



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

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April 26, 1979

Issue Area - 2800  
2300

The Honorable John M. Murphy  
Chairman, Committee on Merchant  
Marine and Fisheries HSE 02700  
House of Representatives

Budget - 1002  
0302

Dear Mr. Chairman:

Reference is made to your request dated January 23, 1979, for our  
[comments on H.R. 806, 96th Congress, which would establish an independent  
agency in the executive branch of the Government, to be known as the National  
Zoological Foundation] ID

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Functions similar to those of the new agency, however, are presently  
performed by existing agencies of the executive branch. To avoid over-  
lapping or duplicative functions, ~~we believe that~~ the functions of the pro-  
posed Foundation should be placed within the framework of an established  
department, such as the Department of Agriculture, and functions competing  
with those of other agencies should be combined or deleted.

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For example, the Animal and Plant Health Inspection Service (APHIS) of  
the Department of Agriculture, under the provisions of the Animal Welfare  
Act of 1970 (7 U.S.C. 2131), establishes and enforces minimum standards for  
the care and handling of animals used for research, experimentation, exhi-  
bition, or sale as pets. Zoos, carnivals, and circuses are some of the orga-  
nizations that must comply with such standards. Under section 2(a)(3) of  
the proposed legislation, the Foundation would establish standards of accred-  
itation for zoos and aquariums beyond and in addition to the requirements  
set forth in the Animal Welfare Act. It would seem that these related  
functions should be performed by the same agency in the interest of efficiency  
and economy of administration.

Further, under section 2(a)(6) of the proposed legislation, the Foun-  
dation would make grants for the purpose of establishing "survival centers"  
for the breeding, care, and perpetuation of endangered species. This function  
would duplicate that of the Department of the Interior under the Convention  
on International Trade in Endangered Species of Wild Fauna and Flora. The  
Department of the Interior's Fish and Wildlife Service, through its Federal  
Wildlife Permit Office, carries out the Convention's provisions and is respon-  
sible for designating "rescue centers" to look after the welfare of living  
endangered species, particularly those confiscated at ports of entry. To date,  
no Federal rescue centers have been established; but as a result of an on-  
going review, the General Accounting Office plans to propose establishment of

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such centers supported with funds from the disposition of confiscated species' parts and items. We believe that the function contemplated under section 2(a)(6) of H.R. 806 should be combined with that presently assigned to the Fish and Wildlife Service.

↘ If it is decided to create the Foundation as an independent agency rather than placing it within an established department, ~~we suggest that~~ the following changes be made in the provisions governing the Foundation's administration <sup>2</sup>

Section 2(d) <sup>waives</sup> provides that it should be one of the objectives of the Foundation to strengthen and improve the quality of zoos and aquariums throughout the United States and to encourage original and innovative programs. This function apparently is to be carried out only in a supportive manner through grants and contracts for programs, projects, studies, exchange of information, and research. The bill contains no enforcement authority to assure the quality of zoos and aquariums in accordance with the accreditation standards recommended by the Foundation. It would be desirable to clarify the responsibility for assuring compliance with the standards.

Section 4(a) of the bill provides that <sup>the</sup> Director of the Foundation ~~is~~ to receive basic pay at the rate provided for ~~level II of the Executive Schedule.~~ <sup>Howell</sup> We question the appropriateness of ~~this classification.~~ The Executive Schedule classifies the top positions of the executive branch into five levels. In general, the types of positions assigned to each of the levels by 5 U.S.C. 5312 to 5316 are as follows:

- Level I      Cabinet officers
  
- Level II     Deputy Secretaries of departments, Secretaries of military departments, and heads of major agencies, such as Director, Office of Management and Budget; Director of Central Intelligence; and Chairman, Board of Governors of the Federal Reserve.
  
- Level III    Under Secretaries of departments and heads of middle level agencies such as Administrator of General Services; Chairman, Securities and Exchange Commission; and Commissioner of Internal Revenue.
  
- Level IV    Assistant Secretaries and General Counsels of departments, members of certain Boards and Commissions, and heads of smaller agencies such as Director of Public Roads; Director, Bureau of Prisons; and Commissioner of Immigration and Naturalization.
  
- Level V     Administrators, commissioners, directors, and members of Boards, Commissions, or units of agencies such as

Administrator, Farmers Home Administration; Commissioner of Customs; and Director, Bureau of the Census.

We do not have a suggestion as to how the <sup>*The classification of*</sup> Director of the Foundation should be classified. Such a determination would require an examination of the relative contribution to national programs and objectives of that and other executive branch positions. We believe it is evident, however, that the position is not comparable in authority and responsibility with positions currently at level II.

*Proposed legislation*  
Section 8(d) would give the Foundation authority to make, advance, progress and other payments without regard to the provisions of section 529 of Title 31. It is unclear why this exception to existing legislation is considered necessary. We would not recommend granting such an exception without adequate justification.

Section 8(i) would give the Foundation authority to prescribe, with the approval of the Comptroller General, the extent to which vouchers for funds expended under contract for research are to be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure of public funds and accounting therefore. We know of no compelling reason why the Foundation should be granted such authority. The Foundation, if established, should be subject to the same laws relating to the expenditure of public funds and accounting as other Federal agencies, many of which likewise award contracts for research. Also, the intent of this section could be self-defeating in that the principles and standards for governmental accounting relating to expenditure of and accounting for public funds would be the basic criteria used in evaluating whether the extent to which the Foundation would require substantiation for this type voucher is approvable by the Comptroller General. If, however, this section is enacted it should specify that Comptroller General approval must be obtained in advance of the Foundation incurring expenditures.

*The authority to appoint*  
Section 9(a) would authorize <sup>*would have*</sup> the Director of the Foundation to appoint and fix the compensation of technical and professional personnel, without regard to civil service requirements and classification laws. <sup>*the Foundation should*</sup> We question the need for this authority because the Foundation should, like other Federal executive agencies, be able to recruit qualified personnel within the framework of the civil service system. The same comment applies to the appointment of professional staff members for assignment to the National Zoological Board under section 3(g) which authorizes such appointment without regard to civil service and classification laws.

→ The bill does not provide for the authority of the Foundation and the Comptroller General to audit the records of recipients of grants, scholarships, fellowships or other payments under this legislation. We suggest that the following language <sup>*should*</sup> providing for access to records and audit authority be incorporated in the proposed legislation.

"Sec. (a) Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts or other arrangements, entered into under other than by formal advertising procedures, and which are otherwise authorized by this Act, shall keep such records as the (head of the department or agency) shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The (head of such department or agency) and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of 3 years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers and records of such recipients which in the opinion of the (head of such department or agency) or the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants or other arrangements referred to in subsection (a)."

*See addition*

We note that the bill contains no requirement for evaluation of the programs by the Foundation. It is our view that program evaluation is a fundamental part of effective program administration and that the responsibility for evaluation should rest initially upon the agencies. In line with this concept, we believe the Congress should specify the kinds of information and tests which will enable it to better assess how well programs are working and whether alternative approaches may offer greater benefits. We will be happy to work with the Committee in developing such specific language if you wish.

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The suggested additional section of the bill, which would specifically give the Comptroller General access to the records of the organizations which would receive grants or contracts under the provisions of the bill, might require us to incur some costs to audit these records. A decision to audit such records would depend on many factors such as congressional interest and the size of the grants or contracts and we are unable to estimate such costs at this time.

Sincerely yours,

*R. F. K. 11/14*

Deputy Comptroller General  
of the United States