

Planning

The Deputy IG prepares and updates each 6 months or less a projection of the planned inspections for the following two quarters. We were told that because of the small staff and the need for flexibility, a projection beyond 6 months is not considered realistic.

The plan consists of three parts.

- Inspections in progress and personnel assigned to the inspections.
- Scheduled inspections for the next two quarters, by title, and personnel assigned to the inspections; 12 inspections are listed, by priority, for the next 6 months.
- List of inspectors, showing their last assignment, current assignment, and date they will be available for the next assignment; and list of reports published and in process from previous periods.

Inputs to the plan

Inputs to IGA inspection planning consist of (1) suggestions or requests by top management of the State and Defense Departments and other agencies involved in U.S. foreign policy and programs overseas, (2) problems identified by Ambassadors, (3) suggestions of inspectors, and (4) interest shown by officials in the White House, the Congress, and miscellaneous sources.

Prior to the planning cycle, the Inspector General requests suggestions for new inspections from the Under and Assistant Secretaries and other agencies' top officials. Most officials responded with suggestions to inspect problem areas of their particular interests and concerns. For example, the Under Secretary for Security Assistance listed about eight areas of his primary concerns. Shortly after, he made a specific request for a survey of executive branch organizations that deal with military security assistance to determine the optimal organization needed to support and assist the Secretary of State in discharging his statutory responsibilities for military security assistance. This request resulted in a planned, high-priority inspection in the next inspection quarter.

Ambassadors' concerns and views of problems they must handle in their day-to-day work in carrying out U.S. policy and programs overseas are discussed at exit conferences and at meetings when they are in the State Department.

IGA inspectors, in the course of their inspections, may identify potential problems for possible future inspections. The inspectors prepare memorandums for the Deputy IG suggesting inspections.

Still another input source, we were told, is specific interest shown by the White House and the Congress through personal contacts, hearings, and reports.

From these sources the Deputy IG prepares a work plan which is discussed with the IG and revised or approved. Usually the approval is verbal. The IG and his Deputy make the final decisions on which inspections will be included.

Comparison with previous IGA planning

Previous IGA planning was fragmented and disjointed, and no complete plan was prepared and approved. Although a planning director had been appointed, we found no approved and complete planning document for fiscal years 1975 and 1976. A proposed 1977 plan had been submitted, but only fragments of it were approved by the IGA. The planning director had prepared only the economic assistance program segment and military assistance planning was prepared outside of the established directorate of planning.

Further, we were told that the preparation of the economic assistance plan was time-consuming for the inspectors since they did the research and compiled most of the data for the plan preparation. If, at a later date, the inspection was scheduled and new inspectors were assigned to the project, a review and an update of the same data was required again.

The proposed economic assistance plan of the previous IGA consisted of listings of broad categories of economic assistance activities, number of man years allotted to each category, a compendium of data related to past reviews and audit areas, and suggestions for general review areas for further inspections. With time, the planning function under the previous IGA might have been modified as experience was gained; however, the planning function and plan seemed ineffective and lacked focus.

The current IGA inspection plan is simple, direct, and flexible because jobs are categorized by priority and contain high-level management inputs concerning problem areas which need to be addressed. It is too soon to assess the full impact these changes may have on IGA operations.

Inspections

The two Assistant IGs each head a group of inspectors and have direct line responsibility for the inspections from inception to completion.

The cycle begins with the IG or Deputy assigning one of the two Assistants an inspection selected from the work plan. The Assistant briefs the inspection team, then all meet with the Deputy to discuss the objectives, how the objectives were determined, the approach to the assignment, and the target dates.

The inspection team prepares a proposed inspection plan using data obtained from reviewing and examining reports issued by GAO, IGA, the AID Auditor General, and from relief organizations, contractors, and congressional hearings. The inspectors also discuss policy and programs with management officials responsible for actual operations and contact audit agencies of other departments as necessary.

The team prepares and gives the Assistant IG a summary work plan as soon as the basic research work has been completed, usually in 2 weeks. After reviewing the work plan, the Assistant IG decides whether additional work is necessary or whether objectives need to be modified. If a decision is made to proceed, the work plan is submitted to the IG through his Deputy for approval. We were told that the cycle from beginning of the inspection to its completion is about 90 days.

