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UNITED STATES GENERAL ACCOUNTING OFFICE
REGIONAL OFFICE
502 U.S. CUSTOMHOUSE, 2D AND CHESTNUT STREETS
PHILADELPHIA, PENNSYLVANIA 19106



MAR 22 1971

Mr. Lawton D. Geiger, Manager
Pittsburgh Naval Reactors Office
Atomic Energy Commission
P.O. Box 109
West Mifflin, Pennsylvania 15122

Dear Mr. Geiger:

We have completed our audit for the settlement of accounts of accountable officers at the Pittsburgh Naval Reactors Office, Atomic Energy Commission (AEC). This examination was made in accordance with the Budget and Accounting Act of 1921 (31 U.S.C. 53) and the Accounting and Auditing Act of 1950 (31 U.S.C. 65(d) and 67(a)).

We also draw your attention to a letter dated August 1, 1969, (B-161457) from the Comptroller General of the United States to the Heads of Federal Departments and Agencies. This letter reemphasized their responsibility to establish and maintain proper accounting and internal controls, including internal auditing, for functions of accountable officers. It also pointed out that future GAO audits would place major emphasis on reviews of the adequacy and effectiveness of the agencies' accounting and internal controls to provide assurance of the legality, propriety, and correctness of disbursements and collections of public funds.

Accordingly, our audit included a review of procedures and internal controls over the accounting for receipts and disbursements and the related responsibilities of the certifying officers. Compliance with procedures was determined by tests of transactions. We also reviewed recent internal audit reports and working papers prepared by the AEC field auditors.

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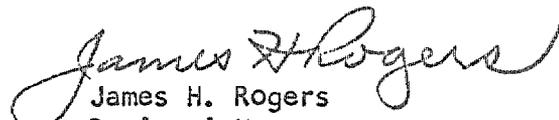
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Our review was completed in February 1971 and showed that administrative procedures and internal controls were adequate and that the financial transactions had been processed in a satisfactory manner.

In accordance with 8 GAO 3000, the records of financial transactions through June 30, 1970, may be transmitted to the Federal Records Center for storage.

We wish to thank you for the cooperation of your staff during our audit. If you have any questions regarding our review, please contact us.

Sincerely yours,


James H. Rogers
Regional Manager