Text as published on gao.gov, https://www.gao.gov/products/b-155253, archived 2026-07-10. GAO published no original file for this decision. Rendered by Comptroller Desk.

B-155253, Aug. 20, 1969

Number: B-155253

Date: 1969-08-20

B-155253, AUG. 20, 1969

TO MR. SECRETARY:

REFERENCE IS MADE TO THE LETTER OF APRIL 9, 1969, COPY ATTACHED, FROM MR. J. H. SHAFFER, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION, OF YOUR DEPARTMENT, HEREINAFTER FAA, REQUESTING APPROVAL OF FAA'S ADOPTION OF THE SMALL PURCHASE PROCEDURES, WITH CERTAIN MINOR REVISIONS, PRESCRIBED FOR THE MILITARY SERVICES IN PARAGRAPH 3-606 OF THE ARMED SERVICES PROCUREMENT REGULATIONS.

UNDER THE PROPOSED PROCEDURES, THE NORMAL INTERNAL CONTROL AFFORDED BY THE PHYSICAL MATCHING OF RECEIVING REPORTS WITH PURCHASE ORDERS AT THE CERTIFYING OR DISBURSING OFFICE PRIOR TO PAYMENT, AS REQUIRED BY THE FAA'S STATEMENT OF ACCOUNTING PRINCIPLES AND STANDARDS WOULD NOT BE PROVIDED. THEREFORE, IT SEEMS ESSENTIAL THAT ADEQUATE INTERNAL AUDITS AND REVIEWS BE PROVIDED TO ASSURE REASONABLY SUFFICIENT COMPLIANCE WITH PRESCRIBED PROCEDURES PERTAINING TO TIMELY NOTIFICATION OF THE CONTRACTING OFFICER BY CONSIGNEES IN THE EVENT OF LOSS, DAMAGE, OR NONCONFORMITY WITH PURCHASE REQUIREMENTS, AND IF THE GOODS ARE NOT RECEIVED IN PROPER CONDITION THAT STEPS ARE TAKEN TO SECURE THEIR REPAIR OR REPLACEMENT BY THE VENDORS IN ACCORDANCE WITH THE CONTRACT TERMS.

MEMBERS OF OUR STAFF DISCUSSED THE NEED FOR SUCH AUDIT COVERAGE WITH REPRESENTATIVES OF FAA RESULTING IN OUR OFFICE BEING FURNISHED AUDIT PROCEDURES WHICH ARE TO BE AN INTEGRAL PART OF THE TOTAL SMALL PURCHASES PROCEDURES, NAMELY FAA'S GUIDELINES FOR AUDIT OF SIMPLIFIED PAYMENT PROCEDURE FOR SMALL PURCHASES AND FAA'S HANDBOOK 2700.3, ACCOUNTING PRINCIPLES, CONCEPTS AND PROCEDURES. WE CONSIDER THESE ADDITIONAL AUDIT PROCEDURES TO BE REASONABLE AND ADEQUATE.

ACCORDINGLY, THE PROPOSED SMALL PURCHASE PROCEDURES AS AUGMENTED BY THE INTERNAL AUDIT PROCEDURES AGREED UPON ARE APPROVED FOR USE BY THE FAA.