The Assistant IGs now have line responsibility, complete authority for inspections, and quick response access to high-level officials because the inspection teams now answer directly to them rather than through an additional layer of officials as under the previous Director of Inspections.

Reporting

The reporting function has remained substantially the same since the last GAO review. However, to speed up the report process, IGA is experimenting with the procedure of not obtaining written comments to draft reports from the agencies.

We were told that, because one IGA top management official attends both the inspection exit conferences in the field and with top agency officials in Washington, the verbal comments of agency officials at these conferences will be sufficient and reflected in the final inspection report, thus eliminating the time required to distribute the draft report and await written comments. This procedure is currently being used with AID. The Department of Defense is given 7 days to provide written comments to the draft report.

Although this procedure may speed up the reporting process, we firmly believe that written comments are essential to insure that the agency has an opportunity to provide a substantive response to the issues discussed in the report and to ensure a balanced perspective.

Coordination

Coordination of audit and inspections with other major U.S. agencies involved in foreign assistance has improved since the previous GAO review.

The IGA now receives, each 6 months, from the Auditor General of AID, Washington, as well as from all his worldwide regional Auditors General the audit workload and planning reports showing the status of each program and project and the next audit projects to be reviewed.

The IGA also receives from the Department of State through AID a "Quarterly Report of Reviews" which informs it of GAO reviews and surveys currently underway in AID.

We were told that contact with the Office of the Secretary of Defense Audit is infrequent because IGA works closely with and receives requests for inspection directly from the Defense Security Assistance Agency, which is aware of the Office of Secretary of Defense planned audits in the assistance areas.

Coordination with the Peace Corps and other minor agencies involved in foreign programs is done informally when an IGA inspection team is preparing inspection work programs.

Therefore, we were told that the information necessary to coordinate with the major agencies involved in overseas assistance activities--Defense, AID, and GAO--are available and are considered in planning inspection assignments.

ANALYSIS OF IGA REPORTS

Our prior review of IGA analyzed selected IGA reports and found that the scope and depth of inspections were generally within the purview of various internal audit activities and that the resulting recommendations were often directed at project-level management. We currently reviewed recommendations contained in fiscal year 1976 reports and found that they:

1. Reflected an effort to address more substantive issues.
2. Demonstrated that IGA, while often supplementing the internal audit function, has exercised its ability to perform certain review functions which normally would be beyond the scope of authority of the internal audit agencies.
3. Have improved in substance but that it is difficult to assess the value and cost savings resulting from the inspections.

Reports issued in 1976

During fiscal year 1976, 21 reports were issued on AID programs, 8 on Defense military assistance programs, and 1 on the Inter-American Foundation grant program; 15 of these inspections had been made in fiscal year 1975. Overseas Private Investment Corporation and the Peace Corps inspections were made but this work had not resulted in reports. All of the fiscal year 1976 reports were transmitted to the Office of the Secretary.

Memorandums were issued to State Department management on various inspections and a number of reports were in process at the end of the fiscal year.

Analysis of report recommendations and the scope of inspections

The 1976 IGA reports generally were more comprehensive than those prepared in prior years. In certain cases, the work could have been done by internal audit activities, and many of the recommendations were directed at Mission or project-level management. However, many reports reflected the inspectors' efforts to address more substantive issues and often the scope of the reviews were more extensive than those normally associated with the internal audit activities. These reports in most cases included the products of the higher paid inspectors.

The Inspector General and his Deputy both told us that they recognized the need for the reports to address more substantive policy and procedural issues and to identify those management problems that would be of interest to State Department upper-level management. They stated that they were attempting to do this both in the planning of reviews and in the performance of inspections.

A factor which we believe has resulted in disparities between the significance of the issues being addressed in some reports is that, on a number of occasions, more than one report was issued as a result of an inspection. IGA officials informed us that these reports were not consolidated because they wished to discuss the issues in depth, because of time differences in developing different aspects of the reports, or because of the belief that separate reports would be more effective in focusing management attention on the issues than would a longer report encompassing a variety of only slightly related issues.

Some policy issues raised by the Inspector General are discussed below. Some of these issues would most likely not be raised by the internal audit activities whose primary function is to evaluate compliance with established policy rather than to evaluate the policy itself.

