

089291



UNITED STATES GENERAL ACCOUNTING OFFICE  
REGIONAL OFFICE

149 FEDERAL OFFICE BUILDING, 50 FULTON STREET  
SAN FRANCISCO, CALIFORNIA 94102



IN REPLY REFER TO

84823

OCT 7 1970

Commanding Officer  
Hunters Point Naval Shipyard  
San Francisco, California 94135

Dear Sir:

We made a review of the propriety of severance payments to ~~separated~~ <sup>at</sup> Hunters Point employees. Our review, which was completed on July 8, 1970, was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act, 1950 (31 U.S.C. 67).

We reviewed the procedures for determining whether an employee is entitled to severance pay and for computing the amount to which he is entitled. Our review included a selected sample of 37 Hunters Point employees and 6 Naval Radiological Defense Laboratory (RADLAB) employees in order to evaluate the effectiveness of the procedures and the accuracy of the computations. We found that the procedures for maintaining and reviewing the information in an employee's Official Personnel File (OPF) should be revised. The results of our findings were discussed with Hunters Point officials, and are summarized below for your information.

Procedures for Computing and Reviewing Severance Pay

The clerks who compute the amount of an employee's severance pay ascertain the length of creditable service by subtracting any non-creditable Federal service from the employee's Service Computation Date. We believe that this procedure contributed to the three errors we found which resulted in severance pay overstatements totaling \$578. Two employees' severance pay funds were overstated because of incorrect Service Computation Dates. A third employee's severance pay was overstated because the clerk did not subtract all the non-creditable military service from the Service Computation Date.

We believe that the length of creditable service should be computed by adding the periods of Federal service as shown on various documents in the employees OPF. The supervisor in reviewing the original computation could use the Service Computation Date method to confirm the accuracy of the length of creditable service.

944577

089291

Commanding Officer  
Hunters Point Naval Shipyard

- 2 -

We found that errors in computations overstated one employee's severance pay fund by \$43 and understated another's by \$206. In six other cases each employee had differing birth dates shown on various documents in his OPF's. Four of these variations could have affected the employee's severance pay computations.

We believe these errors could have been avoided if Hunters Point had a systematic review and verification of all information in the employee's OPF. Hunters Point officials told us that they would evaluate the present procedures and determine what corrective action would be feasible to prevent future errors.

We would appreciate your comments on the above matters and information regarding any action you plan to take. A copy of this letter is being sent to the Director, Naval Area Audit Service, San Francisco.

Very truly yours,



A. M. Clavelli  
Regional Manager