



UNITED STATES GENERAL ACCOUNTING OFFICE  
 REGIONAL OFFICE  
 7014 FEDERAL BUILDING, 1661 STOUT STREET  
 DENVER, COLORADO 80202

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Mr. A. E. Jones, Manager  
 U. S. Atomic Energy Commission AGC00743  
 P. O. Box 2567  
 Grand Junction, Colorado 81501



Dear Mr. Jones:

We have made a review for the settlement of accountable officers' accounts during which we placed special emphasis on the system of administrative procedures and internal controls.

Our review included financial transactions for the 12-month period ended September 30, 1970. We reviewed selected accounting and internal controls and made such tests of receipt and disbursement transactions as we deemed appropriate. In the review, we considered the most recent audits performed by auditors from the Washington Controller's Audit Staff.

In accomplishing the objectives of this review we placed particular emphasis on the criteria set forth in the Comptroller General's letter, B-161457, dated August 1, 1969, to the heads of departments and agencies. In that letter, the Comptroller General pointed out that section 113 of the Accounting and Auditing Act of 1950 (31 U.S.C. 66a) requires the head of each executive agency to establish and maintain systems of accounting and internal controls, including appropriate internal audit, to provide, among other things, effective control over and accountability for all funds, property, and other assets for which the agency is responsible. He further stated that relative to functions of accountable officers, this responsibility includes providing assurance of the legality, propriety, and correctness of disbursements and collections of public funds, and that:

"In recognition that the basic responsibility for proper accounting and internal control is that of each agency, the GAO audit of accountable officers' functions will place its major emphasis on the adequacy and effectiveness of the accounting and internal controls, including

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Mr. A. E. Jones

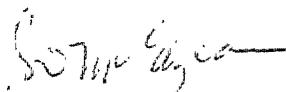
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internal audit, of the departments and agencies in assuring that the accountable officers' functions are discharged correctly and in accordance with the requirements of all applicable laws and regulations."

We found the Grand Junction Office system of administrative procedures and internal controls to be satisfactory in assuring that the accountable officers' functions were discharged correctly and in accordance with the requirements of all applicable laws and regulations.

We wish to acknowledge the cooperation shown our representatives during the review.

Sincerely yours,



S. D. McElyea  
Regional Manager