Policy issues raised by
Inspector General

IGA inspectors recommended termination of programs in Indonesia carried out under Title II of Public Law 480, 83rd Congress. Such recommendations would be of interest to the congressional appropriation committees. In reviewing the U.S. drug program in a foreign country, the IGA recommended that (1) all drug-support responsibilities be transferred to the Drug Enforcement Administration, (2) U.S. advisory staff be increased incountry, and (3) commodity assistance requested in the Mission budget be funded.

The recommended consolidation of program responsibilities among different agencies is one of the multiagency review potentials which exists within IGA. We are not certain what role the IGA should have in establishing or recommending budgetary funding priorities, but this is an area which is probably not evaluated by internal and independent audit activities.

In reviewing the AID Housing Investment Guaranty Program, IGA raised certain overall program policy issues, including considering the incorporation of interest rate flexibility

into the program, obtaining congressional clarification of program legislation, and restricting loans to countries that have realistic housing policies. The review was extensive and involved inspections in more than 10 countries, meetings with World Bank and U.S. and foreign banking organization representatives, and consultations with congressional committee staffs.

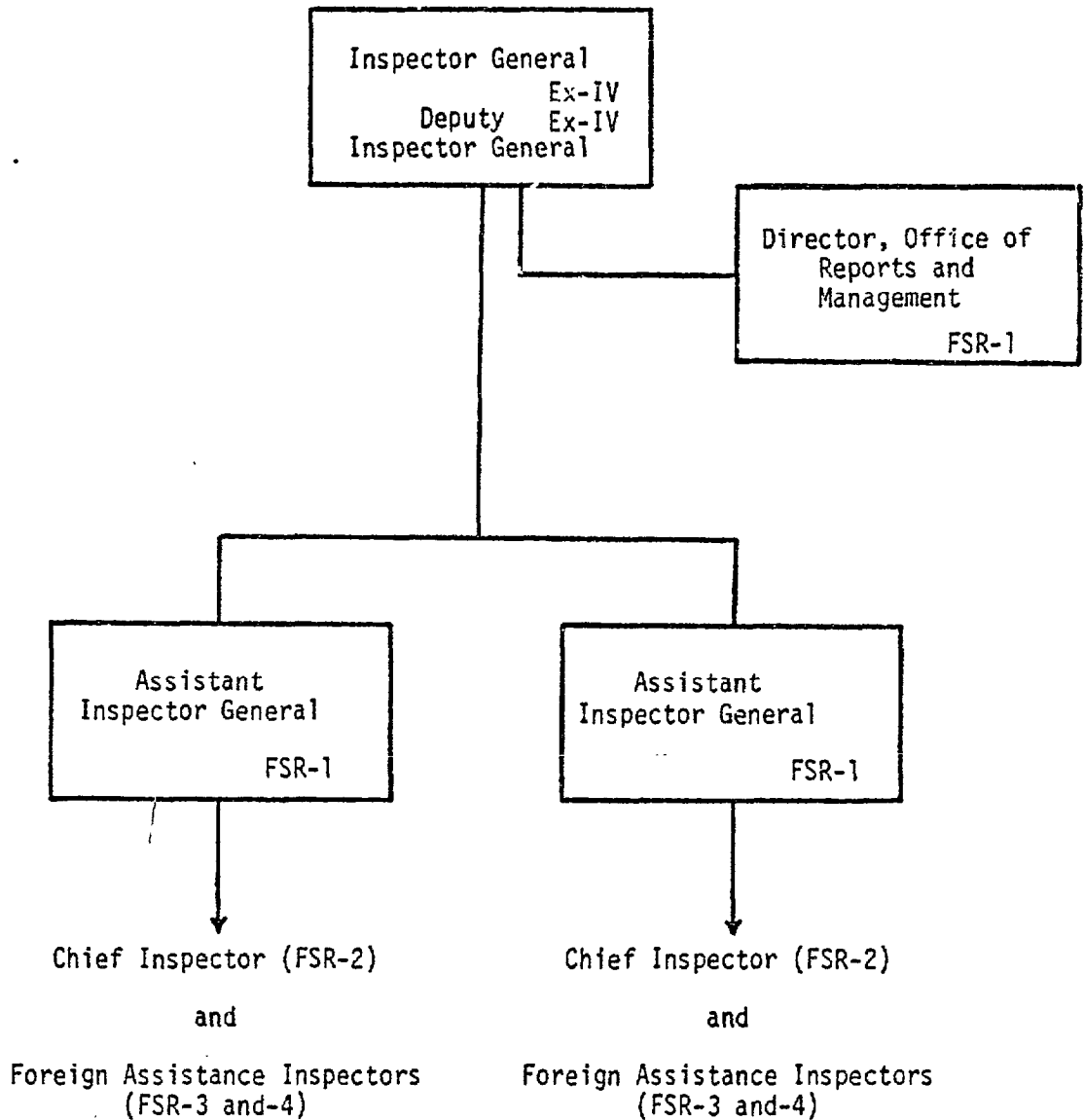
The IGA on one occasion reviewed a loan that AID was proposing for a Central American regional development bank. The IGA inspectors questioned the loan's maturity period, grace period, and interest rate. IGA discussed its findings with the staff of the Senate Appropriations Committee, which has asked AID to reconsider the loan very carefully. Whether the terms of the loan would be changed was not decided at the time of our review, but the questioning of proposed projects represents one area where IGA can be of substantial assistance to congressional appropriation committees.

