

150444

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FOR RELEASE ON DELIVERY  
EXPECTED AT 9:30 A.M.  
SEPTEMBER 16, 1986

STATEMENT OF  
HOWARD G. RHILE, ASSOCIATE DIRECTOR  
BEFORE THE  
SUBCOMMITTEE ON ENVIRONMENT, ENERGY AND NATURAL RESOURCES  
COMMITTEE ON GOVERNMENT OPERATIONS  
HOUSE OF REPRESENTATIVES  
ON THE  
STATUS OF EFFORTS OF THE  
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT TO IMPROVE  
ADMINISTRATION OF THE SURFACE MINING CONTROL AND  
RECLAMATION ACT

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss the Department of the Interior's comments on our July 28, 1986, report on the Office of Surface Mining Reclamation and Enforcement's efforts to revise its automated Collection Management Information System. The Department's comments were contained in a statement that was to be delivered by the Office's Director before your Subcommittee on September 9, 1986. As you know, that statement was not delivered because you postponed the hearing until today when a key witness did not appear.



130999

030685

In his statement, the Director characterized our report in this way, and I quote: "It appeared to us that GAO had mirrored the pre-conceived perceptions contained in your letter of November 18, 1985...". That was your letter requesting us to review the Office's efforts to revise the system. The Director went on to say that, because of this, "The report's objectivity and utility was (sic) severely handicapped by a clear attempt to meet the client's pre-established dictates."

We strongly disagree with this characterization and thank you for the opportunity to set the record straight about the Director's apparently uninformed comments questioning the objectivity and utility of our work. GAO has strict and well-defined auditing and reporting standards. Our adherence to these standards has given us a well-earned reputation for objectively reporting on the facts as we find them. For example, at the conclusion of our work, we met with Office officials directly responsible for managing the revision effort to confirm the accuracy of the facts contained in our report.

Mr. Chairman, the fact that our report confirms poor management practices previously identified and reported on by this Subcommittee should not be used as a basis to challenge the objectivity and utility of our report. Your investigations found that the Office had been attempting to develop a case management system since 1982. The result of its efforts was a system which contained inaccurate data and which could not produce sound management information. Our report shows that almost 4 years after the automation effort began, the Office's problems continue.

For example, we found that, although the old system had some serious problems, these problems were caused by a lack of management expertise in the Office. To

illustrate, the old system did not have any internal controls over the inputting of data. This contributed to an error rate in the system's data base in excess of 50 percent. This lack of internal control over the inputting of data occurred because, according to the Office, it had not recognized the need for such controls.

In his September 9, 1986, statement, the Director also addressed nine specific issues regarding our report. In some instances, his comments were contrary to the evidence. For example, he said that we did not accurately report the facts regarding the Office's quality assurance test which was used to verify the accuracy of information in the new system's data base. We reported that the Office had not used a statistically valid methodology in performing its test. As a result, the test results could not be used to project the accuracy of data in the new system's data base. It is important for this data to be accurate as it is needed for timely processing and collection of penalties imposed for violations of the Surface Mining Act.

In his statement, the Director said that the Office did not intend its test to be statistically valid. In performing the test, the Director said that emphasis was placed on those cases which came from portions of the data base that appeared to be most error-ridden and where accuracy was most essential.

This position is contrary to the Office's previous position on this matter. In its January 18, 1986, report on the results of the quality assurance test, the Office stated that cases reviewed were randomly selected to ensure impartiality. The Office's quality assurance test manager, in interviews on March 17, March 31, and May 29, 1986, said that the Office had conducted a statistically valid test. However, as pointed out on page 10 of our report, the test was not statistically valid because samples were not selected from the entire universe of cases and the cases were not

selected randomly. The results, therefore, could not be used to project errors in the data base.

In another example, we were criticized for cutting off our audit work early to give a distorted picture of what the Office was really doing. To illustrate, the Director said that by reporting that the Office had not yet developed front-end edit routines as of June 20, 1986, we had failed to recognize that the edit routines were operational by the originally scheduled date of July 1, 1986. He did not mention that, in the next sentence, we stated that the Office planned to complete these routines by July 1986.

This concludes my prepared statement, Mr. Chairman. We have prepared a detailed analysis of the statement as it relates to our report. I would like to request that our analysis be entered into the record of this hearing.

I would be glad to respond to questions you or other members of the Subcommittee may have.