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Federal Accounting System Needs Overhaul To Curb Government Waste, Legislators Say

**Bookkeeping Czar Sought
By Some To Untangle
A 'Crisis' Situation,
Plug Up Leaks**

By Harry Lenhart Jr., *Investor's Daily*

WASHINGTON — A group of Republican congressmen are busily beating the drums to draw new attention to an increasingly critical issue: the snarl of fragmented, often antiquated accounting systems the federal government relies on to prepare its books.

In a recent white paper, the congressmen described the government's bookkeeping as "a system in crisis," and contended that a tangle of special-purpose, incompatible accounting systems

was producing financial data on federal programs so unreliable that it represented waste running into billions of dollars.

Lawmakers cited a few of a long litany of accounting failures uncovered by the General Accounting Office. The Pentagon, they said, failed to account for more than \$600 million in advance payments from foreign customers for weapons systems purchases. Federal agencies, they said, incurred losses of \$350 million annually because they either paid their bills too late and incurred interest penalties or paid them too early and forfeited interest income.

The President's Private Sector Survey on Cost Control, better known as the Grace Commission, in its 1982 study of

waste in government found that improved management of cash flow, receivables and other financial assets could yield about \$23 billion in cost savings and revenue enhancements.

Last week, a procession of accounting experts from the private sector, academia and government paraded before the group that issued the paper, the House Republican Research Committee's task force on federal budgeting and financial management, headed by Rep. Joseph DioGuardi, R-N.Y.

The financial-management issue may find its way into the Republican platform later this month at the GOP convention in New Orleans. The American Institute of Certified Public Accountants

Federal Accounting / page 34