Savings achieved

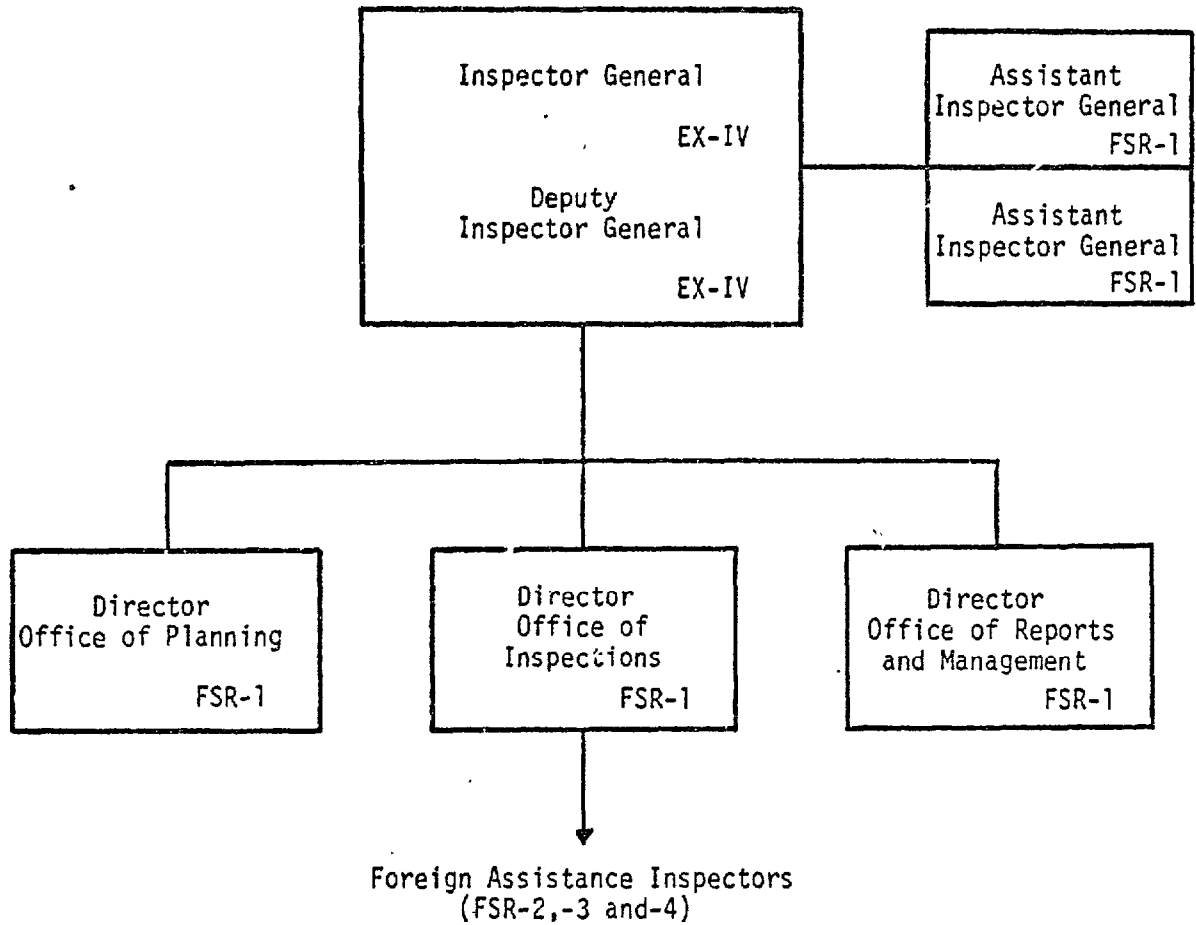
IGA officials advised us that they do not attempt to estimate savings resulting from their recommendations and had no estimation of savings that may have resulted from fiscal year 1976 reports. One exception to this was the review of the proposed AID loan noted above, for which IGA estimates savings of \$10.5 million if the terms of the loan are substantially changed.

