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REPORT OF AUDIT
Office of Security

For the Period
1 April 1973 - 31 March 1974

GENERAL

1. The Office of Security (OS) expended [REDACTED] during the audit period. Of these expenses 78 percent are covered in separate audits of personal services (69%), proprietary project [REDACTED] (3%), and travel and transportation (6%). All OS accountable property is controlled through a single Type II account.

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SCOPE OF AUDIT

2. Our audit consisted of a review of financial and logistical records of the Office to determine whether transactions were proper, whether related reports were fairly presented and whether the Office had complied with Organization regulations and directives. We verified fund accounts, advances and property in use accounts on a selected basis. We did not determine whether the Office is managing or utilizing its resources in an economical, efficient and effective manner or whether its desired program results are being achieved or established objectives being met. [REDACTED]

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OBSERVATIONS AND RECOMMENDATIONS

3. Office of Security controls, procedures, and records were generally effective and in conformance with Agency regulations and directives. Prior audit recommendations, except for one involving controlling Technical Division property, have been satisfactorily resolved. Matters not considered of audit report significance were discussed with appropriate officials and resolved during the audit. Our observations and recommendations are detailed in the paragraphs below.

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Decentralize Property Accountability

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4. The OS logistics office has one Type II property account of \$5,945,000 covering all [REDACTED] MR property accounts. We found that having a single account of this size covering locations far removed from Headquarters caused problems and duplication of effort and records. Each [REDACTED]

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Recommendation: We recommend that the OS logistics seek authority to decentralize property accountability [REDACTED]

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Technical Division/Need
for Property Control

5. In response to a recommendation in the prior audit report the OS Technical Division has been trying for the past year to establish property records, restrict access, and control property movement. This has been hampered by having several technicians working on the property account at different intervals and not having one individual responsible for maintaining the records. This MR account, with over 600 line items of accountable property, has a value in excess of \$4 million.

Recommendations: We recommend that a separate account be established for technical property, an individual be assigned to control property, an inventory be taken, and all property not under control of the Technical Division be transferred to the appropriate property account.

Need for Inventory of Technical

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6. [REDACTED] has a number of accountable technical property items that are not recorded on their inventory. A number of these items were received from an OS proprietary and several obtained from [REDACTED]

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Recommendation: We recommend that an inventory be taken of the technical property [REDACTED] and all property recorded on the records.

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Daily Recording of
Disbursements Needed

7. Several custodians of imprest funds had not been recording disbursements on a daily basis. It is desirable to record cash transactions as they occur in order that a current record of transactions is available in the event of lost or misplaced documentation.

Recommendation: We recommend that cash disbursements be recorded daily.

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