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

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MAY 14 1979

Mr. Richard A. Sessions  
Administrative Director  
Center for Uicer Research and  
Education  
Los Angeles, California 90073

DLG 1590

Dear Mr. Sessions:

[Comments on]

Thank you for your letter of April 11, 1979, forwarding your paper entitled "Federally Sponsored Research at Educational Institutions - A Need for Improved Accountability." As you requested, I would like to offer the following comments on your paper.

Your initial criticism of our report relates to our study methodology. You rightfully point out that the small number of cases we reviewed could not be considered a statistical sample. We did not, however, attempt to review a sufficient number of cases to develop a projectable sample, rather we were building on the number of reports that have been issued over the years by HEW and other Government agencies. We did, in our opinion, do enough work to satisfy ourselves that the problems reported by these agencies in the past were serious, were worthy of congressional consideration, and required corrective measures.

My principal problem with your paper is that it does not seriously address the real need to foster public trust and confidence in the manner by which the Government accounts for and administers huge sums of grant monies. You dwell on the cost of implementing additional accounting controls, but you fail to recognize the serious costs in terms of credibility and trust of not having good controls. We believe it is just as much in the interests of grantee institutions to have good accountability controls over grant funds as it is in the interests of the United States Government. It really serves no useful purpose for academia to reiterate that peer group reviews of the quality of the research accomplished should be sufficient to guarantee the "accountability" for Federal funds. We wholeheartedly believe that there must be financial as well as professional and quality accountability. I discussed this distinction in the kinds of accountability for university research in a speech which I gave on April 10, 1979 (copy enclosed).

I certainly agree with you that the problem is to find an acceptable and cost effective method of public accounting for grant funds.

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We in GAO are just as interested as you are in keeping the cost of accounting, administration, and paper work to a minimum. With this in mind, we would be happy to work with you, with the accounting profession, and with other interested parties in attempting to develop a reasonable and effective method for satisfying all of our objectives.

As you may know, we have followed the work of the National Commission on Research since its establishment and have kept in touch with members of the Committee on Accountability. Mr. Osmund Fundingsland of our Program Analysis Division has been our liaison to this group. If you would like to discuss this matter further, please contact him.

Sincerely yours,

(SIGNED) ELMER B. STARKS  
TILE USI 3 30000 CLN

Comptroller General  
of the United States

Enclosure