We were unable to assess the savings resulting from IGA reports because (1) the actions recommended would often result in improved management but no specific tangible savings, and (2) either agency comments had not been received for several reports or IGA had not yet obtained compliance with the recommendations.

CURRENT IGA ORGANIZATION STRUCTURE



PREVIOUS IGA ORGANIZATION STRUCTURE



PROPOSED IGA STAFFING VERSUS ACTUAL ORGANIZATIONAL STRUCTURE

AS OF AUGUST 1, 1976

	<u>Grade</u>	<u>No. of positions</u>		
		<u>Proposed</u>	<u>Present</u>	<u>On board</u>
Inspector General	Ex-IV	1	1	1
Deputy Inspector General	EX-IV	1	1	1
Assistant Inspector General	FSR-1	2	2	2
Director, Office of Reports and Management	FSR-1	1	1	1
Chief Inspector	FSR-2	2	6	^a 4
Foreign Assistance Inspector	FSR-3	8	10	^b 6
Foreign Assistance Inspector	FSR-4	13	9	6
Administrative support staff	Various	<u>11</u>	<u>11</u>	<u>11</u>
		<u>39</u>	<u>41</u>	<u>32</u>

a Includes 2 inspectors and inspector positions scheduled for termination.

b Includes 2 GS-15 inspectors scheduled for termination; to be replaced with 2 FSR-4 inspectors.

THOMAS E. MORGAN, PA., CHAIRMAN

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Congress of the United States
 Committee on International Relations
 House of Representatives
 Washington, D.C. 20515

July 20, 1976

MARIAN A. CZARNECKI
 CHIEF OF STAFF

Hon. Elmer B. Staats
 Comptroller General
 General Accounting Office
 Washington, D.C.

Dear Mr. Staats:

In the Spring of 1975, the General Accounting Office, responding to this Committee's request, reviewed the operations of the office of the Inspector General, Foreign Assistance. In the report submitted to the Committee, your Office indicated that some changes were being made in those operations, but that more time was needed to see whether they would produce changes consistent with the intent of the legislation establishing the position of the Inspector General, Foreign Assistance.

In view of the passage of time since the submission of the above-mentioned report, the Committee would appreciate your cooperation in taking a second look at the Inspector General's operations and in advising us of the changes which have transpired there during the past year. Specifically, we would be interested to know what changes have occurred in the personnel of the Inspector General's office, in the quality of the reports prepared as a consequence of his staff's investigations, and in the responsiveness of the agencies concerned to the recommendations made in such reports. These findings should be accompanied by a brief evaluation of the relevance of the changes to the recommendations of the 1975 GAO report.

Because of the time limitations of this session of the Congress, it would be appreciated if the above updating of

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Hon. Elmer B. Staats
July 20, 1976
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your 1975 report could be completed no later than August 20th
and submitted to this Committee in the form of a letter report.

The staff of the Committee on International Relations will
be available to work with your Office in the resolution of any
questions which may arise in the course of this undertaking.

With best wishes, I am

Sincerely yours,



Chairman

TEM:mcd