



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

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SEP 30 1981

The Honorable Richard S. Schweiker
The Secretary of Health and Human
Services



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Dear Mr. Secretary:

Subject: Approval of Accounting System Design for the
Office of the Assistant Secretary for Health,
Department of Health and Human Services
(AFMD-81-112)

It is my pleasure to approve the accounting system design
for the Office of the Assistant Secretary for Health. The
design which was submitted formally on September 23, 1981,
is adequate and in conformity with your approved Accounting
Principles and Standards.

The prescribed accounting requirements and the automated
system used for the activities of the Office of the Assistant
Secretary for Health are the same as for the Health Services
Administration accounting system which was approved on July 9,
1981.

Features which are unique to the Office of the Assistant
Secretary for Health are prescribed as an addition to the
Health Services Administration manual.

In our prior evaluation of the Health Services Administra-
tion's system design, which is used to process Office of the
Assistant Secretary for Health transactions, we looked at the
automatic data processing aspects primarily to determine their
adequacy as to internal controls, audit trails, data integrity
and consistency with the accounting specifications. Automated
aspects of the design relating to cost based and obligation
based operating plans have not yet been developed. We will
evaluate the automated design for these plans when they are
completed.

The system design provides for monthend travel expendi-
ture adjustments at the appropriation level for significant
amounts of unperformed travel. We suggest that, as part of

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the development of the automated design relating to cost based operating budget reporting, consideration be given to making these adjustments at the cost center level.

To maintain the approved status of the design, planned changes should be discussed with our representatives and, if deemed significant, submitted formally for approval.

We suggest that the Department of Health and Human Services internal auditors periodically review the system to assure that it is operating as prescribed. At some future date we will examine selected aspects of the system and advise you as to whether it is functioning effectively and in accordance with the approved design.

Please express our appreciation to your staff for their efforts and cooperation during our review.

Sincerely yours,

WILSON J. SOCOLAR

Acting Comptroller General
of the United States

cc: Mr. Phillip Kropatkin
Assistant Inspector
General for Auditing
Department of Health and
Human Services

bc: Mr. Campbell, (AFMD)
Mrs. Robinson, (AFMD)
Mr. Simonette, (AFMD)
Mr. Donlon, (AFMD)
Mr. Pewanick, (AFMD)
Mr. Kearns, (AFMD)
Mr. Leland, (AFMD)